

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

FRIDAY, 27 OCTOBER 1933

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QUEENSLAND PARLIAMENTARY DEBATES.

Legislative Assembly.

SECOND SESSION OF THE TWENTY-SIXTH
PARLIAMENT

APPOINTED TO MEET

AT BRISBANE ON THE FIFTEENTH DAY OF AUGUST, IN THE TWENTY-FOURTH YEAR OF
THE REIGN OF HIS MAJESTY KING GEORGE V., IN THE YEAR OF OUR LORD 1933.

[VOLUME 2 OF 1933.]

FRIDAY, 27 OCTOBER, 1933.

Mr. SPEAKER (Hon. G. Pollock, *Gregory*)
took the chair at 10.30 a.m.

QUESTIONS.

COMMONWEALTH GRANT FOR RELIEF OF WHEATGROWERS.

Mr. DEACON (*Cunningham*) asked the
Secretary for Agriculture—

“Will he give full details of expendi-
ture of the amount of £40,744 supplied
by the Commonwealth Government for
the relief of wheatgrowers?”

The SECRETARY FOR AGRICULTURE
(Hon. F. W. Pollock, *Barcoo*) replied—

“The Federal wheat grant of £40,744
made for the benefit and assistance of
wheatgrowers, in accordance with section
28 of ‘The Financial Relief Act of 1932,’
has been distributed as follows:—

	£	s. d.
(a) In reducing the cost of production of wheat, including the cost of transport and marketing ...	26,900	16 5
(b) In providing the needs of individual wheatgrowers ...	13,843	3 7

FARES ON NORTH COAST AND SOUTH COAST RAILWAYS.

Mr. NICKLIN (*Murrumba*) asked the
Minister for Transport—

“1. What are the first and second class
single rail fares for, and the distances of,
the following journeys:—(a) Brisbane to
Southport; (b) Brisbane to Lands-
borough; (c) Brisbane to Tweed Heads;
(d) Brisbane to Palmwoods; and (e)
Brisbane to Nambour?”

“2. What is the reason for the much
higher fares for the journeys on the
North Coast line?”

“3. Will he give favourable considera-
tion to a reduction of the fares on the
North Coast line in order to place tourist

resorts on this line on a competitive
basis with those on the Tweed Heads
line?”

The MINISTER FOR TRANSPORT (Hon.
J. Dash, *Mundingburra*) replied—

“1.—

		1st Class Single.	2nd Class Single.
Miles.	—		
50	Brisbane—Southport ..	s. d. 8 0	s. d. 5 6
51	Brisbane—Landsborough ..	10 0	7 0
69	Brisbane—Tweed Heads ..	12 9	8 3
60	Brisbane—Palmwoods ..	12 0	9 0
65	Brisbane—Nambour ..	13 0	9 0

“2. It is common railway practice for
fares to recognised seaside resorts to be
on a slightly cheaper basis than fares to
other places similarly distanced. Lands-
borough, Palmwoods, and Nambour are
not, in themselves, seaside resorts.

“3. Factors other than railway fares
militate against seaside resorts which are
not connected by rail. A person leaving
Brisbane on Saturday afternoon and
desirous of returning on Sunday night is
carried by the Railway Department to
Landsborough—51 miles—for a second
class return fare of 9s. The return fare
from Landsborough to Caloundra, a dis-
tance of 13 miles, for a similar period,
is 7s. 6d. The North Coast tourist resorts
are given very considerable free pub-
licity by the Tourist Bureau.”

PERSONAL EXPLANATION.

Mr. KENNY (*Cook*) [10.33 a.m.] by leave:
I wish to make a personal explanation.
When speaking on the Estimates yesterday I
stated that I was advised that a license was
granted to a “Liberty Fair” at Coolan-
gatta, and that a brother of the hon. member

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for Brisbane was in charge of it. On investigation I find that my informant cannot substantiate that statement, and in fairness to the hon. member for Brisbane and his brother, I wish to make that explanation to the House.

PAPER.

The following paper was laid on the table, and ordered to be printed:—

Report of the Secretary for Public Instruction for the year 1932.

CONTRACTS OF SALE OF LAND BILL.

INITIATION.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Carpentaria*): I move—

“That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirability of introducing a Bill to make better provision regarding contracts for the sale of land, and for other purposes.”

Question put and passed.

COAL PRODUCTION REGULATION BILL.

INITIATION IN COMMITTEE.

(*Mr. Hanson, Buranda, in the chair.*)

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) [10.36 a.m.]: I move—

“That it is desirable that a Bill be introduced to provide for the regulation and facilitation of the production, supply, and sale of coal, and for other purposes.”

Anyone who has studied the position of the coal industry in Queensland or Australia, or, in fact, throughout the world, must recognise that a vast change has come over the industry. I think most people in Queensland will be surprised to learn that over the past eight years the value of our mineral production, including coal, amounts to £12,000,000, and of that amount £7,500,000 was for coal sold at the pit-head. I mention that figure so that hon. members will be seized with the importance of the industry and appreciate the fact that it is suffering to-day more than any other industry. Even if normal prosperity were to return over night, the coal industry would not benefit very much if existing conditions were to continue. Large sums of money have been invested in the industry. Two thousand men in Queensland depend on this industry for their livelihood. They have devoted the whole of their lives to a risky occupation, and they have invested their life's savings in the construction of their homes. In many cases they have devoted thirty years of life to this arduous undertaking, and they must now consider themselves lucky if they can secure one and a-half days' work a week. Of course, it is admitted that other factors than the depression have contributed towards the depressed condition of the coalmining industry, such as over-production and unfair competition. It will be admitted by all that the people who invest their money in the industry have a right to expect a fair return on their investment, and I think it will also be admitted by all that

[*Mr. Kenny.*]

the workers who labour in the industry are entitled to a reasonable standard of living. At the present time neither party engaged in the industry is in receipt of an adequate recompense for his contribution to it.

I mentioned earlier that the problem was not a State one alone, nor a Commonwealth-wide problem, but a world-wide problem. Great Britain, faced with greater problems than our own, attempted by legislative means to restore the industry to normality. The Bill has been founded largely on the principle contained in the English Act, which was passed to cope with a difficult situation in Great Britain. I do not propose to justify the measure at this stage, but I propose to outline the salient features of the Bill. Immediately the Government were returned to power they recognised the extreme difficulties with which the industry was confronted, and they used the only power that they could exercise to prevent over-production. The Government decided to refuse new leases on Crown lands for the exploitation of coal resources, but there are other areas over which the Government have no control whatever.

This Bill embodies principles somewhat similar to those contained in the Regulation of Sugar Cane Prices Acts; but no financial responsibility is incurred by the Government. Briefly, it is proposed that a council be constituted comprising the Commissioner of Prices as chairman, representatives of the coal proprietors, the Government, and the employees in the industry. This council will be State-wide in its operations; but it is also proposed to divide the State into five districts, each with a district board constituted in a somewhat similar way to the council. The controlling council will have power to make levies agreed upon, and it will have power to utilise the fund thus obtained in what it considers to be the best interests of the industry. The council may utilise the fund to obtain new markets such as an export market in the East, to further experiments in extracting oil from coal on a commercial basis, to determine the efficacy or the advantages of pulverised coal, or to continue experiments that are being conducted in the interests of the coalmining industry in other countries. It will be the function of the council to keep in touch with the result of those experiments and, if necessary, send samples of our coal for tests of a similar character. Each district board will have control of the area that comprises its district. It will inaugurate a scheme for the control of the industry in that district. Any such scheme must be carried by 75 per cent. of the parties entitled to vote, and the council will have the right of vetoing that scheme, which cannot become effective until it has also received the consent of the Governor in Council. That gives ample opportunity to anybody interested to make a protest if he considers the scheme to be unfair in character. As I have said, the function of the board will be to levy, if necessary, to carry out any scheme which will help the industry.

Mr. MOORE: Can the district boards impose levies?

The SECRETARY FOR MINES: No. The council may levy in a district at the request of the district if it approves of the project of the district board.

The council will have the right to issue a permit, or—in a manner analogous to the

practice of the Central Sugar Cane Prices Board—give assignments to mine for coal. No person without a permit will be able to mine coal. Any person working a coal mine to-day will be protected, because automatically with the passage of this Bill he is entitled to his permit; but no new permit will be issued unless it is shown that the supply of coal in a district is not adequate for the requirements. The council will also have power conferred upon it of issuing permits and generally controlling the price, the quota, production, and destination of the coal. It will also have power to watch any coal exported. It is essential that if we are to develop an export trade in coal some authority should be conferred on the council to see that coal and not mullock is exported abroad. I shall be able in my second reading speech to state some of the reasons which have contributed to the deplorable state existing in the coal trade to-day.

This measure is a departure from the usual run of legislation, inasmuch as power is given to fix a minimum price. Under most Acts of Parliament the maximum price is fixed. We protect the consumer, the proprietor, and everybody interested or affected by the measure by providing for a final court of appeal—the Commissioner of Prices—who alone will adjudicate on any appeals. He will be chairman of the council, but will act alone in his capacity as price-fixer in determining appeals against the decisions of a district or the council.

These are the salient points of the measure. In my second reading speech I hope to be able to justify what is no doubt a unique piece of legislation so far as Australia is concerned. I feel, after a close study of the question, that it is time something was done to save a very important industry. This Bill offers the opportunity of doing that, and I recommend the passage of the initiatory stage.

Mr. MOORE (*Aubigny*) [10.47 a.m.]: This Bill certainly establishes several new principles. One assertion made by the Minister was that any person in an industry is entitled to get an adequate reward for his investment in it. That is an entirely new principle to establish, because where a man invests money in an industry in which competition is severe and he cannot produce at a price which will enable him to sell in competition at a profit it is difficult to say that he shall be entitled to secure an adequate return on his investment at the cost of the consumers. That is an entirely new principle to enact.

The SECRETARY FOR MINES: It is nothing of the sort, because you fixed the price of gas and you allowed a certain dividend rate, and in fixing the price you took the cost of coal into consideration.

Mr. MOORE: That is a totally different thing. Under the arrangement proposed in this Bill assignments will be given to people, and the proposed council may say that no more coal shall be mined in any particular area. That is making a close corporation of the whole thing. Suppose, for the sake of illustration, that a coal field of the type of Blair Athol were discovered close to the coast and that a company were prepared to exploit that and supply coal at a cheaper rate than the present rate. The company might not be able under this Bill to do so, because the council considered that sufficient coal was being mined in that district. After

all, coal plays a prominent part in the industrial life of the community, and the price of coal has an influence on the cost of transport and in other directions; but under this Bill in the instance I have quoted the country might not be able to reap the advantage of a discovery of that kind. That, to my mind, is quite unjustified.

The SECRETARY FOR MINES: That is not the Bill. The Bill speaks of "adequate provision."

Mr. MOORE: Adequate provision might already exist in the particular district for the supply of coal, but the cost might be infinitely reduced by the exploitation of a new coal field more conveniently situated. The whole scheme seems to be extraordinary. People go into any industry at their own risks. Before investing their capital they estimate the possibilities of profitable investment. Of course, some people miscalculate, and although when they invest their money they think there will be a certain return on the investment and that they will provide employment for a certain number of people, they may find later on that sufficient production is already available to prevent the receipt of the return on their capital that they contemplated. Coal is one of the main products in the community, and its influence extends throughout the community. For example, coal is the main factor in most cases in the production of electricity, it is a controlling factor in the price of gas, and it has considerable influence in the cost of manufacture in factorics, meat works, etc. The price of coal has a very great effect on the cost of production of many articles, and it undoubtedly also has a great influence on the cost of transport, for in the cost of transport the coal bill is an important item. This legislation is being introduced to protect one particular industry in which the Minister stated that 2,000 people were employed and several people had invested money. On the basis of that argument the coal industry is no different from other industries. Many other industries give employment to a greater number of people and have more capital invested, but the Government do not consider introducing legislation to place the control of these industries under a council or board so that a limit shall be set as to who shall engage in the particular industry. The Government would not dream of doing any such thing.

The SECRETARY FOR MINES: Did you ever hear of sugar?

Mr. MOORE: Yes.

The SECRETARY FOR MINES: Did you ever hear of a limit there? Have you never heard of an assignment?

Mr. MOORE: That does not provide an excuse for the extension of the principle. Suggestions have been made that the wheat growers of Queensland should have a board that would be charged with the responsibility of issuing permits to any further people who desired to grow wheat, and a similar suggestion has also on various occasions been made with respect to tobacco growing. One might just as well say that there should be an assignment for butcher shops, and that no one shall have an opportunity to open a new butcher shop.

The Minister stated that the proposed council would consist of representatives of the Government, the proprietors, and the employees. What about the consumer?

Mr. Moore.]

Apparently the general public will be protected by a court of appeal in the form of the Commissioner of Prices, but the whole object of the Bill is to increase the cost since it gives the opportunity for levies to be made on the producers of coal for the purpose either of subsidising exports or making investigations as regards the production of oil from coal, and for the utilisation of the by-products of coal. The constitution of the council is such that it does not cover the interests of the public, as they are not represented upon it.

The SECRETARY FOR MINES: The council will represent the public.

Mr. MOORE: I suppose from one point of view the Government nominee represents the public, but definite power is given to the Government to fix a minimum price, which is another new principle. The sugar industry is on a different basis from any other industry in Australia, although it may be quoted as a justification of the Bill. The sugar industry got into considerable difficulties owing to over-production and the Commonwealth Government endeavoured to protect it for national reasons, with the result that an agreement was made between the State and Federal Governments, but other industries like the coal industry are not in that category as they operate all over Australia. It is quite possible that to fix a minimum price we shall have to extend the principle of the Sugar Acquisition Act. To make the Bill effective, however, it might be necessary to provide for an embargo on the importation of coal from other States.

The SECRETARY FOR MINES: We could not do that under the Federal Constitution.

Mr. MOORE: The hon. gentleman says we could not do it, but it is difficult to know what things might be done to evade the Commonwealth Constitution.

