

A total of 53 claims was received from growers during the first year that the fund was in operation. Of these, 41 claims were allowed, in that they qualified in terms of the regulations. The quantity of leaf covered by compensation was 62,178 lb., while the aggregate value was £1,251 6s. 5d. An analysis reveals that, of this total, 18,194 lb. was on account of frost, 11,153 lb. was destroyed by hail, while 32,831 lb. was lost through flood.

In view of the fact that it was necessary to gazette regulations in connection with the Tobacco Growers' Insurance Reserve, opportunity was taken to have all the regulations and amendments under the Tobacco-growing Industry Act, 1935, brought up to date by means of a consolidation of the relevant regulations under the title of the "Tobacco-growing Industry Regulations 1945."

The following table supplies comparative figures of growers, acreage, and production for the past seven seasons :—

Season.	Number of Growers.	Acreage licensed.	Production.
			lb.
1938-39	342	2,225	1,423,610
1939-40	339	2,570	2,217,040
1940-41	381	2,963	3,143,355
1941-42	381	3,063	2,721,539
1942-43	360	2,960	3,185,183
1943-44	414	3,106	3,083,094
1944-45	487	3,383	3,286,067

On the manufacturing side, supplies of pipe and cigarette tobacco and cigarettes from local and overseas sources in 1945 totalled 6,649,324 lb. The production rate during 1946 has increased and present indications are that the figures for the record year (1944) will be exceeded.

Import licenses have been granted for 1,300,000 lb., calculated to cover the estimated deficiency from local production.

MOTION-PICTURE INDUSTRY

There have been no changes of a major nature during the year in the number of licenses issued for the exhibition of motion pictures. Statistics published during the year show how heavily motion pictures are patronized in New Zealand, although there has been some recession in this respect from the peak number of admissions (38,256,659 for the year) in 1943-44. Some theatres call for reconstruction and others for extensive renovation, but with the continued intense demand for building-materials and labour it is not possible yet to state when the materials required can be released for these works.

Amending regulations have been introduced in the interests of the rehabilitation of ex-servicemen, and it is now necessary for the licensing officer to consider the claims of ex-servicemen for exhibition licenses, and the Director of Rehabilitation is entitled under the amending regulations to be considered as a person materially affected and is thus able to make representations on behalf of ex-servicemen.

The question of film-supply formed a subject of inquiry during the year in so far as Auckland City was concerned, but a satisfactory agreement was arrived at as a result of the efforts of the Department, in association with the Chief Inspector of Films.

The Department has continued to take part in the deliberations of the Film Industry Board, which now meets at regular two-monthly intervals, and a wide range of matters affecting the industry have been dealt with by the Board. As indicated in last year's report, in spite of the difficulties of keeping theatres up to pre-war standard on account of the shortage of materials, the industry has continued to give good and adequate service to the community.