

Department of Agriculture—which administers the regulations, and for the setting-up of two advisory committees, one in the North Island and one in the South Island, for the purpose of advising the controlling authority on matters affecting the industry.

Some difficulties occurred in the Canterbury district following upon the passing of the regulations, a section of the trade claiming that the regulations through the fixing of merchants' margins were hampering sales. These difficulties were, however, mainly caused by misunderstanding and misinterpretation of the regulations. In the other onion-growing districts no difficulties at all have been experienced.

Coincidentally with the passing of the regulations, an Order in Council was gazetted prohibiting the importation of onions save with the consent of the Minister of Customs.

One of the principal difficulties that growers have had to contend with in the past and an important factor in keeping the price of New Zealand onions low at certain times of the year has been the competition of imported onions. The control of importations of onions from abroad is consequently an important feature of the present scheme.

The possibility of introducing a more complete scheme for next season is now under consideration, the regulations which were passed being of the nature of a temporary scheme for the 1936-37 season only. There was not time before the harvesting of this season's crop for the Government to give full consideration to a complete scheme of control embodying a guaranteed price.

Owing to the 1936-37 season being unfavourable climatically to onion-growers' supplies of locally-grown onions will probably be exhausted earlier this year than usual, and as supplies will not come to hand from America for some little time to come arrangements have recently been made for supplies to be made available from Victoria to tide over the temporary shortage which would otherwise occur. As mentioned above, the regulations are administered by the Department of Agriculture, the Board of Trade Act merely being the vehicle for the passing of the regulations.

INVESTIGATION INTO THE MARKETING AND HANDLING OF FRUIT AND VEGETABLES.

During the year an exhaustive inquiry into the marketing and handling of fruit and vegetables was conducted by the Fruit Marketing Committee comprised of an independent Chairman, Mr. Alfred Coleman, and an officer of each of the Departments of Industries and Commerce, and Agriculture.

The Committee's order of reference was an extensive one and embraced all phases of the marketing and distribution of New-Zealand-grown and imported fruits and vegetables.

The small fruits, citrus, and hop industries of the Dominion were made the subject of special investigation by the Committee, whose work included a review of the packing, grading, standardization, transport, cool storage, wholesale and retail distribution, including costs of distribution, Asiatic competition, and the utilization of fruit and vegetables for canning and other purposes.

Sittings were held continuously from the 5th August to the 27th October, 1936, in Dunedin (twice), Roxburgh, Alexandra, Christchurch, Hastings, Tauranga, Auckland, Kerikeri, Wellington (twice), Nelson, and Motueka.

During that time 260 witnesses, comprising growers, wholesale fruit-merchants, brokers, retailers, jam and preserved-fruit manufacturers, and representatives of transport, labour, and other interests gave evidence before the Committee.

The Committee completed its report in January of this year, and this was made available for publication at the end of April.

Briefly and broadly summarized, the report of the Committee recommends that the Government formally assume control of four horticultural commodities by amending and extending the Primary Products Marketing Act.

In order to improve the existing unorderly system of marketing, the Committee suggests that the producers should be organized into marketing authorities for the better handling and control of the sale and distribution of their produce.

Such authorities would be subject to the direction of the Internal Marketing Department rather than under control. Compulsory standardization of certain fruits, notably pears and apples, and the elimination of low-grade fruits from the markets is also advocated by the Committee and is calculated to improve the tone generally within the industry.

The desirability of reducing the number of auctioneers operating in the various centres throughout the Dominion is also stressed as a means of minimizing the overhead which the industry has to carry.

In addition, the opening of trust accounts by auctioneers and wholesalers, together with uniform systems of accounting, case-charging, and commissions, are also dealt with in the report.

So far as the system of retail distribution is concerned, the Committee deals at length with the wasteful practices obtaining in this section of the fruit trade. There are apparently too many retailers of fruit and vegetables and this has resulted in a very costly and wasteful form of distribution. Licensing is recommended for the purpose of limiting the number of new entrants into this section of the trade and also as a means of gradually reducing the numbers already in it.

The introduction of cheaper systems of selling fruit and vegetables by means of hawkers, street barrows, and retail stores or marts is also recommended.

With regard to imported fruits, the Committee recommends that a scheme of controlled distribution be introduced for bananas and oranges which are produced in the Dominion's dependencies and Mandated territories as these are already under Government control.

In the special section of the report dealing with the hop industry it is recommended that a hop-marketing authority be established to control the sale and distribution of hops. This authority, although primarily controlled by the producers themselves, would, if established, be subject to the overriding authority of the Marketing Department.