The CHAIRMAN: Order! The hon. member must confine his remarks to the resolution.

Mr. MOORE: The Minister has introduced a motion affirming the desirability of introducing a Bill. I am merely pointing out what might be the result of so doing—I have not seen the Bill at all. The House is supposed to decide in Committee on the question of the desirability of introducing a Bill. The Minister in his introductory remarks outlined its provisions and I am perfectly justified in pointing out what may be the effect of these provisions. There may be contracting out provisions in the measure or safeguards which protect gas and transport facilities now in operation. I do not know what provisions there may be in the Bill; I am only basing my remarks on what the Minister said was the object of the Bill.

The council has power to make levies. If the levies are to be worth while, if the people engaged in the coal industry are to make a profitable business of it and to secure a return from it and give full time to their employees, then the amount of the levy will have to be very considerable or else a large number of coal mines which are competing with one another to-day will have to go out of business. A price may be fixed which will not enable them to carry on. We cannot tell what is going to happen. I certainly think that if the decision as to whether anybody other than the companies and individuals now operating shall engage

in that industry is to be given to a council representing the Government, the proprietors, and employees—

The SECRETARY FOR MINES: There is an appeal to the Minister.

Mr. MOORE: There is always an appeal to the Governor in Council, but if the Government introduce a Bill for the purpose of raising the price of coal and if on the average it will give less employment to the workers engaged in it, it is not likely to be for the advantage of the public. We know the effect the price of coal has had on our industries. It has for one thing caused the increased use of oil in motor traction. That was brought about in an endeavour to overcome the difficulties with which industry was continually faced owing to strikes in the coal industry. The coal industry was held up time after time and we lost our export trade, not because the price was wrong but because with continual hold ups people could not know whether they would be able to get coal or not. They were driven to find more reliable sources of supply. Now after it has been discovered that they had killed the goose that laid the golden eggs, certain parties want the Government to bring in a Bill to compel the public to pay for the mistake.

The coal supplied in the different districts of Queensland may be satisfactory, and the council is the body entitled to the final decision as to what the conditions shall be in any district. The Government are very much interested because in their transport system they are the greatest consumers of coal. The idea of guarding against over-competition may be quite right for proprietors and employees, but quite wrong so far as the public are concerned, and it is the public who will have to foot the bill. This is another endeavour to exercise control of industry for the advantage of one section of the community and the disadvantage of the rest.

I have not had an opportunity of seeing the Bill, but when I do so I shall be able to see how far it goes and what may occur under it. In passing a Bill in this Chamber we have to take into consideration, not what the position is to-day, but what it may be later on. A good many difficulties occurred in the sugar industry, which, we know, has been the subject of very severe criticism in the South. Because that industry operates in the tropical part of Queensland it was long ago deemed wise in the interests of the whole community that it should be established on a basis entirely different from those of other industries. It has been the subject of continuous debate and argument ever since. The condition of affairs in North Queensland are different from those in any other part of Australia. What the effect of this Bill will be I am at a loss to guess. I am, however, of the opinion that we are going a long way in an endeavour to protect one section of the community. I cannot see that there is very much difference between the respective positions of the people who have invested money in the industry and the employees working in it. People who desire to invest money in an industry investigate the possibilities before doing so to see if there is a reasonable prospect of success. People often invest in industries in which there is no reasonable prospect of success but in which they think there is. When they make that mistake,

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they do not come to the Government and say, "We have made a mistake." In a great many cases it is their own mistake. It has been known to us for a long time that there were too many coalmines in Queensland. The Government has reaped some advantage from that condition of affairs by reason of the fact that they have been able to buy coal at a cheap price and thereby carry products on which we live at rates not out of all reason.

I do not know that there is much to be done in the way of export. I received some information the other day in regard to the prices paid for coal in the East. Coal trimmed into bunkers was 14s. per ton in Japan, 19s. in Hong Kong, and £1 in Singapore. Those are sterling prices. When we compare the prices prevailing at the seaboard in Queensland it is obvious that if we are to build up an export trade that will be worth while it will be necessary to call on the consumers to pay an increased price in order to subsidise it. On the one hand we have a Minister stating in the press that the Government were going to bring in a Bill to reduce the price of electricity and gas, and on the other hand we have a Minister bringing in a Bill to increase the price of coal.

The SECRETARY FOR MINES: Did you ever hear of people getting a license to slaughter cattle?

Mr. MOORE: Yes.

The SECRETARY FOR MINES: Who does that?

Mr. MOORE: No one can slaughter in Brisbane except at one authorised place, and that is for health reasons, in order to have proper inspection. People outside a certain area can get licenses to slaughter anywhere providing they do so under the conditions set out in the Slaughtering Act.

The SECRETARY FOR MINES: They cannot slaughter in Brisbane.

Mr. MOORE: That was done for health reasons. We know that this proposed organisation of the industry is designed to achieve a purpose. The Minister says that it is that the men employed in it may get more work, and that the people who have their money invested in coalmines may get a return for it. If they cannot get a return to-day, organising will not do any good unless the idea is to organise the closure of some mines and the transference of the employees to another industry. Fixing a minimum price will mean that the people are selling to-day at a price which the Government think is too low. As a consequence the consumers will suffer.

The SECRETARY FOR MINES: I shall hear you later when a Bill to stabilise the butter industry is introduced. You will be a different man then.

Mr. MOORE: The hon. gentleman is a bit peppery about this matter. The coal mining industry is a key industry. Coal is required in the manufacture of gas and electricity, for transport and by many manufacturing industries. It must be remembered that many industries gauge their ability to compete on the prices that they pay for their fuel. It appears to me that the object of the Bill—if it is to be of any value to the coal industry—is to destroy competition and thereby deprive manufacturers of the existing opportunity to purchase coal at a cheap

price. The object of the Bill is to increase the price. The Minister said that the people who invest their money and the workers engaged in the industry were entitled to a reasonable return.

The SECRETARY FOR MINES: They are just as much entitled to a return as those people who invest their savings in Government bonds.

Mr. MOORE: The hon. gentleman forgets that his Government have imposed restrictions on industry and have thereby prevented it from obtaining a sufficient return on the capital invested. That is why large sums are invested in Government bonds. If the Government would allow the people who invest their money in private industries to obtain an adequate return, there would not be the present keen desire to invest in bonds, the banks would not have such large amounts of money, and the people would not be putting their money in Savings Banks instead of into industry.

The SECRETARY FOR MINES: What about the butter industry?

Mr. MOORE: The butter and cheese industries have to compete on the markets of the world. I am not objecting to the Bill at this stage, but I fear that it will lead to increased cost, to restricted competition, and to a diminution in the number of miners.

Mr. GODFREY MORGAN (*Murilla*) [11.9 a.m.]: I regard this Bill as a dangerous one which will do considerable harm to Queensland. This is the thin edge of the wedge. The Minister indicated that an element of price-fixing would be involved and pointed out that the principles were similar to those contained in legislation which was applicable to the sugar industry. I would remind the Minister that the policy of Australia is to settle the far northern parts of the continent in the interests of the defence of this country, and the people of Australia are prepared to pay an additional amount for their sugar so that the industry can be maintained to give employment to a large number of people. It has been stated by primary producers in my electorate and elsewhere that the wool grower, the wheatgrower, and other primary producers engaged in the export trade should be treated the same as the sugar industry. They hold the view that the sugar industry has no greater right to preferential treatment; but the importance of the sugar industry for a particular purpose is recognised by Australia as a whole, and to further this object the people of the country are prepared to pay an additional price for their sugar. The people are prepared to submit to what is practically a tax to compensate the growers for the loss on the exportable surplus. The Minister now proposes that the coalmining industry should be placed on a similar basis. A council is to be constituted and the price of coal is to be fixed. I should like to remind the Minister that the depressed state of the coalmining industry has been brought about to a large extent by the industrial disturbances which occurred in Queensland and New South Wales over a period of years. The industry was in a continuous state of dislocation and shipping companies who were in the habit of purchasing their coal requirements in this country became so exasperated with the chaotic industrial position of this

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country that they decided to transform their steamers into oil-burning vessels and thus make themselves independent of the coal industry. That was forced upon them by the many strikes in the coal industry of Australia, many of which were of a trivial nature. Many factories in Australia which were considerable users of coal were never sure from day to day when their industry would be held up by coal strikes depriving them of supplies. They, too, took measures to circumvent any such possibility, and make themselves independent of coal-burning machinery. The coal workers knew that their industry was one of the key industries of the Commonwealth and that it was only necessary for them to down tools to throw out of employment thousands of men in other industries. The coal workers knew their importance and strength, and utilised those powers to such an extent that in time they unfortunately crippled their own industry. Similarly, the great industry at Mount Morgan was destroyed. The unions made drastic demands, notwithstanding that they knew that the industry could not afford them. They were backed up by the Industrial Court, which awarded such rates of pay that the mine was not able to continue operating. The result was that the Mount Morgan mine ceased to produce and thousands of men operating in and dependent on it were thrown out of employment. That is another illustration of killing the goose that laid the golden egg.

We now propose legislation in regard to the coalmining industry which will have the same effect. During my term of office as Minister for Transport I learned a great deal about the coal industry. The coal bill for the railways last year was £290,000. Previously the amount was much greater. During my term of office I was fortunate in obtaining large reductions in the price of coal. That benefited the users of the railways. It enabled the Government to reduce rates and fares, many of which were exorbitant, and thus give some reduction in taxation. This Bill enables the coal owners to have a minimum, not a maximum, price fixed for coal. As the Minister stated, in all other legislation the maximum price is established. That means that producers are compelled not to sell above a certain price, but can sell under the price which is beneficial to the consumer. This Bill establishes a new principle inasmuch that it fixes a minimum price but enables the coal owners to obtain as much above that price as consumers are fool enough to pay.

This Bill has been introduced with the object of increasing the price of coal. That means the Railway Department will be compelled to pay another £50,000 or £100,000 a year for coal. The consequence will be that people in the country will have to pay higher fares and freights in order to meet that increased expenditure. One of the biggest industries supporting the Railway Department will thus be burdened with increased costs. The increased price of coal must fall eventually on the backs of the country people. They must pay those increases both ways, whereas the people in the cities do not. We do not desire that state of affairs. This Bill will not be of any advantage to shippers of coal unless that coal can be sold at a price which will enable it to compete with coal produced in other States and countries. A similar position will arise

[*Mr. Morgan.*

as the one now obtaining in the sugar industry. Our surplus production of sugar is exported at a price much below the cost of production, but the industry is compensated for this loss by an increased local price. Therefore, local consumers of coal must pay an increased price in order that overseas markets can be supplied. That will increase the price of coal to all users in this State, including the railways, the electric light companies, gas companies, and other such public utilities. If they must pay an increased price for commodities they will be compelled to pass that increase on to the consumers. That will come out of the pockets of the people, and I submit that anything of that description is wrong. The people of Australia tolerated the agreement in regard to sugar knowing that it was for a specific purpose, but this Bill deals with something altogether different. If this legislation is enacted it will mean that every other industry can justifiably ask the Government for similar legislation. What are we coming to in Australia under such conditions? Can we afford to isolate ourselves, as it were, in that way? Southern manufacturers already have an advantage over the manufacturers here, and anything that the Minister does to increase costs of production here will make the disadvantage against Queensland manufacturers still greater. It may eventually mean that in many directions existing machinery will be scrapped and replaced by oil-driven machinery. Such a state of affairs can only be of assistance to American and other overseas interests, and by bringing about such a condition of affairs the Government will be assisting those interests. The reason why oil-driven machinery was installed in many instances was that the presence of coal strikes did not make for a dependable supply of coal. It was distinctly unfortunate that some years ago people were compelled, whether they liked it or not, to install oil-driven machinery. This legislation will accentuate the position. The Queensland Railway Department is paying considerably more for an inferior coal in this State than the New South Wales Railway Department is paying for a superior coal in that State, so that, even at present, the cost of coal is dearer here than in New South Wales.

The Minister thinks that the passing of this legislation will result in greater employment for those in the coalmining industry. I have visited the Blair Athol mine, and have gone down that mine. I found that when the employees at Blair Athol did obtain work they were capable of earning £2 a man each shift. Of course, Blair Athol is an exceptionally rich mine, but at the same time £2 per shift is an exceptionally high wage for a man to earn in producing what may be called a necessary commodity.

THE SECRETARY FOR MINES: These men work only one day a fortnight.

Mr. GODFREY MORGAN: Probably. When I was there they were working one day a week. The point is that they were able to earn £2 for working one day, and that there were more men hanging round that coal mine waiting for that day's work than were necessary. The coal miners there met me by way of deputation, and I said to them, "Can't half of you get some other work in some other district and leave the work to half the number of men who are here, because only that number is actually required?" But all the men preferred to hang round waiting for

a day's work, although 50 per cent. of them were unnecessary. That applies throughout the coal industry of Queensland. Fifty per cent. more miners are available than are necessary for the work to be done if those actually employed were worked five shifts a week. Coal miners could, without hardship, work five shifts a week, and if they earned £5 or £6 for the week's work they would be well paid.

This is an industry on which much depends. The cheapness of our gas, which every worker uses, is going to be affected, the price of electric light will be affected if coal goes up in price. It will affect a hundred and one different things. If the Bill is going to do what the Minister thinks it will—*increase the price of coal*—then it will increase the cost of living to everyone in an area supplied with gas or electric light. The Minister has to make the workers pay in order to boost this industry! The coalminers are entitled to a fair rate of wage, but not to an exorbitant rate of wage. They are not entitled to be spoonfed by other workers throughout the State. There are three key industries, for instance, in which the workers have received very high rates of pay—the sugar, coal, and shearing industries. Shearers could earn from £12 to £14 a week, while other men were doing pick and shovel work in the street—much harder and just as dangerous—and working forty-eight hours a week for £3 10s. and £4 a week.

