

of the Department is Secretary to the Board. Members and officers of the Board appointed were as follows: Messrs. L. J. Schmitt (Chairman); J. F. Balck, G. W. Relat, N. Rowling, H. A. Thorn (representatives of growers); G. Husheer, R. B. Smith, K. A. Sneddon, A. H. Spratt (representatives of manufacturers); and H. L. Wise (Secretary). Messrs. G. Husheer and R. B. Smith resigned from the Board at the end of April, and on the 2nd June Messrs. E. M. Hunt and C. C. Nash were appointed to fill the vacancies.

The importance of the tobacco-growing industry as a field for the absorption of labour has been steadily kept in view both by the Board and by the Department of Industries and Commerce, and consideration has been given by both bodies to a long-range plan for the development of the industry. As this, however, involves adjustments both to the Customs tariff and sales-tax, the Government has not yet been able to give its approval to the full scheme. The scheme has, however, been adopted in a somewhat modified form as here outlined.

To prevent the sale of leaf, especially surplus leaf produced over and above contracts, at very low prices unprofitable to growers, the Board recommended to the Government that regulations should be passed fixing a minimum price for leaf. The Government acceded to the request of the Board, and regulations were accordingly passed under the Board of Trade Act, 1919, on 18th November, 1936, fixing a minimum price of 1s. per pound free on board ship at Motueka or Nelson in the case of tobacco grown in the Nelson Provincial district—the principal growing district—and in the case of tobacco grown in any other district, 1s. per pound free on board or free on rail at the port or railway-station which is nearest to the place at which the tobacco is grown.

These regulations covered leaf of the 1935–36 season and expired on 31st March, 1937. Further regulations increasing the minimum price from 1s. to 1s. 2d. per pound and covering leaf of the 1936–37 season were passed on 9th April, 1937, and these will expire on 31st March, 1938.

These regulations have done a great deal to stabilize both the growing and the manufacturing branches of the industry and have been effective in eliminating one of the causes of the chaotic conditions which had at one time been so marked a feature of the industry.

So far as the actual prices for the 1936–37 season's leaf are concerned, following upon action taken by the Government and by the Board, representatives of certain manufacturers met growers at a very large meeting held at Motueka on the 20th May, 1937. As the outcome of this meeting, manufacturers undertook to pay such prices for the 1936–37 season's leaf as would return to the growers an average of approximately 2d. per pound more than the average price received for the 1935–36 season's leaf.

So far as the 1937–38 season's leaf is concerned an investigation is at present being made into the cost of production of leaf in the Nelson and Motueka districts, and when this survey is completed and the results available the cost figures will be utilized to form the basis for the determination of prices for next season's leaf. Wages to be paid to employees in the tobacco-growing industry for next season are at present the subject of negotiations between representatives of growers associations and representatives of the New Zealand Workers' Union. The proposals of the Board, so far as prices for next season are concerned, envisage a definite fixation of prices in relation to grades.

A further aspect of the Board's plan, and a very important aspect, is that which has relation to research into diseases affecting tobacco-plants and tobacco-leaf. In this connection the Board has taken definite steps to assist in an immediate research programme by making a grant of $\frac{1}{4}$ d. per pound on both the 1935–36 and 1936–37 season's crops. A research Committee has recently been appointed consisting of representatives of the Departments of Scientific and Industrial Research, Agriculture, and Industries and Commerce, together with representatives of the Cawthron Institute, Tobacco Board, and tobacco-growers.

This Committee recently decided upon the immediate purchase of approximately 15 acres of land in the Nelson or Motueka district on which will be erected a research station. As soon as the erection of this station is completed a programme of research will be proceeded with with all speed. The problem of "mosaic" disease will be one of the first problems to be tackled by the research station, this being one of the most serious difficulties with which the growing industry is faced to-day.

ONION-GROWING INDUSTRY.

Representations were made to the Government during the year concerning the desirability of action being taken to develop the onion-growing industry in New Zealand, and particularly to safeguard onion-growers from the effects of unnecessary importations of onions from abroad.

Low prices over a period of years had rendered the growers' lot a somewhat unstable one, and it was felt by the industry that some scheme of control was necessary whereby assistance and encouragement to growers could be given and whereby New Zealand could be made more nearly self-supporting in her requirements of onions.

A Committee consisting of one officer from each of the Departments of Agriculture, Customs, and Industries and Commerce was accordingly set up to inquire into the position. After consultation with the growers both in the Canterbury and Pukekohe areas this Committee submitted a comprehensive report to the Government on the matter, and, as the outcome, regulations were passed under the Board of Trade Act, 1919, on 18th March, 1937, to give effect to a scheme to cover onions of the 1936–37 season's harvest.

The regulations provide for the grading of onions by the grower, for the fixation of minimum prices at which onions could be sold by and bought from growers, for the fixation of merchants', auctioneers', and brokers' margins of profit, for the making of monthly returns of sales and purchases by growers and by merchants, auctioneers, and brokers to the controlling authority—namely, the