The SECRETARY FOR MINES: This Bill does not deal with the coalminers' wages at all.

Mr. GODFREY MORGAN: In the key industries I have mentioned the employers were able to pay wages 150 per cent. greater than were paid to the unfortunate workers in other industries who had to work in the broiling sun from 8 a.m. to 6 p.m. Why should that be? It is not fair. It was only because the former were organised and could command what they desired. Governments gave way to them time after time and the Industrial Court leaned to them time after time and gave them more than they were entitled to. The rest of the workers had to make it up. If the Bill is not going to have the effect of increasing prices it is no use the Minister introducing it. He is introducing a Bill with the view of increasing the cost of coal to the people.

While Minister for Transport I had an officer of the Railway Department investigate the books of the mine owners who complained to me about the low price they were getting for their coal. There was a difficulty in getting the mines to tender, and we need coal at as cheap rate as possible for the railways. On going into the books of many of the mining companies to find out how matters stood it was enlightening—it was startling—to see the amount of money going from the mines to directors who were simply dummies. They were drawing exorbitant sums each year from coalmines which were supposed to be down and out. The Minister should see that there is fair play in that regard. We know that in their desire to escape income tax many companies—not only coalmining companies—are paying exorbitant amounts to directors who have nothing whatever to do with the management of the mines.

I have certain figures with regard to the shipment of coal overseas. I give the quan-

tity carried by the railways to port of shipment in two years—

					Tons.
1924-25	...	...	...	...	413,621
1932-33	...	...	...	...	65,524

The amount has now dropped to practically nil. How the Minister is going to remedy that state of affairs, unless he is prepared to reduce the price to people operating overseas, I do not know. Is he going to compel the local people to pay through the nose for coal in order to establish an export trade? If he is going to do that it will be dangerous to Queensland.

This Bill needs very careful consideration. It is a Bill of a new type in Australia—apart from the legislation for the sugar industry. Are all primary-producing industries to have some form of subsidy? If the sugar industry is entitled to a subsidy why not the coal industry, and if the coal industry why not the wheat industry or the wool industry? The beef industry has been down and out for a long time and has received no assistance from the Government. The cattle-owners can sink or swim! It was one of the best industries Queensland possessed and worth £5,000,000 or £6,000,000 a year to us, but it has been allowed to crumble up. The Government have been prepared to leave it unassisted.

The SECRETARY FOR MINES: This Bill does not provide for any such thing as that.

Mr. GODFREY MORGAN: That is the point. The Government are not going to help that industry, but they are going to enable the coal industry to sell coal at a certain price which the consumer will have to pay. The Bill is being brought in to increase the price of coal. The title of the bill should be "A Bill to Increase the Price of Coal to Consumers in Queensland." The greatest burden will be borne by the Railway Department, and that will inflict an injustice on the country people because there will either be an increase in freights and fares or an increased loss on the railways. Directly it will not cost the Government anything but indirectly it will cost the people of the State an enormous amount of money.

I shall scrutinise this Bill thoroughly. At the present moment I intend to oppose it. It is the thin end of the wedge. Once the Government decide to assist an industry such as this, they have no grounds for refusing to act similarly in regard to other industries. The worker is interested in every industry in this State. We have no right to spoonfeed the worker in one industry when the workers in other industries have to pay for it. This Bill will increase taxation on one section of the community and give the proceeds to another section, and that we should avoid. Whatever the Government give by way of concession to any industry comes out of the pockets of the people; their action cannot be called a liberal one.

Mr. FOLEY (*Normanby*) [11.34 a.m.]: The hon. member for Murilla says that he will carefully study the Bill; yet the main portion of his speech has been taken up with urging that its object is to increase prices, and to spoonfeed one section of the community at the expense of the other! It is evident, therefore, that we cannot take much notice of his remarks. I can assure the hon. member—I was one of the committee of the party who went carefully into this Bill before

Mr. Foley,]

it was introduced—that the main object of the Bill is to bring about co-ordination in the coalmining industry, in place of the cut-throat competition of the past, which operated to the disadvantage of all engaged in it. We have no export trade in this State, but there is no reason why we should not have it.

Mr. GODFREY MORGAN: It is a matter of prices.

Mr. FOLEY: It is not so much a matter of prices; it is a matter of locality and transport and port facilities. In addition there is the importance of having suitable agents and organisation overseas, particularly in the Eastern markets, so that we may be enabled to meet competition and handle any trade we get. In the past, as a result of the lack of co-ordination in the industry, the whole of the burden of working up an export trade fell upon the individual companies. For years the Blair Athol coal interests endeavoured to develop a market for coal in the East, and the expense involved was too heavy for one company to bear. That is why the Bill has been introduced—to co-ordinate the respective coal interests. The financial burden will be borne by them conjointly, and an effort will be made to exploit outside markets. The Bill really provides for the creation of a cartel to operate in the place of the old individualistic system in which companies competed against companies with no thought of co-ordination, with a view to exploiting the markets of the East or elsewhere.

The hon. member for Murilla stated that the Bill will have the effect of increasing the price of coal, but that is not likely to occur to any great extent. Evidence will be submitted to the Commissioner of Prices, and upon that evidence he will decide whether the price of coal for the local trade is to be reduced or increased. It has also been stated that the wages paid to the coalminers indicate that they have been spoonfed in the past, but I can assure hon. members that there has been very little spoon-feeding over the past five or six years with the bulk of the miners working short time and earning an income practically the same as the average intermittent relief worker in the State.

Mr. GODFREY MORGAN: A miner gets really good wages if he works a full week.

Mr. FOLEY: He earns it, too. I have engaged in the occupation of coalmining, and I know that the average miner earns his wages. The occupation is a hazardous one, and the miner must work in grime and dust. After a number of years at this occupation the coalminer must anticipate ophthalmic trouble, which does not beset the average worker engaged in other industries. Having regard to the conditions of employment and the risk involved, a coalminer is entitled to the highest possible remuneration per ton of coal hewn. It is possible that the wages of the miner per ton of coal hewn may be slightly reduced under the proposed scheme in order to organise the industry, with a view to distributing the local trade on an equitable basis, and with a view to developing an export trade. That will probably be for the benefit of the coalminer. If he can secure constant employment instead of work for one day a week or one day a fortnight, as is the case to-day, the miner will be better off in the long run. That is the object of the Bill.

[Mr. Foley.]

I agree with the statement by the hon. member for Murilla that the directors in the past have drawn big fees from the industry. Some of the companies have seriously mismanaged their affairs. I have in mind the Blair Athol management. There was a time when it enjoyed a good local trade, paid a dividend of 10 per cent., and transferred large sums to reserve, but instead of utilising the reserves for the purchase of up-to-date stripping machines to exploit the coal seam as it should have been exploited, the reserves were invested in coalmining propositions in other States and were lost. When the slump came the Blair Athol concern found itself in difficulties. Perhaps the same thing has happened with companies in other States that have not been managed with advantage to the community generally. However, it is no use talking of the past; we have to consider the present and the future. We should seek to bring about co-ordination between the proprietors and the workers and between the various companies, so that the local trade may be distributed on an equitable basis and an export trade developed. This is essential for the coalmining industry.

Mr. NIMMO (*Oxley*) [11.42 a.m.]: It cannot be denied that the coal industry is in a parlous state, and that the former demand for coal does not exist to-day. Will this Bill increase that demand? It will only create a monopoly for present coalmine owners who will be allotted their quotas according to the demand. Present producers of coal will be the only parties allowed to supply the market. Coal-bearing areas now being worked but which had not on the passing of the Bill reached the production stage will not receive permits to sell their coal.

Mr. FOLEY: That is part of our trouble; there are too many coal mines.

Mr. NIMMO: That is a bald statement. A solution of our difficulties lies in the production of coal at a price which will enable it to be sold at competitive prices. That is not possible now because of the restrictions and retarding influences, especially in the export trade. By this Bill the Government practically say to the mineowners, "We will divide up the present trade between you, and give you a minimum price." There appears to be no doubt that the coal owners, together with the representatives of the miners, have approached the Minister. The Minister, instead of calling in experts to tackle the job in a big way and attempting to do something for the industry, has said to himself, "Here is an opportunity to put the thin end of the wedge of socialisation into the coalmining industry. We will give you a pool, like the Egg Pool and others which have been introduced by Labour, and you can exploit the public. We will prevent any persons who are not now producing coal from developing any further coal-bearing areas." People now commencing to develop coal-bearing areas will have no opportunity of securing a quota of the trade. The old mines will have a monopoly. When Labour was in power previously it prevented the development of new coal mines on Crown leases. As everyone is aware, most coal seams are developed from the surface, and mining operations are pursued as the seams dip downwards. Some of the coal seams dip one foot in five, and coal in some instances is now being mined at a considerable depth. Collieries mining at the deeper levels cannot

compete with those mines hewing their coal on the surface. Under this Bill these deeply-worked collieries will be allowed to charge a higher price for their coal.

The principle underlying this Bill has been tried out in England and proved a failure. Although the coal proprietors have agreed to this measure, I predict that ultimately they will suffer serious loss. Sir Ernest J. P. Benn, at page 182 of his book, "Honest Doubt," states—

"The coal trade was afflicted with a quota by the second Socialist Government, and sufficient experience has been secured of its weakness to know that in the case of prosperous mines unemployment has been created. Some proportion of the anti-Socialist vote in the 1931 election came from out-of-work miners, who, to their dismay, found themselves in that position owing to the unforeseen reactions of a Socialist measure nominally designed to improve the miners' lot."

The Government, no doubt, believe that they will improve the lot of the miners. They have previously attempted many similar schemes with the object of improving the lot of the worker, but in nearly every instance they have failed.

This scheme will fail. Immediately this Bill becomes operative every user of coal will attempt to devise some cheaper power in his industry. Every new power that is installed will mean reduced consumption of coal. That has been the case all through the history of the Labour Party. They have brought in legislation designed to help the working man, but it has resulted in an opposite effect. The Minister would have been well advised to tackle this subject in a bigger way, and call in experts to advise him as to methods to be pursued whereby we can capture some of the trade represented by the 24,000,000 gallons of petrol now imported into Queensland. The "Telegraph," in its issue of 26th instant, states—

"A small plant tucked away in a corner of the vast works of Imperial Chemical Industries, at Billingham-on-Tees, England, has been producing grade No. 1 petrol from ordinary coal for more than a year.

"The above statement, which appears in 'Industrial Britain,' a trade circular, is of great importance to Australia, where the matter of production of petrol from coal has loomed large in the public eye recently, particularly from a defence point of view.

"This petrol at Billingham-on-Tees has been subjected to exhaustive tests and found excellent in quality. But a slight advantage in price held by the natural product and a realisation of the magnitude of the plant required to obtain petrol from coal in adequate quantities for commercial purposes, implying a heavy initial outlay, were considerations which acted as a deterrent to this company, failing some definite gesture of support, or guarantee, from the British Government.

"NOW A REALITY.

"That support has now been given. 'Petrol from Coal'—the dream of the coalfield populations of Northumberland

and Durham for the past ten years—has become a reality.

"Accordingly, Sir Harry McGowan, chairman of Imperial Chemical Industries, announces that Billingham-on-Tees will become the centre of an industry aiming to produce 100,000 tons a year of grade 1 petrol, processing 400 tons of coal a day and using altogether 1,000 tons of coal a day. This will give direct permanent employment to 2,500 men and to others indirectly.

"Over the next eighteen months 7,000 men will be engaged on building and erecting the plant. Imperial Chemical Industries will provide the whole of the initial capital required, £2,500,000 sterling."

That seems to me to be a reasonable proposition.

In "The Courier-Mail" this morning we find this paragraph—

"BEGIN LARGE PLANT.

"OIL FROM COAL.

"Chemical Firm Will Co-operate.

"Canberra, 26th October.

"Following representations by the High Commissioner (Mr. S. M. Bruce), Imperial Chemical Industries, Limited, has informed the Government that it is prepared to co-operate in establishing a large hydrogenation unit to produce oil from coal in Australia.

"This announcement was made to-day by the Prime Minister (Mr. J. A. Lyons), who said the company's engineers had already surveyed the possibilities in Australia. The company was anxious to assist in every way, but before erecting a similar plant in the Commonwealth it wished to have six months' experience of running the plant now being erected at Billingham-on-Tees, England. It was expected that the operation would show that some modifications in design were necessary.

"This serves to confirm the statements already made by the Minister in control of Development (Senator A. J. McLachlan) that the period of transition in this industry has not yet passed," added Mr. Lyons."

I quote these extracts to show the way in which the problem should be approached. It is no use the Minister introducing legislation that will raise the price of coal.

Mr. FOLEY: You are deliberately misstating the exact position.

Mr. NIMMO: In reply to that interjection let me give an illustration. Last month one of the largest employers of labour in Queensland called tenders for the supply of coal. The tenders closed last Monday, but only one tender was received from the Ipswich district and that was at an increased price of 1s. per ton. A few other tenders at a lower price were received from outside the Ipswich area, and in apologising for the lower tenders the higher tenderer said that the others would not be allowed to supply coal because they were not supplying the company at the 30th June last. The hon. member for Normanby said that I was misrepresenting the position, but the case I have stated is probably one of the first to come under the influence of this intended

Mr. Nimmo.]

legislation, because it was well known that this Bill would be introduced. We remember how a former Prime Minister of the Commonwealth settled the coal problem—at least for the time being. The Right Hon. W. M. Hughes, who was Prime Minister at the time, told the colliery proprietors and the miners to get together, raise the price of coal by 3s. per ton, and divide the extra profit amongst themselves. As the result the price of coal was greatly increased in Australia, and although both parties in the industry got an extra 1s. 6d. per ton, there were many more miners amongst whom to divide the extra 1s. 6d. than there were coal proprietors, so that exceedingly large profits were made by a few colliery proprietors. I consider that the miners themselves and the Miners' Union have contributed very largely to the position that the coal industry of Queensland is in to-day. The Leader of the Opposition quoted figures showing the prices at which coal can be obtained overseas, and I think the hon. gentleman mentioned one figure of 19s. per ton. We cannot compete at that price.

Mr. O'KEEFE: Did you hear what the hon. member for Murilla said?

Mr. NIMMO: I am not interested for the moment in what the hon. member for Murilla said; I have my own ideas. I say definitely that the Miners' Union have contributed to this position. They had an idea they were in a "key" industry, that they could go on strike at any time, hold up industry, and exact their terms. They were told by their leaders—that is, the present Government—that they could do such a thing.

Mr. O'KEEFE: That is nonsense.

Mr. NIMMO: In certain collieries there is what is known as the "darg" system, under which a miner is allowed to produce only a certain daily quantity of coal. If that quantity is mined by, say, 12 noon, then the miner does not do any more work for the rest of the day. I definitely say that the effect on the coal industry is to increase enormously the cost of production and also to stop trade.

Mr. O'KEEFE: It is done to distribute the work amongst the miners.

Mr. NIMMO: What a narrow-minded view to take—that when we make the price such as to prohibit the use of coal for local trade, the men are only to work half a day for a day's pay! We have to-day many more men in the industry than the industry can carry.

Mr. O'KEEFE: That is not because of the "darg."

Mr. NIMMO: Of course it is one of the reasons why they have gone in for the "darg." The hon. member for Normanby pointed out the great hardships which miners undergo and the shifts they work. I admit that the miners have laborious work, but did we ever see a miner whom we could coax out to take another job? He loves the job. Statistics show that fewer men are killed in the coalmining industry than in any other industry in Queensland. The hon. member for Normanby points it out how hard the miners have to work. My first work was in a coal mine, so that I know what the work is. I say definitely that the coal industry has been ruined by the operation of Socialism

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in this State and the bad advice given by the leaders of the industry.

The Minister said the council would be composed of representatives of the Government, coal proprietors, and employees, and that the general public would be protected by an appeal to the Commissioner of Prices. What about the consumer of the coal? Is he to have no consideration whatever? The Bill is ill-advised, and the colliery owners are foolish to fall into the trap set for them by the Government. They may have a temporary advantage at the start, but the Bill will put up the price of coal, and we shall later see a further arrangement. They will have a monopoly because no more coal mines can open. The mineowners will get together and say, "We are going to give the miners extra wages because they are only working two days a week. We have not got the trade, but we want to give them sufficient, although they are only working two days, to keep them," and the consumer will have to pay the piper. The Bill gives power to the Commissioner of Prices to fix the price at a rate which will allow the miners to earn sufficient to keep themselves by working two days a week.

We are told that the Minister will have the right of veto. That is all very well, but my experience is that the right of veto is very seldom exercised against a system which operates against industry, because people imagine that industry can bear any load that can possibly be put on to it.

New South Wales has not a Bill of this class, and the quality of coal in that State is excellent. We know of large quantities of coal brought to Lismore and Kyogle from Newcastle; in fact, New South Wales coal is the main fuel used on the interstate railway via Kyogle. The coal industry of Queensland is to be handicapped as against that of New South Wales. All our industries will have to pay a higher price for coal than those in New South Wales. It is all very well to say that the colliery owners are not making a profit. Only the other day the balance-sheet of Mr. John Brown showed what a satisfactory profit is being made. Some of the collieries in New South Wales have had a lean time and have shown deficits, but the Bellambi and other well managed collieries are showing profits. If we allow New South Wales industry to get cheaper coal than our Queensland industries there will be a further tax on our industries. The result will be that our industries will die, there will be no demand for the coal and the colliery proprietors will defeat their object. I cannot see that the coal industry will benefit if treated in this way, although the Minister may think he is going to build up the industry.

We might ask "What about the wool industry?" Can we, in that industry, come along to the Minister and say that we have quantities of material unsold and we want a price fixed that will allow us a fair profit and that the people will have to pay? If it is fair to treat one industry in the way suggested, then all the other industries will have to be treated in the same way. I advise the Minister to withdraw the Bill. The present Government have already passed legislation that has had a crippling effect on industry. They have increased the income tax average throughout the State from 1s. 8d. in the £1 under the Moore Government to 2s. 1d. They have practically doubled the relief tax.

The CHAIRMAN: Order! I ask the hon. member to confine his remarks to the question before the Committee.

Mr. NIMMO: To "Watch any export trade" was the remark made by the Minister this morning. He has been watching it probably from the point of view that the purchasers ought to be forced to pay a big price. The Minister talks about sending mullock overseas. I will admit that probably during the time when strikes have occurred and it was impossible for the industry to supply the quantities of coal required mullock was sent; but in the period of normal export trade every colliery proprietor is particular to see that only the very best article is sent.

The Minister says the Commissioner of Prices will hear appeals. How can the Commissioner hear appeals? Such appeals would come before a man who does not understand the coal industry and does not understand industry generally. He is in a sheltered position in the public service. The Minister proposes to leave a matter of life or death of an industry to a public servant, a man who has never carried on any industry. I strongly urge the Minister to hold a conference with the colliery owners and put before them the facts I have given him, and show them that their trade is going to be reduced by one-half. If he does so I am sure the hon. gentleman will not go on with the Bill.

At 12.5 p.m.,

Mr. W. T. KING (*Maree*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. WIENHOLT (*Fassifern*) [12.5 p.m.]: This Bill is, I think, on practically the same principles as the next one. The Secretary for Mines is naturally as enthusiastic in his department as the other Minister in his. It seems to me that their Bills are so much on the same lines and that therefore I could say all I wished on both without speaking on the second. It struck me the Minister made a rather anomalous remark when he said that the men were only working short time—about one day a week—yet the first act of the present Government was to prevent any more coal mines from opening. It seems a curious thing to have on the one hand an industry working only one day a week and on the other more people wanting to go into it.

The SECRETARY FOR MINES: They only work half a day.

Mr. WIENHOLT: Surely nobody would start in an industry which could only employ its men half a day?

The SECRETARY FOR MINES: I will be able to assure you on the second reading that that is so.

Mr. WIENHOLT: Perhaps I am criticising the hon. gentleman rather unduly before hearing his speech.

The SECRETARY FOR MINES: Temporary concerns do not do the industry any good. They get coal cheaply for a period, but the railways would suffer if the quality collieries go out of existence later on.

Mr. WIENHOLT: I take it none the less that the Government have distinctly restricted industry in this respect. On page 21 of the

Budget the Premier, speaking on behalf of the Government, said—

"Proposals for the restriction of production must be strenuously opposed, more especially in the case of debtor countries. The theory that prices can be raised and under consumption cured by producing less should not be worthy of a moment's consideration."

I entirely agree with those sentiments. We must not impose any restrictions on primary production. It is right and sound to endeavour to improve our markets and to reduce costs as between the producer and the consumer, by co-operative methods and orderly marketing, but it is following false gods to attempt to hold up the home market above the price dictated by the economic law of supply and demand. I represent as good a dairying district as any hon. member, but I have never hesitated to tell my constituents from the platform and elsewhere that a policy of holding home prices above the prices dictated by the economic laws of supply and demand—world prices—is economically wrong. I do not say that anybody who produces an article has not the right to do with it as he likes, but to attempt to hold the price above the price dictated by the law of supply and demand will in the end be harmful to even the industry itself.

The hon. member for Murilla said that if this Bill is passed we might as well apply the same principle to other industries. The same principle does apply to other industries to-day.

Mr. GODFREY MORGAN: To some of them.

Mr. WIENHOLT: To many of them. I have never believed that it was sound to grant a bonus, subsidy, or bounty to any industry. I realise that the Minister does not intend to give a direct Government bonus, subsidy, or guarantee, and to that extent I agree with him, but if an attempt is to be made to hold up the price above the economic level the step will be very unwise, it will not be in the best interests of the industry, and in the end it will do considerable harm.

The Leader of the Opposition has referred to the economic condition of the coal industry throughout Australia, and in that connection I think it was the high price of Newcastle coal that forced the Victorian Government into the utilisation of its brown coal deposits in that State. This proposal, if contained in the Bill, appears to me to be quite unsound. It is just as unsound to grant a subsidy or bonus to the wheat industry, whether it be done directly by means of a tax on flour or in any other way. Industry indeed is getting into a terrible mess. Fancy borrowing, as suggested, a large sum of money to pay a subsidy to the wheatgrowers one year and then trying to repay the amount over succeeding years! This sort of thing gets us into very deep water. I am a cattle man, but I was the only member in the Federal House who opposed a subsidy on the export of frozen meat, perhaps the first subsidy granted by a Federal Government. I believed that it was a wrong step. It would be economically wrong to try to hold up the price of Australian meat against Australian consumption. It does seem strange that a Labour member should leave it to me to point out the position of the consumers under such schemes as are proposed. I believe that this is not the time to hold up the price of anything, with tens of thousands of our

Mr. Wienholt.]

people unemployed. It is utterly uneconomic and unsound. As a primary producer I regard the consumer as providing my bread and butter. There can be no improvement for the primary producer until the consumer is able to buy more freely the products that we produce. I do not believe that the true solution is to hold up our markets. The real solution is a reduction all round in the cost of Government, to get our people once more re-absorbed in real industry, and to endeavour to have simpler, not lower, standards generally.

Mr. KENNY (*Cook*) [12.10 p.m.]: It is not my intention to speak at any length at this stage. I prefer to reserve my comment for the second reading stage. The Bill suggests to me that we should be very careful about the future of the industries of Queensland. The tendency with Governments, especially with the present Government, seems to be to introduce legislation for the alleged benefit of different industries, and unless we are very careful we shall arrive at a stage when we shall be compelled artificially to force conditions on every industry. When that time arrives we shall reach a stage when these artificial conditions will break down of their own weight. The Government will then apply their platform of the socialisation of all means of production, distribution, and exchange. I do not know whether that is the intention of the Government or not. If it is, they are proceeding the right way, because eventually artificial conditions must break down and the people will be called upon to pay for them. My main reason for rising was to ask a question in reference to the Mount Mulligan coal mine. That coal mine is in a unique position. Its output is not very large, but its distance from markets is fairly great. The cost of producing coal there is fairly high, for the miners must earn a decent living wage. The sale of Mount Mulligan coal depends very largely on Government policy. Naturally, Mount Mulligan in looking for trade must compete with the Bowen State coal mine. If Government policy interferes with Mount Mulligan, it will place the coal miners there in a very serious position.

The SECRETARY FOR MINES: This Bill will not interfere with the output of any mine.

Mr. KENNY: It may interfere with the price of coal. Mount Mulligan cannot sell its coal in competition with Bowen.

The SECRETARY FOR MINES: Each district will have its own price.

Mr. KENNY: It will all depend on the district boundaries. I would like some assurance from the Minister that the Mount Mulligan mine will be protected, and that it will be enabled to supply the district as at present. I shall reserve my further comments until the Minister informs me on that matter.

Mr. RUSSELL (*Hamilton*) [12.15 p.m.]: The district boards and council to be constituted under this Bill will be vastly different from the commodity boards which have been in operation for some time. We all recognise that the demand to-day for orderly marketing is very pressing indeed. One hon. member said that he was opposed to the local market being boosted to the detriment of the local consumer. That seems sound logic on the face of it, but are our local consumers to be compelled to follow the

vagaries of the markets overseas, over which we have no control?

The SECRETARY FOR AGRICULTURE: That is one of our greatest difficulties.

Mr. RUSSELL: It is one of our greatest problems in every form of primary produce that is exported. If we had any control over overseas markets there would be no necessity to inaugurate commodity boards. Take the dairying industry, about which we shall have an opportunity of speaking a little later on. If we were to follow to its logical conclusion the argument of the hon. member to whom I refer, and agree to the doctrine propounded that there should be no interference with local marketing, it would mean that our local producers would have to follow the conditions and prices obtainable in foreign markets, which are subject to sudden fluctuations owing to importations from other countries. It would be a very ruinous condition to place our producers in. Consequently, if we are desirous of encouraging our primary producers to the fullest extent we must be prepared to offer some protection.

The SECRETARY FOR AGRICULTURE: You are on the next Bill.

Mr. RUSSELL: The principle arises in this Bill also. I am merely replying to a statement that has been made. While this legislation confers great privileges on the workers of the State by paying good wages per medium of the State arbitration awards and other means, it is only a fair thing that the primary producer should get similar protection. I have always been a strong advocate of commodity boards for that very reason. I understand the Minister is endeavouring to apply a commodity board system to the coal industry. Of course, in regard to coal the position is slightly different. Too many miners are dependent upon the coal industry to-day. Its one-time prosperity has gone because of the competition of oil interests, and the loss of overseas markets, for at one time there was a big market in South America for New South Wales coal. The miners in Australia are much to blame themselves on account of the exorbitant demands they have made from time to time. The miner seems to be suffering from an eternal grievance that because he is working underground he is entitled to special consideration. We have always granted that a man who is working in the bowels of the earth should receive some special consideration, and in all the awards under which miners work it will be found that the hours of labour have been shortened very considerably as compared with those in surface work, whilst his rates of pay have been very good. In days of prosperity in the industry it was quite a common thing for coal miners working on piece work to earn anything from £1 to £2 per day. That attracted a great number of men to the industry, but, unfortunately, owing to the decline in trade—due to various causes—we have a great number of these men out of work. It is commonly said, "Once a miner always a miner," and these men seem to be indifferent to applying themselves to other callings. I take it that it is the desire of the Minister to provide some solution of the present impasse. In a nutshell, his proposition is to create a board that will increase the price of coal to the consumer so that there will be a greater distribution of profits

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and wages. By those means the hon. gentleman hopes to show better returns to miners and coalowners, particularly if it is at all possible to build up an export trade. It means, of course, that if we find an export outlet for our coal we will be compelled, probably, to sell that coal at below cost. According to the prices at which coal is being sold, in Eastern markets particularly, it will be admitted that at to-day's rate it would be impossible to export coal from Queensland at a profit—and that loss is to be borne by the local consumer. That is practically the provision that is made in the case of all commodity boards; that is to say, the local market has to pay a much higher price generally than that obtained in export business. If we are desirous of helping our primary industries, the community of Queensland must "pay the piper." It is just a question whether the mere fact of raising the price of coal sufficiently high to give us better returns and enable us to cater for an export trade will not penalise many of our great industries. It has already been stated that it is proposed by the Government to reduce the prices of gas and electricity. I cannot see how that can be done if we increase the price of coal. If we increase the price of coal locally then it seems to me to be quite unfair to expect the gas or electric supply companies to reduce their prices.

If the Bill is founded on the same basis as the commodity board system there can be very little to cavil about; that is to say, if the people who own the coal are able to conduct their business without Government interference, then the Bill is worthy of consideration, but from what I can gather it is the intention of the Government to appoint a council which will be representative of the coalowners, the miners, and the Government. I cannot see where the Government come in at all. It seems to me that this is the thin end of the wedge for the gradual control by a socialistic Government of many of our industries. We should object strenuously to any intervention by the Government in the control of a coal council or any other commodity board. The people in the business should be the people to control their own affairs.

The Government may allege that the consumer should be protected, but the consumer to-day is amply protected by the fact that we have a Commissioner of Prices who will see to it that the consumer is not unduly exploited. Therefore, I can see no necessity for the representation of the Government through the Commissioner on the council. Nor can I see why the coalminers themselves should be represented on the council, for this reason: The coalminers' wages are determined by the award of the Industrial Court. He has ample protection for himself; consequently it is unfair to give him double representation in this industry, coupled with the representation of a socialistic Government against the interests of the people who are finally responsible. The people are to-day making nothing out of their investments, and they are heavily taxed and are expected to pay high wages and other charges. They look for a market, and any movement which may be initiated to give us further markets should be supported; consequently I think that any council which is constituted should consist entirely of representatives of the owners of the coal, with the exception that

—as in the commodity board system—the Government should be entitled to have the Director of Marketing represented on the board to see that any Government funds which are involved are not wrongly handled. That is the only reason that can be advanced for Government representation. When we have the Bill before us we shall have every opportunity of speaking on its principles. In the main I think the desire of the Government to improve conditions should be supported, but I hope that the Bill will not contain obnoxious provisions, such as placing greater control in the hands of the Government, and greater interference with private enterprise. That is the tendency of all the legislation of the present Government. Every Bill which they introduce is designed to give ever greater power to interfere with and control private industry, and we must endeavour to prevent that result. It seems to me that the constitution of a coal council to better conditions all round can be supported by hon. members.

Question—"That the resolution (*Mr. Stopford's motion*) be agreed to"—put and passed.

The House resumed.

The TEMPORARY CHAIRMAN reported that the Committee had come to a resolution.

Resolution agreed to.

FIRST READING.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

Second reading of the Bill made an Order of the Day for Tuesday next.

DAIRY PRODUCTS STABILISATION BILL.

INITIATION IN COMMITTEE.

(*Mr. Hanson, Buranda, in the chair.*)

The SECRETARY FOR AGRICULTURE (Hon. F. W. Bulcock, *Barcoo*) [12.30 a.m.]: I move—

"That it is desirable that a Bill be introduced relating to the stabilisation of dairy produce; to provide for the constitution of a Dairy Products Board, and for other purposes."

This Bill is largely a machinery measure, but behind the introduction of this Bill lie negotiations which have taken place for a very considerable period. Quite obviously the people engaged in dairy production are entitled to question the determination of local prices as they are fixed at present. The fact that there has been considerable fluctuation in export parity has been the determining factor so far as Commonwealth prices for dairy produce are concerned. There has been a feeling in the dairy industry that it is desirable that we should have a stabilised Australian price based on Australian conditions. Queensland, perhaps, is in a more favoured position than are certain of the other States.

This in effect is an extension of the principle of pooling to which we, as a Parliament, have given our adherence to for a number of years. In the other States that

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principle has not won so large or so definite an adherence, but lately there has been a considerable volume of negotiations between the States, and the three principal dairying States of the Commonwealth—Queensland, New South Wales, and Victoria—are about to introduce legislation in order that we may have a common basis for action. There must, of course, be variations, and those variations have to accord with local conditions. In New South Wales there is a variation; they have not the organisation that we have here. I feel that we should avail ourselves of the existing organisation rather than create a new one. In New South Wales and Victoria it will be necessary to create new organisations. The general principle of the Bill, however, is the same in each State of the Commonwealth, although variations concerning domestic practice will probably occur within each of the component States.

AN OPPOSITION MEMBER: Has the scheme been before any of the other Parliaments?

THE SECRETARY FOR AGRICULTURE: I think this is the first occasion on which the Bill has been before an Australian Parliament. I understand that the Secretary for Agriculture in New South Wales has given notice of the Bill. I had a telegram from Melbourne recently saying it was the intention of the Secretary for Agriculture there, Mr. Allan, to proceed with the Bill on Tuesday last in the Victorian Legislative Assembly. I am not able to say whether the Bill was actually proceeded with.

MR. KENNY: Does the Bill depend on Government policy in every State?

THE SECRETARY FOR AGRICULTURE: I think it would be better if the hon. member allowed me to unfold the Bill as I proceed; he will then probably gain an idea of what the Bill stands for. A conference of Secretaries for Agriculture was held in the early part of this year. One of the major questions that had to be considered in connection with this matter was the effect of the peanut judgment—as it is known—which had been just delivered, on primary produce organisations on the market. A High Court judgment was given which specifically defined the ambit of State practice, and stated very specifically that the States were bound by section 92 of the Constitution; in other words, the operations of commodity boards must be confined to domestic trade, and there could be no covenanting away from the provisions of section 92 of the Australian Constitution, which provided for free and unrestricted trade between the various States of the Commonwealth. In opposition to that we had the dried fruits legislation, which provides very definitely for certain powers whereby section 92 is differently construed. The general belief to-day—and that belief is reinforced by the most recent decisions of the High Court—is that section 92 of the Constitution binds the States, but is not binding on the Commonwealth itself. If that view be the right one—and that is the view subscribed to by our legal luminaries to-day—then it is very obvious that the Commonwealth has certain powers the State does not possess. The Commonwealth exercised its powers by the Dried Fruits Export Control Act. That Act provides for the over-riding of section 92 of the Constitution in certain details, and does not allow the States to exercise certain functions, except with the

legislative concurrence of the Commonwealth Government. The various Secretaries for Agriculture, realising the necessity of being able to place our organisations on a sound and satisfactory footing that would not be susceptible to legal attack, reviewed the whole question of commodity marketing very closely, and a recommendation in these terms was submitted from the conference to a Premiers' conference which met shortly afterwards—

“That the Commonwealth Government be asked to introduce legislation to appoint marketing boards in each of the States, similar to the Dried Fruits Act, for the control and marketing of primary products.”

The Commonwealth Government apparently, through its Prime Minister and other representatives, was constrained to agree to a general form of organisation. A responsible Federal Minister told me that if an industry indicated a definite desire to undertake any particular form of organisation and to embrace a form of orderly marketing acceptable to the industry itself, then the Commonwealth Government would be prepared to give favourable consideration to the demand or the request. At this juncture we have only one definite demand or request, and that is a request from the dairying industry. As we had one definite request from one organisation speaking on behalf of the dairy producers of the Commonwealth, the Premiers and the Commonwealth representatives have apparently decided that it would be advisable to do something in that direction. The conference referred matters back to the various Secretaries for Agriculture after it had agreed to the principle involved—the application of the dried fruits legislation to the dairying industry of the Commonwealth. The three questions submitted for further consideration were—

1. Fixing a limit of production below which the scheme is not to be applicable.
2. Fixing a maximum price for local consumption.
3. Fixing a period for the duration of the scheme.

Those matters obviously involved a considerable amount of thought and correspondence between the various States of the Commonwealth, and during my second reading speech I shall be pleased to indicate the decisions arrived at by the various States in respect of the three points raised. I content myself at the present juncture with saying that all the States have agreed to the basic principles under which this Bill is to operate. It will operate for a period of three years. It is largely a machinery measure. It does away to a very great extent with the domestic State organisation by supplanting it with a Commonwealth organisation within which the domestic organisation will function. I cannot visualise any violent disruptions of the State organisation. We shall proceed to utilise the functions of the State organisation and expand them in order that they may fall into line with the legislative requirements of this Bill, similar Bills to be passed in other States, and the Bill to be passed by the Commonwealth itself.

The Bill can really be considered under two headings. First, there is the heading dealing with the domestic affairs of the State. It is quite true that the State cannot

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exercise the powers contained in the Bill until such time as the Commonwealth Government signify their concurrence by introducing the Commonwealth legislation. Just how far the Commonwealth Government are prepared to go in that regard I am not prepared to say, but I do believe that of necessity it is very proper that we should have an Australian parity as the old idea of fixing our domestic price on the violent fluctuations of the overseas market is unfair to the producer and unfair to the consumer also. The matter has received a considerable amount of attention from the other States and the Commonwealth although, until quite recently, Victoria apparently was reluctant to come into the scheme. To-day the three Eastern States of the Commonwealth are legislating in this direction and we are asking the Commonwealth Government to proceed with the other necessary legislation as soon as possible.

The scheme is not an elaborate one. It provides for the setting up of a stabilisation board in Queensland. It was never my intention or desire to create a new board. We have elected representatives of the dairying industry on the Butter Board and Cheese Board and a judicious selection from these people—allowing the selection to rest with them—will meet all requirements so far as the Queensland Board is concerned. Representatives from this board will function on the Commonwealth Board. The whole idea is to allocate quotas to the various States of the Commonwealth in respect of domestic consumption and export. The quotas will be decided on the requirements of the various States and on the production of the various States. Each State will take its fair share of export parity and each State will get its fair and reasonable share of domestic consumption. Such a scheme does not involve the transference of a dairy commodity from one State to another. The scheme will be carried out by bookkeeping transactions with transfers of quotas to the domestic side or to the export side as the case may be. The machinery that will be utilised will be the machinery that will be evolved by both Commonwealth and State Governments. The objective will be achieved, I think, in a way that will meet with the satisfaction of those people engaged in dairying practice and it will not operate to the disadvantage of the consuming public.

There is one further matter that I should like to mention at this stage. It is in connection with the Paterson scheme. For some time we have been operating a scheme whereby an effort was made at stabilisation, but some people have contended, and rightly so, I think, that the Paterson scheme could not survive any great increase in the proportion of butter that is exported overseas. I believe that viewpoint to be the correct one. The Paterson scheme on the present expansive export will probably not survive more than another couple of years. If then the Paterson scheme is to fail, it becomes necessary to have a scheme which will function side by side with the Paterson scheme and ultimately, when it fails, to take its place and act as a stabilising influence on the Australian market. There is nothing inherently wrong with the Paterson scheme, but the distribution of domestic and export quotas obviously must kill it in the final analysis.

Mr. WALKER: That is the reason why New Zealand has stabilised the butter industry.

The SECRETARY FOR AGRICULTURE: That is so. This is a very genuine effort on the part of the Australian States to establish an Australian stabilised price of butter. It can succeed. We have the machinery that has been in successful operation under the Dried Fruits Export Control Act to indicate the course we must take. In Queensland we have the domestic machinery to enable us to operate this scheme. I feel some gratification in the fact that the necessity for this move has been realised after many years. I know that the ex-Minister, the hon. member for Coorooora, was intimately interested in this matter, but Victoria was the major stumbling block at that time. This difficulty has been overcome and the stabilisation which will be achieved under this Bill will be of very considerable benefit indeed, not only to the people engaged in the dairy farming industry in Queensland, but also to all those in the Commonwealth.

Mr. PLUNKETT (*Albert*) [12.45 p.m.]: The principle underlying this Bill will be welcomed not merely by the producers of Queensland but the producers throughout Australia generally. We can quite understand why the producers in the various States, who for a number of years have organised to put the dairying industry on a better footing than it is to-day, will welcome this legislation, for it will enable the industry to be placed on an Australian basis instead of a State basis. When we realise that the industry exists from North Queensland to the western part of West Australia, and that every State of the Commonwealth is an exporting State at some period of the year—some States export throughout the year—we can visualise the importance and spread of the industry and recognise that it is not merely a State but a national industry. The best results can be obtained from the industry by organising it on an Australian and not a State basis. Agitation has proceeded for a number of years to that end, but we found it impossible to achieve our purpose unless the majority of the States agreed to pass legislation enabling the Commonwealth Government to control intrastate and interstate trade. To-day Commonwealth jurisdiction exists only in so far as export trade is concerned, and the various State Governments must deal with it within their own respective spheres. It is necessary that this legislation should be passed to place the industry on an Australian basis, which will be of great advantage to Australia and the industry itself. It is heartening to know that the three principal States which produce 75 per cent. of the dairy produce of Australia, have agreed to this legislation, and have taken the necessary steps to make it effective. The idea of getting away from the principle of States controlling their own industries and having them controlled by the National Government on a national basis will be for the common good.

Last year Queensland exported 33,000 tons of butter and other States exported 11,000 boxes of butter into Queensland. That shows the chaos existing in the industry. Butter was travelling from one end of Australia to the other, and no legislation existed to control it. Under this legislation such a state of affairs cannot exist. Further, the output of dairy produce in Australia in the last five years has been more than doubled. Our exports have risen from 45,000 tons to 100,000

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tons. That gives some idea of the expansion that has taken place in the industry, and is the warrant for further organisation to control it in the interests of Australia and to see that the producers and others working in the industry receive their full benefit from it.

The position has been aggravated by the low returns to producers in the last few years. Owing to the vagaries of the overseas market, which has been over-supplied by various countries, London parity prices have been the determining factor in the price payable here. That, to my mind, is quite wrong. We are endeavouring to sell a frozen butter overseas against a fresh butter. That in itself is a great disadvantage, and it is imperative to adopt a general organisation that will be applicable to the whole of Australia and will be for the benefit of all concerned.

Another point is that this industry is seasonal, which means that at rush periods large exports have to be sent away, whereas in the winter months very little is exported from some States. Some organisation is essential so that States which are short supplied in the winter periods may be supplied by other States which have a surplus.

Another reason why it is fair and reasonable that those interested in this industry should take their share of responsibility in regard to prices, is that at present many dairy farmers wish to cater only for the local market and allow the other to export overseas and receive a price that is influenced by many factors. For example, the export market is 10,000 miles away, and when butter reaches its destination overseas it is six or eight weeks old as against the comparatively fresh butter sold here. Moreover, certain conditions have to be observed in regard to grading, etc., for the export market. If we export over 100,000 tons of butter more than we can consume in Australia, it is not reasonable that the price to the Australian producers, who are subject to tariffs, taxation, etc., should be decided by world values, more especially as it costs 15s. 6d. per cwt. to land the produce on the London market.

There is, therefore, every necessity for taking action to put the matter on an Australian basis, and this legislation will be welcomed by all Australian producers. It will not be for the benefit merely of the Queensland farmer, but also of every dairy farmer in Australia. Let us remember that last year the value of the product to Australia was £40,000,000, and that the dairymen of Australia are producing an article which can compete very favourably on the overseas market. If we recognise that, we shall see the necessity for supporting this industry, because it will do much to maintain a favourable trade balance for the Commonwealth. The dairying industry affords a good deal of employment. We hear much talk as to the value of the wool and wheat industries, but in the economic life of the Commonwealth the dairying industry is of much more value, because it employs more people, is responsible for more land settlement, and has more capital involved in it. Every effort should be made by all Governments to see that this national industry is protected so that those concerned in it will be able to get at least a living out of it. It is an industry in which those engaged have to work long hours, for seven days in the week. It has only grown to the extent that it has

because of the great use made of family labour. No one will say it has created many millionaires, for although those concerned in it work long hours they only make a bare existence. The figures for the last five years show that in 1928-29 the price of butter was 17s. per cwt., or approximately 1s. 6½d. per lb., while in 1923-29 it had dropped to 8s. 6d. per cwt., or approximately 9½d. per lb. We can thus realise that the farmers of Australia are not getting half what they were getting five years ago. At no period in the dairy industry was legislation more necessary than it is to-day to try to preserve the industry. As I stated previously, 100,546 tons of butter, and 5,411 tons of cheese, were exported last year.

Queensland last year manufactured 44,638 tons of butter and exported 32,807 tons to the United Kingdom, while we ourselves consumed 11,000 or 12,000 tons. We have a big production in Queensland and a large export trade because we have not the consuming public that the other States have. Butter is transhipped from one place to another, and we realise that the welfare of the industry in one State is reflected in the other States. This is an Australian industry and anything done for its benefit should be on an Australian basis. Seeing that Queensland exported 32,807 tons last year, it seems ridiculous that we should have had 11,000 boxes of butter sent here from Victoria and New South Wales, with consequent payment of freight thereon; it is quite unnecessary. It shows that quite a number of people are prepared to exploit producers in States other than their own for their benefit.

I want to be fair. Many people say when we mention these things, "You have the Paterson scheme." Certainly, if it had not been for the Paterson scheme things would have been much more difficult than they are. I have obtained the figures with regard to the Paterson scheme and the exchange rate. They show that it is only by sending their butter overseas that the farmers have been able to carry on at all. The figures show—

	Per cwt.
	s. d.
Bounty under the Paterson scheme	11 8
Exchange	18 3

That really means about 3½d. a lb. If the dairying industry in Australia, in which perhaps £150,000,000 is invested, is to depend for its existence on the Paterson scheme and the exchange rate, it will hang by a very slender thread. If these two factors went out of existence to-day—and the Paterson scheme may go out at any time—

THE SECRETARY FOR AGRICULTURE: The Commonwealth Government cannot give legal sanction to the Paterson scheme.

MR. PLUNKETT: No, they cannot do that. If the benefits of the Paterson scheme and the exchange were lost to us, it would mean a reduction of 3½d. per lb. The average price of butter exported last year was 9½d. per lb., so that farmers would get 6d. a lb. for their butter exported. If you take into consideration the manufacturing cost, which is about 2d. per lb., our farmers would be getting 4d. per lb. Nobody in his right senses will say that butter can be produced at 4d. a lb. That shows the necessity for legislation which will organise the industry on a better basis.

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Quite a number of people talk about supply and demand. Is it reasonable to expect supply and demand to operate in an industry 10,000 or 12,000 miles away from the market when export and storage charges alone amount to 15s. 6d. per cwt? Is it reasonable that we should allow that parity to rule our price here, more especially when the people concerned in the production of it have to pay all those charges before they sell it? It is not sound to argue that the law of supply and demand should operate on the overseas market when we are competing with a perishable article like butter. There is no doubt that there is a necessity for better organisation in all our industries. We know that in England organisation has been brought into being to deal especially with dairy products in a way which a few years ago would not have been dreamed of. The organisation is all for the benefit of those people who are interested in the production of these commodities.

I feel that a Bill of this character is necessary, because for many years we have had advice from our London offices saying it would be in the interests of the industry if butter could be sold in pats in London. A prospectus of a company was drawn up and put before an interstate conference, but the various States had their own charters and we could not get them to agree to form the company on an Australian basis, and to be a success the company would need to be Australian-wide in character. At that time we had not an opportunity of getting the various States to adopt the general principle, which, I think, would be in the interests of the industry. If we get the industry on an Australian basis—and I hope we will—such things as putting up pat butter in the United Kingdom and doing other things of benefit to the industry can be achieved. We are endeavouring in every possible way to advertise our butter at the other end and to obtain decent prices, and see that the butter is marketed in the best possible manner.

I realise the heavy handicap we are working under by reason of the fact we have to send our butter 10,000 or 12,000 miles in a frozen state to compete with freshly-made butter. There is a great deal of prejudice amongst consumers against anything in the shape of primary products that has been frozen. As an instance, I mention the fact that when the Danes find it necessary to clear out the remaining portion of their fresh butter and put it in cold storage, they write down the value by 10s. per cwt., which shows that they recognise that frozen butter sells at a disadvantage as against fresh butter. Since we have had the Export Control Board in operation, we have appointed a publicity expert in dried and canned fruits and other things, and we have had prepared a tabulated list showing that a few years ago the shops in England and Scotland that were selling Australian butter were between 12,000 and 14,000. The number of shops in the United Kingdom now selling Australian goods are 36,000. Within five years we have increased the number of shops that are selling Australian products from 12,000 or 14,000 to 36,000. The mere fact that we are producing twice as much and have to sell twice as much as we did a few years ago shows that something different from the methods of the past will have to be adopted.

The fact that here in Australia in the six different States we have different prices

the whole year round for butter is an indication that it is impossible to get unanimity in the various interests in connection with its sale. This Bill will give us an opportunity of doing it. It is designed to enable us to put the industry on an Australian basis, which will mean an Australian flat-rate price for butter, and that every producer of butter here will have to take his quota of what is exported. That is only reasonable and fair. No State could justifiably object to accepting its share of the export market as well as the home market. It is impossible under our Constitution to give the requisite power to a body to control the industry on an equitable basis unless legislation is passed by the various States and the Commonwealth. Under this legislation it will be possible to concentrate our energies in certain important directions and more efficient results will be secured. It is essential that Australia should export an even better quality butter, and the Bill under consideration will help materially in that direction. Under the Paterson scheme as it operates to-day dairymen are at liberty to manufacture farm-made butter for sale. I am informed that in Tasmania 3,000 odd dairymen are engaged in the manufacture of farm-made butter, and there is even a greater number than that in South Australia. This butter is sold in competition with factory butter. The farmer engaged in the manufacture of farm-made butter is not handicapped with heavy manufacturing costs, and he is prepared to sell his product to the storekeeper for almost any price that it will realise; but on the other hand butter factories are built and equipped at considerable cost, and if they must continue to compete with farm-made butter they will probably go out of competition altogether. Unless the practice of making farm-made butter is checked hundreds of grades of such butter will be manufactured in places unsuitable for the preparation of food for human consumption. The butter factories are subject to Government inspection, and rightly so. It is not right that the industry should be hamstrung by the manufacture of home-made butter after the farmers have invested considerable sums of money in the establishment and the equipment of up-to-date factories.

The Bill deals with a national problem, and there should be no quibbling or bickering about it. Queensland has always led the way in organising for the benefit of the primary producer, and there is no reason why this Bill should not be passed unanimously by this Parliament. The constitution of the proposed board might be questioned, and it would be disappointing if there was to be an unfair controversy concerning this phase of the problem. The State Board will not be the important board. A Federal Board will be constituted with a State Board in each State, but the State Board will operate in a way subservient more or less to the Commonwealth Board. We should endeavour to secure unanimity of opinion on the subject, and we should discuss the difficulties of the industry from a national point of view. The Minister would be wise if he met every question that arose. I want to raise the question myself about the constitution of the board.

The SECRETARY FOR AGRICULTURE: You do not know anything about the constitution of the board at this stage.

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Mr. PLUNKETT: Perhaps I do not. I shall discuss the matter later. I hope the Minister will view the matter in a national way, as I believe he will.

The CHAIRMAN: Order! The hon. member has exhausted the time allowed him under the Standing Orders.

Mr. EDWARDS (*Nanango*) [2.10 p.m.]: I appreciate the action of the Minister in introducing a Bill for the benefit of one of the most important industries in Australia. Butter statistics are convincing on the point that the industry has made great strides during the past few years. Export statistics are sufficient in themselves to stress the importance of this industry, and to indicate its rapid growth. The industry provides a considerable amount of employment, both directly and indirectly. Many thousands of workers are employed indirectly in the industry, from the falling of the trees in the forest to prepare the land for settlement to the shipment of the finished product. In addition many thousands of other persons are directly engaged in its production.

It will probably be necessary for a majority of the States to go through a similar process as they have done in connection with the dairying industry in order to place other primary industries on a national and stabilised basis. I hope that will be done, because if these industries are to progress and expand and at the same time combat high protective tariffs and the restrictive conditions imposed under our arbitration laws, they must be placed on an organised national basis. I have the peanut industry particularly in mind. This matter should have the careful attention of the Minister. No doubt, the findings of the High Court in connection with the peanut industry are largely responsible for this legislation.

The SECRETARY FOR AGRICULTURE: The Dried Fruits Control Board was in operation before the decision in the peanut case was given.

Mr. EDWARDS: No doubt the decision in the peanut case had a big bearing on this legislation. Many primary industries are labouring under disabilities as great as those suffered by the butter industry. I hope that my suggestion in this respect will be borne in mind by the various State and Commonwealth Governments. The Dried Fruits Control Board was very beneficial to Victoria especially. Thousands of workers are engaged in Victoria in the dried fruits industry. The day is not far distant when the peanut industry of Queensland will employ a greater number of men than is employed in the dried fruits industry in Victoria. Industries which mean so much to our national wealth, and which create great avenues of employment are deserving of our support. The butter industry is of enormous value to Australia, and an analysis of the value of butter exported into Britain brings home to us a realisation of its great expansion in Australia. We have thousands of acres of undeveloped lands eminently suited for dairying. This expansion is possible by the adoption of the principle of stabilisation of price and strict attention to manufacture and grading for export. In order to illustrate the possibilities of expansion I will quote the following figures from the report of the Agent-General, showing

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the value of butter imported last year into the United Kingdom—

From—	Value 1932. £
Soviet Union (Russia) ...	1,234,873
Finland	1,080,170
Estonia	337,916
Sweden	391,742
Denmark	13,924,927
Netherlands	248,616
Argentine Republic ...	1,661,995
Irish Free State	1,433,770
Australia	8,753,284
New Zealand	11,151,310
Other countries	1,262,458
Totals	41,481,061

These figures will afford hon. members some idea of the possibility of this great industry. This legislation is absolutely necessary in the interests of those engaged in the industry. Let me tell the Committee why. Almost every article that is purchased to-day for the development of the dairy industry has increased in price from 50 per cent. to 100 per cent. since pre-war days, but the dairyman who pays those prices has to accept for his commodity a price that is no greater than that of pre-war days. Consider the comparative prices of wire, iron, agricultural implements, etc.; they all show an exceedingly large increase on pre-war prices. Other conditions have operated to make the lot of the dairyman much more difficult, for directly and indirectly the activities of Labour organisations in the industrial sphere have influenced the costs of production to the dairymen. That is the case in almost every avenue of the dairy industry. Increased wages and shorter hours to other sections of the community have meant increased costs of building butter factories, making butter boxes, etc.; and the cost of transport, railway and shipping, and the expense of cold storage have also increased the cost of production of the dairyman and made the return for his commodity progressively smaller. The dairyman has to pay increased costs in every way in the process of getting his product marketed overseas.

Mr. W. T. KING: That is a good argument for the reduction of interest.

Mr. EDWARDS: It is a good argument for the reduction of many things, including the tariff on articles that are used for the development of this country.

This is merely the introductory stage of this measure and later the opportunity will be afforded us of elaborating on the question. What appeals to me at the moment is that the production of 1,000,000 tons of butter last year is an index of the progress which has been made in this industry in a comparatively short period. It affords a striking idea of the possibilities for the future if the industry receives the careful attention that it requires in legislation of this kind.

Mr. WALKER (*Cooroora*) [2.22 p.m.]: Although I have been looking forward to action on these lines for some considerable time it was only in the last few months that I learned of the likelihood of legislatively stabilising the butter industry on an Australia-wide basis. Of course, that matter was talked about for many years and schemes were evolved by Mr. Delroy and later by

Mr. Paterson. The difficulty was that without Commonwealth legislation on the subject very little could be done by individual States. At any rate, we have been working under the Paterson scheme, and what is now proposed is really the legislation of the Paterson scheme, the benefits of which we know only too well, and in the absence of which it is difficult to know what would have happened to the producers. We recognise also that the Paterson scheme has been the means of bringing our various organisations more closely together, so that we have been able to finalise not only many matters concerning the marketing of butter but also other questions vitally effecting the industry, as, for example, wood taint. These matters have been dealt with because we have had a well-organised industry. At the present time the Government propose to legalise this scheme, in conjunction with the other States of the Commonwealth. We appreciate that fact very much, and provided the Bill is based on sound lines I will support it, because I recognise its importance and necessity to the industry.

We can recall the conditions of the dairying industry a few years ago. The industry would not have been in the favourable position it is in to-day had it not been for the Paterson and other stabilisation schemes by way of pools in Queensland. The exchange rate has also been of great assistance. By receiving an increased amount of money backed up by the advice of experts of the department, we have now reached the happy position that no other country can look with such pride at the progress of its dairy industry as that with which we can contemplate its progress during the last twenty-five years in Queensland.

I might refer to the expansion in dairying which has taken place in the Gympie district. Gympie was formerly one of our best gold-producing areas and £27,000,000 was derived therefrom on present prices of gold. After thus exploiting goldmining at Gympie, we had practically come to a dead-end. Then the dairying industry came along. Writers in the early days at Gympie always made a point of saying that Gympie was only in its infancy so far as wealth production was concerned. We have been producing more wealth from dairying than was obtained from gold mining in the Gympie district. While we do not depreciate the value of goldmining, we can go on producing butter indefinitely. That remark applies to many other centres in Queensland and Australia, but particularly to the coastal areas of Queensland. Our dairying districts have been developed through the assistance obtained from the Paterson scheme and the exchange rate. I do not think we can point to any other indus-

try in Queensland that will show so much prosperity as the dairying industry for a given time. Unfortunately, during the last few years, through the economic crisis, our butter was sold in the old country for approximately 62s. per cwt., and, in addition to that, we have had a very heavy drought. We have not had the continuity of good seasons which we had in the early days, and the result is that many people are on the breadline.

We often hear the argument that we should stabilise our primary industries by placing the producers on the same footing as industrial workers in the cities, who go to the Industrial Court for fixation in wages. By a stabilisation scheme in primary industry, which will operate for the combined benefit of workers generally, we shall be doing the best thing for both primary and industrial workers. We should allow the rural workers the same benefit that industrial workers obtain from the court.

A GOVERNMENT MEMBER: You abolished the rural award when you came into power.

Mr. WALKER: If the present Government had followed the same course we would not find so many young fellows waiting around Parliament House to interview Ministers and members. They would be working in the country and earning a livelihood.

THE SECRETARY FOR AGRICULTURE: There was never an award in the dairy industry.

Mr. WALKER: I am talking about rural industry—I know there was no award in the dairy industry. We cannot criticise the Bill because it has not been presented to the Committee, although the principle of a Bill may appeal to us we may find when it comes before us that there is something of an obnoxious nature in it, as we found in the case of the Pig Industry Bill and many other measures. Some of the provisions of those measures have never appealed to us and they will not be satisfactory in operation.

We recognise that the Paterson scheme has done the dairying industry a great deal of good. I do not want to weary the Committee by reading a table of figures in regard to the effect of the Paterson scheme, but I would ask you, Mr. Hanson, to agree that the paper be inserted in "Hansard." It gives valuable information with respect to the benefits of the Paterson scheme to Queensland.

THE CHAIRMAN: I cannot allow the matter to be published in "Hansard" unless hon. members wish it.

Mr. WALKER: I want to get the information in "Hansard" to show hon. members the position. I will quote the figures for two periods—

Period.	Boxes exported.	Rate per lb.		Levy.	Bounty.	Surplus. Bounty over Levy.
		Levy.	Bounty.			
January, 1926, to August, 1928	1,564,410	1½d.	3d.	£ 547,543	£ 1,095,086	£ 547,543
April, 1932, to July, 1933	1,602,695	1¾d.	3d.	£ 654,433	£ 1,121,886	£ 467,453

That will give hon. members some idea of the extent of the assistance—approximately £1,500,000 a year. Over a number of years

we received over and above London parity and all expenses £3,478,106 in Queensland, and for the whole of Australia £17,000,000.

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That represents the amount we would have lost if we had not had a Paterson scheme.

I shall be glad to see the Bill, so that we can understand exactly how it is to be operated, and we can approach the second reading with more exhaustive speeches.

I think the Minister should be congratulated upon being the first Australian Minister to present such a Bill. I know that the Minister is doing his best to put the dairymen on a sound footing, and to put a stop to the smart practices that have been in vogue for a number of years in regard to interstate butter coming over the border and competing with our Paterson scheme. I was greatly surprised to see Victoria swing into line. I remember going down with the hon. member for Albert in connection with the Paterson scheme, and I recollect how difficult it was to get them to swing into line and show them the benefits that would be derived from such a scheme. Possibly to-day only one-third of the butter manufactured in Victoria is complying with the spirit of the Paterson scheme, and that fact supplies the reason why the Paterson scheme is not effective. If the producers there honoured the arrangement, there would be no necessity for any legislation for many years. By not honouring the scheme they have broken an honourable arrangement with the other States, and also broken the Commonwealth law by putting on the market a butter which is not pasteurised, thereby causing grave risk in regard to the spread of tuberculosis.

Mr. CLAYTON (*Wide Bay*) [2.34 p.m.]: I welcome the introduction of this Bill, and we all hope the Bill will be as helpful to the dairy farmer and primary producer as we anticipate. It is pleasing to note that the Governments of New South Wales and Victoria are also introducing similar legislation. I think that an Australian organisation on an Australian basis would be of great assistance to the dairying industry. I am hopeful that before very long the various Parliaments in Australia will introduce similar legislation, and that at a later date the Commonwealth Government will ratify the action of the State Governments, and that then we shall be able to have a greater stabilisation of the important dairying industry than we have at the present time. I know that pretty well all the primary producers and dairymen in Queensland are very keen on having a measure of this kind introduced. They have spent much time at meetings discussing this question of controlling the butter industry in Queensland and the means by which that could be accomplished. Various meetings that have been held in my electorate and other parts of Queensland have been advocating the introduction of this measure. I have received several communications from these public bodies in my electorate asking for my support in connection with this measure. I will read one from the Wide Bay District Conference that was held in Gympie recently. It reads—

“Green’s Creek,

“Gympie, 23rd June, 1933.

“E. H. Clayton, Esq., M.L.A.,

“Maryborough.

“Dear Sir,—At the annual Wide Bay district conference of local producers’ associations, which is truly representative of the organised dairymen of one of the most important dairying centres

[*Mr. Walker.*

of this State, held on the 14th instant, it was unanimously resolved to solicit your full support for the Commonwealth stabilisation proposals submitted by the recent interstate conference of dairying representatives for the stabilisation of the dairying industry on an Australian basis.

“It is not necessary for me to stress the present parlous state of the industry throughout the Commonwealth, or to emphasise the acute distress being experienced by those engaged in the industry. We feel sure you are fully cognisant of these unpleasant facts and we look confidently forward to your unqualified support of the proposals put forward for the amelioration of this unsatisfactory state of affairs.

“Yours faithfully,

“E. BRABINER,

“District Secretary.”

This is my reply—

“11th July, 1933.

“E. Brabiner, Esq.,

“District Secretary, Wide Bay District Conference L.P. Associations,

“Green’s Creek, Gympie.

“Dear Sir,—I am in receipt of your letter of the 23rd ult. and desire to inform you that I will give my full support to the Commonwealth stabilisation proposals submitted by the recent interstate conference of dairying representatives for the stabilisation of the dairying industry on an Australian basis.

“As a dairyman, I know the serious position in which we are placed, and what the industry has done to develop Queensland. Our main concern is in connection with our marketing overseas, where we have to compete with foreign butter from countries where their export to the British market is increasing each year, and which, in spite of the Ottawa agreement, is keeping our price much below the cost of production.

“I trust that our dairying representatives will have full support in their efforts to bring about improved conditions.

“Yours faithfully.”

The conditions in the industry must be improved. For some time past the industry has been in a chaotic state because of the depressed markets and adverse climatic conditions. This extract, taken from the Maryborough “Chronicle” aptly describes the precarious position of the dairymen in the northern parts of New South Wales—

“LESS THAN £10 A MONTH.

“THOUSANDS OF DAIRY FARMERS.

“*Industry’s Dire Plight.*

“Lismore, Friday.

“An analysis of the whole of the payments made to suppliers by butter companies in New South Wales reveals a startling state of affairs among small farmers, thousands of whom have to keep a family, pay rent (or instalments, interest and rates on their own property), and buy cattle and fodder on less than £2 10s. per week! Striking examples

are: Bathurst, 136 suppliers, 112 of whom received less than £10 in April, while 22 received between £10 and £20; Cootamundra, 318 suppliers, 273 of whom received less than £10, while 29 received between £10 and £20; Crookwell, 156 suppliers, 139 of whom were paid less than £10, and 17 between £10 and £20; Forbes, 99 suppliers, 79 of whom received less than £10, and 12 between £10 and £20; Grafton, 627 suppliers, 272 less than £10, 305 between £10 and £20; Murrumbidgee, 469, 314 less than £10, 62 between £10 and £20; Macleay, 701, 273 under £10, 252 between £10 and £20; Taralga, 74, 53 under £10, 16 between £10 and £20; Tumut, 304, 155 less than £10, 94 between £10 and £20."

That extract indicates the serious position of the industry in this and the other States of the Commonwealth. For many years London parity has influenced the domestic price, and when one has regard to the heavy taxation and other commitments that must be faced by dairymen, especially in periods of drought, one appreciates the serious position of the industry in this and the other States. The Bill will, to a very great extent, eliminate competition between the various States. For instance, if Victoria is enjoying a bountiful season at the same time as Queensland is in the throes of a drought, the legislation will prevent the flooding of the Queensland market with Victorian butter to the detriment of our local producers. The Queensland dairymen will be permitted to get a fair return commensurate with the hours of labour that must be worked.

As a dairyman, I look forward to this legislation in the hope that it will assist those people who are associated with the industry. I do not propose to speak at length at this stage. I prefer to see the Bill and to deal with the matter fully on the second reading stage. Before concluding I express the hope that the Minister will be sufficiently broad-minded to accept the advice that it will be probably necessary for hon. members on this side to tender to him if the measure is to be completely efficacious. I hope for instance that it will permit this State to elect its own representatives. If so, they will have a controlling voice in the election of members of the Commonwealth Board. In this way the industry will be directly represented, which would not be the case if the representatives were appointed by the Minister.

Mr. NICKLIN (*Murrumbidgee*) [2.42 p.m.]: With other hon. members representing country constituencies I welcome the introduction of this measure, which is designed to bring about stabilisation in the dairying industry. The necessity for this legislation has been apparent for some time. As other hon. members have pointed out, the Paterson scheme and the exchange rate have bolstered up the butter industry in the past, but those factors cannot continue to operate for all time. That is the main reason why stabilisation and security in this important industry are necessary.

The Secretary for Agriculture deserves credit for the enthusiasm he has shown on this question. He has been very diligent and very definite in advocating the introduction of this legislation and has used every endeavour to bring the other States of the Commonwealth into line. It is fitting

that this Parliament should be one of the first Parliaments in Australia to bring this legislation forward, as Queensland has always led in agricultural production. It is also worthy of mention that Victoria, which in the past has always opposed stabilisation, should be one of the first States to introduce enabling legislation.

The butter industry is of such vital importance to this State and Australia that it is deserving of every support and every encouragement to develop and increase in importance. Australia largely relies on her primary industries in meeting her overseas commitments. Of recent years butter has advanced from well down the list of exports until to-day it almost tops the list in value. That should be a sufficient justification for this stabilising legislation of industry on a national basis. The principal States of the Commonwealth, as well as the Commonwealth Government, are combining in the prosecution of a common purpose. I feel certain that when the three principal dairy manufacturing States and the Commonwealth have honoured their undertaking in this regard the remaining States will fall into line and legislate along the same lines. It is only right that this Australian-wide industry should be organised on an Australian basis. It will have an important influence on our national life. For some time past we have had the spectacle of under-cutting competition in the industry between one State and another, but this injurious phase will disappear with the passage of this legislation. It would be of advantage to all primary industries if they were organised and operated on an Australian basis, similarly to what is proposed in the dairying industry.

This legislation will receive the hearty approval of primary producers. For some considerable time past they, through their organisations, have asked for this legislation, and I feel sure that their request is not only justified but will also receive the commendation of all interests concerned.

Mr. KENNY (*Cook*) [2.48 p.m.]: This is a Bill with which I think every hon. member of the Opposition is in accord. As the representative of a constituency where many persons are engaged in dairying, I think this measure will be of advantage. The idea in this legislation is not novel, because this party, as far back as 1925, had discussions on the same subject. Victoria was the stumbling block, and has been so right up to the present time. Now that Victoria has fallen into line, this legislation should receive unanimous support, for the Bill is not, to my mind, a party measure. The butter industry is an Australian-wide industry.

The SECRETARY FOR AGRICULTURE: What has the cheese industry done that the Opposition are not dealing with it?

Mr. KENNY: I recognise that this Bill will also deal with cheese; but I do not propose to discuss the matter, because I am not very much affected from that aspect, and am confining my remarks to the butter industry, of which I have some knowledge.

The SECRETARY FOR AGRICULTURE: That is parochial.

Mr. KENNY: No. There are hon. members on this side who can speak authoritatively of the cheese industry, and I have no wish to take on my shoulders the mantle of

Mr. Kenny.]

those hon. members. From the butter industry point of view I am vitally interested as a North Queensland representative. As the Minister has stated, the matter is one for regulation; but I hope it will not be a case of too much regulation, because we have vivid recollections of regulations introduced by the Labour Government which were detrimental to primary producers. At all events, I do not wish to cast any reflection on the Minister until I have had an opportunity of perusing the Bill, which I hope will be open to criticism. If the measure is such that it can receive our unanimous support, it will be in the best interests of the dairying and cheese industries. Other States are introducing legislation on this matter, and I hope the Queensland Bill is on all fours with the proposed legislation in other States. I also hope that the legislation will not be framed so that any action will be dictated by the policy of any political party who may be in power, because in that case it will militate against the best interests of the dairying industry. I do not intend now to discuss the matter at length, but I do express my accord with the Minister in introducing a Bill to improve the conditions of dairymen in Queensland and throughout the Commonwealth. Much can be done, and judging from the remarks of the hon. gentleman, this Bill should be of advantage to Queensland producers, who are exporting a greater quantity of butter overseas than is consumed locally. The advantage should be Queensland's, and we should see that there is no kick coming back to the producer.

I shall reserve any further comments until we get the Bill and have heard the Minister's remarks at the second reading stage. I hope that the Bill is drawn on sound democratic lines, in that the interests of the producers of butter and cheese are protected to the fullest extent.

Mr. DEACON (*Cunningham*) [2.55 p.m.]: The hon. member for Cook appears to have some doubt about the Bill. I have a great deal more doubt about it than he has. I am not going to say that I welcome the Bill or that I think it is a good measure until I see it. I remember the Minister's interest with regard to the wheat industry, but the effect of the Government's action was to reduce the price obtained by the wheat grower.

The SECRETARY FOR AGRICULTURE: You have got the best price obtained in the Commonwealth.

Mr. DEACON: But we did not get the same price as we did before. We have had Bills introduced dealing with stallions and with the pig industry which interfere with industry and will not do any good. I have no confidence in the Government, and so far as this Bill is concerned I shall wait to see what it contains. It may be loaded with something which will interfere with the dairying industry and do more harm than good. If the Bill is loaded in such a way as to interfere with the industry I will not assist in its passage.

Mr. GODFREY MORGAN (*Murilla*) [2.57 p.m.]: The introduction of this Bill has been expected for quite a long time. It shows what we are coming to in Queensland. We started to protect certain industries, boosted them up, and made the people of Australia pay exorbitant prices for what was produced. That procedure has extended from

one industry to another. To the sugar growers was given a bonus so that they could pay a decent wage to the workers in the industry, and the people of Australia are paying for that. Then the wheat growers in Queensland and other parts of Australia received certain protection from respective Governments which enabled them to get a better price than wheat growers in other countries. Again the consumer was called upon to pay an additional price for bread. In both cases there was more taxation. Then we assisted manufacturing industries, as a result of which primary producers are paying exorbitant prices for everything they require on their farms. When we protect our own industries from black labour products it means that we increase the price of the articles sold to the consumer, and in order to help the primary producer to pay increased prices for his implements and other things we have to help him to get a decent price for his products. We protect certain industries under artificial conditions which are gradually extended to other industries. It is like a snowball, which grows bigger as it rolls along. A precedent is established in one industry, and then another industry organises to get the same advantage. It is only by organisation that the different industries can compel the Government to help them, and gradually one industry after another organises to get the advantage it is seeking. The sugar industry has the finest organisation of any industry in Australia to-day because it adopted the principle of co-ordination. In the same way, if the dairymen adopt that principle, they will benefit.

The aspect of this proposal that engages my attention is: What is going to happen when every industry is enjoying some assistance from the consumers? At the present time one or two industries are occupying a privileged position; and at the same time are reaping the benefit of the low cost of living, which is brought about to some degree by the fact that other industries are not organised and protected. All other industries are as much entitled to those benefits. The cattle industry is entitled to ask the Government to assist it by establishing a pool; for no industry is of greater importance. A short time ago the presidents of the Cattle Growers' Association and the United Graziers' Association wrote to the Premier and asked him if he would be prepared to form a pool on similar lines to the pool formed in respect of wheat, for the purpose of marketing our meat overseas, especially beef. The Premier in reply told these organisations that it was against the policy of the Labour Party, and refused to do anything. They were refused because they were a disorganised rabble; but if they were organised the hon. gentleman could not say that the meat producers were not entitled to get a fair price for their meat in order that they might be able to carry on. Meat is just as important a food as butter or sugar. One cannot justly assist one industry without helping another in like manner. The time will arrive when every industry will be receiving help, and then the cost of living will go up, and the wages of the workers will go up to £4 5s. and £5, but he will be no better off. Figures were produced by the Industrial Court to show that the wage-earner receiving £3 14s. to-day is in a better position, owing to the low cost of living, than he was on £4 5s. a few years ago. If something occurs which increases the cost of living

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by 5s. per week, then the worker is entitled to that increase in his wages, and he should get it, and will get it from the Industrial Court. It is the policy of the court to raise or lower wages according to the cost of living figures.

The dairying industry is entitled to assistance because other industries have obtained it. The primary producer has the same right of protection as any other section. Protection should not be given to one at the expense of the other. That will be the general effect, and the question will then be asked: Where are we getting and can we continue in this way? Australian butter is probably sold on the London market for 1s. per lb. whilst our own people are called upon to pay 1s. 6d. per lb. Perhaps the difference in the amount of wages paid in the two countries warrants this difference, but it is often found that Australian produce can be transported a considerable distance round the world and sold at a price less than that ruling in this country. Where is the practice of giving benefits to industries to cease? Is it not natural to expect that other primary industries will request similar treatment to this? The Minister will not be able to turn down such a request, nor do I hope that he will. Every exporting primary producing section of the community is entitled to similar consideration.

The SECRETARY FOR AGRICULTURE: The matter rests with the Commonwealth Government.

Mr. GODFREY MORGAN: In some cases it does. If the legislation now being discussed is passed through the Commonwealth Parliament it is only natural that other primary industries will approach the Commonwealth Government for similar protection. It is probable that the beef-cattle industry will follow the example of the butter industry and will approach the Commonwealth Government for similar treatment, and it is also probable that the Commonwealth Government will undertake to pass the enabling legislation provided the State Governments express a desire in that direction. It will not matter very much if all the industries are subsidised, but it is unfair to subsidise one industry at the expense of another. All workers engaged in the primary industry are entitled to the same wage. Why should a farm hand, driving six horses and a three-furrow plough on the Darling Downs and working from sunrise to sunset, be paid half the wage that is paid to a sugar worker driving two horses and a single-furrow plough in the sugar area?

Mr. G. C. TAYLOR: He is not organised.

Mr. GODFREY MORGAN: That is exactly the point.

Mr. G. C. TAYLOR: Then you believe in organisation?

Mr. GODFREY MORGAN: I certainly do, but instead of wheat being sold for 3s. per bushel it will be sold at 5s. a bushel if all the industries are organised. Following that deduction to its logical conclusion, there will be a considerable increase in the cost of living and it necessarily follows that wages will have to be increased in a like ratio. A worker is entitled to an increase in his wages in accordance with the increase in the cost of living so that he may buy the products of the country and enjoy them.

This matter will eventually have to be considered in Australia whether we like it or not. Little by little, bit by bit, we are approaching that point. Industry after industry is being organised. The industries least organised lag behind, but they will awaken to the true position before very long. Station hands will probably be able to demand more than 30s. to £2 per week and keep. Why should a station hand be compelled to accept £2 4s. a week and keep whilst employees in other industries are paid £3 and £4 per week? A station hand is entitled to the same wage for attending to cattle year after year as a man engaged in slaughtering them at the abattoir. A slaughterman at the abattoir can earn up to £9 a week slaughtering cattle, but the station hand who tends the livestock from morning to night on a grazing property must accept 30s. a week and keep. Why should that be so? Of course, it will be contended that a slaughterman is a skilled worker, but I am satisfied that any man of average intelligence employed on a grazing property can become a skilful slaughterman in three or four months. The dairymen of this State and throughout Australia are entitled to the benefits which will be conferred by this Bill, because the protection given to numerous other industries has increased the cost of protection beyond the point at which it is profitable.

Mr. G. C. TAYLOR (*Enoggera*) [3.15 p.m.]: The hon. member for Murilla has given a very good exposition of the policy of the Labour Party. He has advocated that the same wages should be paid to a worker on a station property as are paid to a worker in an allied industry. If he expounded that policy at a meeting of the United Graziers' Association I am afraid that he would be expelled. We know, though, that the hon. member is not sincere in the statements he has made.

This legislation has been introduced when the dairying industry is admittedly in a very bad way. The Paterson scheme was brought into existence to enable surplus dairy products to be exported overseas by means of an indirect subsidy paid by the local consumer in the form of a higher price. That scheme was sound as long as productivity did not reach too high a point, and provided the exportable surplus did not exceed local consumption.

It is obvious that the Queensland Government could not of themselves legislate for the protection of the dairying industry in this State unless reciprocal legislation were passed by the majority of the States of the Commonwealth and the Commonwealth Government also. We have had experience of the result of a glut in the production of butter in Victoria. Second-grade Victorian butter was imported to Queensland and sold to the detriment of the first-grade locally manufactured article. In consequence, the local industry suffered. There has been no cohesion between the States in legislating for the dairying industry. The legislation has been haphazard, and has been introduced only to suit the needs of the moment. This Bill will give the Commonwealth Government an opportunity of bringing down a Bill to enable the industry to be controlled in a manner enabling the producers to distribute their product on an equitable basis at a fair price.

Mr. G. C. Taylor.]

Production in the dairying industry is greater than it has ever been. That is the principal reason why the Bill has been introduced. The life of the Paterson scheme is limited. It could not exist much longer because the amount of butter exported is becoming greater than the amount locally consumed. Therefore, the principle of taxing the amount of locally-consumed butter to assist in marketing the exportable surplus cannot continue. The Bill has not been introduced too soon, and it is quite obvious that unless the Commonwealth Government get busy and bring in a Bill and other States introduce similar legislation, very serious results will follow. I hope that this Government will give effect to the principle of the Bill as early as possible, and that the Commonwealth Government will do likewise.

Mr. TOZER (*Gympie*) [3.18 p.m.]: As a member representing a dairy centre, I have been asked by the Local Producers' Association to support any Bill which will facilitate the stabilisation of dairy products; but apart from that I am bound to consider any legislation introduced in this Parliament. The Minister has explained the principles of the Bill, and I understand that this Bill is, as it were, a preliminary measure to assist the Commonwealth Government to make up their minds to introduce legislation dealing with the stabilisation of dairy products. What is puzzling me is whether it is necessary that all the States should be unanimous, or whether a majority of States will be sufficient. So far, only New South Wales, Victoria, and Queensland have agreed. What about Tasmania and South Australia?

The SECRETARY FOR AGRICULTURE: Tasmania has a Bill in draft at the present time. Western Australia definitely will not come in, but the other State will.

Mr. TOZER: I hope, when this Bill is passed, the Commonwealth Government will introduce the necessary legislation. I presume, when the Commonwealth legislation is passed, it will not really matter what we have enacted in our State legislation, inasmuch as the Federal law will prevail where it is in conflict with the State law. The important point, then, is the intention of the Federal legislation.

At 3.20 p.m.,

Mr. W. T. KING (*Maree*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. TOZER: The principle underlying the Bill seems to be good. We should organise to stabilise this industry, which is a large and expanding one, and vitally affects a large proportion of our people. It is only reasonable that stabilised conditions should prevail, so that those engaged in the industry may have an idea as to their position. At the present time no one knows what the price of butter will be from month to month, because prices vary and we are dependent almost entirely on the overseas market. Recently we have had the spectacle of the price of butter being lower than it has ever been, in consequence of which dairy farmers have been exceedingly hard hit. If other sections of the community who are in receipt of wages were subjected to conditions under which their wages were reduced 50 per cent. and even more in some months, there would

[*Mr. G. C. Taylor.*

be a tremendous outcry; yet that is precisely what is happening to dairymen. At a price of 1s. 6d. per lb. dairymen could manage, but with a fall in price to 6½d. per lb. the position of dairymen was such that many had insufficient to live on. I know of many cases where the monthly cream cheque was quite insufficient even to keep the family concerned supplied with the necessaries of life, and in consequence these people had to rely on credit from the tradespeople. We want to stabilise the dairying industry, and if by that means we can ensure a better and more definite income to dairymen, we shall be doing good, not merely to dairymen, but to people generally, because the purchasing power of the dairyman has its reflex in trade and commerce generally. All other industries will benefit by a stabilisation scheme. Some may say that it will increase the cost to the consumer; but I do not think there will be much increase of cost to the consumer. He will get the direct benefit of the stabilisation scheme, and indirectly the benefit from the higher purchasing power which results through the dairy farmer getting better prices and spending more money. It will be generally better for the whole of the people—it will be a common benefit. We recognise that organisation is advantageous to the community.

I think that when we get the Bill and see what it contains we shall be able to support it. I cannot imagine that any Minister would bring in a Bill like this which is not for the benefit of the whole of the people. The principle of the Bill is the stabilisation of the dairying industry. We should treat this matter as one of national importance, and do the best we can for the development of the industry. I hope the Bill will achieve what the Minister desires.

Question—"That the resolution (*Mr. Bulcock's motion*) be agreed to"—put and passed.

The House resumed.

The TEMPORARY CHAIRMAN reported that the Committee had come to a resolution.

Resolution agreed to.

FIRST READING.

The SECRETARY FOR AGRICULTURE (*Hon. F. W. Bulcock, Barcoo*) presented the Bill, and moved—

"That the Bill be now read a first time."

Question put and passed.

Second reading of the Bill made an Order of the Day for Tuesday next.

CONSTITUTION ACT AMENDMENT BILL.

COMMITTEE.

(*Mr. Hanson, Buranda, in the chair.*)

Clauses 1 to 4, both inclusive, and preamble, agreed to.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

Third reading of the Bill made an Order of the Day for Tuesday next.

The House adjourned at 3.31 p.m.