

as shown in the reprinted Acts. Clause 7 provides that it shall not be obligatory to include in the annual volumes all the consolidating Acts passed between now and the publication of the reprint. The reason for this is that as it can be assumed that the public will be buying the republished Acts when they are available, it would not be fair to make them pay twice over for all these consolidating Acts by including them in the annual volumes. Further, there may be so many of them as to make the annual volumes very unwieldy. It is intended, however, that any consolidating Act which is particularly required by the public will be included in the annual volume. Clause 8 provides that the reprinted Acts shall have the same legal effect as the original Acts. We hope under this scheme to reduce the statute law to seven or eight volumes of octavo size containing about a thousand pages each, and in future to keep the statutes up to date by drafting all amendments in such a way that they will be incorporable in the amended Acts. I ask members to co-operate with the Government in this scheme by doing their best to expedite the passage of those Bills which will be introduced to give effect to it. The Government considers this is a distinct advance in law reform. When these statutes are available they will be of great convenience to anyone who has occasion to refer to them. The size of the volume will be different from those with which we are familiar. They will be much handier and similar to the Commonwealth Acts. The whole matter is one in which we ask for the enthusiastic co-operation of members of this House. From time to time consolidating Acts will be presented, and in due course will be referred to the Joint Committee on Consolidation Bills. We ask members to expedite as far as possible the passing of these Bills. I move the second reading.

Mr. LACEY secured the adjournment of the debate.

DAIRY PRODUCE BILL.

Second reading.

The Hon. R. L. BUTLER (Woorora—Treasurer)—I want it to be clearly understood in the first place that nothing which I am saying is to be construed as something detrimental to the dairying industry of this State or of Australia. No one realises more than I do the importance of the dairying industry to this State, or appreciates more the fact that

it provides employment for a very large number of people. No one knows better than I do the arduous nature of the work. It may not be as arduous as wheatgrowing, but it is work which occupies the attention of those engaged in the industry every day of the week, irrespective of whether it is a holiday, Saturday, or Sunday. Appreciating that fact, I think the whole House will be desirous of putting the industry on a much better basis than it is to-day. It is an industry of sufficient importance to demand the consideration of every member. What we have to consider is whether the legislation and the schemes which have been submitted from the Commonwealth point of view will make for the ultimate benefit of the industry or be detrimental to it. That is the point on which all legislation of this kind must be considered—not so much from its immediate effect, but from its ultimate effect on the industry.

Mr. Thompson—And also upon the public generally.

The Hon. R. L. BUTLER—The effect will ultimately be thrown back on the industry. I do not think there is any legislation which has given me more trouble and worry and taken more of my time than this Bill. I have learned this lesson, which I think Premiers before me have learned, that it is almost impossible to prepare any Bill for submission to this House if you consult interested parties in the first instance. I have made up my mind that in the future when I have legislation or a Bill to submit to this House I am going to do so without consulting interested parties. I shall lay the Bill on the table and let every member have the right to express an opinion on it, at the same time giving those interested in the legislation the right to place their views before individual members of this House so that those views can be expressed by someone in the House. That is the proper procedure to adopt. If you are dealing with a Bill which concerns two or three interested parties, it is almost impossible to get them to agree to any particular point. Nearly one-third of my time has been taken up with the question of butter control during the last three or four months. I hope that one day members will realise that I was not forced by the tremendous influences of the Commonwealth and the other States to agree to this State becoming a party to the Federal scheme; and that the attitude which I and my Government have taken up has been

in the best interests of South Australia, and ultimately for Australia. Members have no conception of the influences which have been brought to bear—because that scheme is ratified by the Commonwealth Government and by three of the most populous States, and the interested parties are not so much producers, but mainly manufacturers, who for their own salvation have taken a hand in affairs—to force South Australia to be a party to a scheme which would mean tremendous loss to the people of this State. It is difficult to resist such pressure. Whatever may be said about this legislation I have no doubt that ultimately the attitude we have taken up will prove to have been right. There is no excuse for any honourable member not being somewhat conversant with the question. The previous Government appointed a Royal Commission to inquire into the dairying industry in South Australia. A very valuable report was submitted, yet it is somewhat astounding to me to find that that Royal Commission, which was appointed to make recommendations as to the best way the industry could be assisted, made no recommendation that South Australia should become a party to the Federal scheme. In fact, it made a recommendation to the effect that should the Paterson scheme automatically go out of existence, the South Australian Government should offer no opposition to the supplementary South Australian scheme.

The Hon. R. S. Richards—What did the Commission say about the Federal scheme?

The Hon. R. L. BUTLER—Nothing at all. It dealt with the effect of the Paterson scheme, but made no recommendation that South Australia should be a party to the Federal scheme.

Mr. Christian—There was no Federal scheme then.

The Hon. R. L. BUTLER—It was mooted then; it has been mooted for the past two years.

Mr. Hunt—It had not been passed then.

The Hon. R. L. BUTLER—I think the honourable member will find that the report of the Royal Commission was made after the Federal scheme.

Mr. Stott—Did the Commission consider it?

The Hon. R. L. BUTLER—No. That is what led to my Government appointing a Special Committee to make a specific investigation as to the advantages or disadvantages of the Federal scheme. We appointed that

Committee to inquire into the effects of the legislation of the Commonwealth and the Eastern States, controlling butter and cheese, the Commonwealth price stabilisation scheme for South Australia, or a State controlled scheme. The Committee could not be termed biased in any way, because it comprised Mr. Wainwright, the Auditor-General, Mr. Spafford, Deputy Director of Agriculture, Mr. Hewland, the secretary of the Dairymen's Association, and Mr. Finlayson, representing the manufacturers. The Committee first recommended that there should be an export bounty paid from funds raised by equitable taxation. That is getting away from the Australian scheme, and not attempting to artificially fix prices for home consumption, and I am exceedingly pleased that the Commonwealth Government is now following the recommendation made in that report. In a time of depression, if an industry has to be assisted it is better to do it by way of bounty than by some permanent scheme which will artificially fix prices for home consumption. The Committee admitted that there were some difficulties about bringing this recommendation into operation.

Mr. Stott—Was Mr. Hewland a party to the State scheme?

The Hon. R. L. BUTLER—No. What he signed was that the industry could be effectively assisted only by way of a bounty, and not by a home consumption price, which the Committee considered placed the whole of the burden of assisting the industry on those who could least afford to carry it. The Committee felt that if the Commonwealth Government desired to assist the industry it should do so out of taxation and not by making the poorer classes of the community shoulder the burden by paying enormously increased prices for butter.

Mr. Christian—But the bounty would be on a Federal basis?

The Hon. R. L. BUTLER—The bounty would be on a Federal basis, and instead of the burden falling on the poorer classes it would have to be carried by the wealthier classes.

Mr. Dale—We agree with that.

The Hon. R. L. BUTLER—I thought the honourable member would. The Committee gave the following reasons for its recommendations:—1. The price to the Australian consumer would be reduced by approximately 4d. per pound. 2. The reduction in the local price

of butter would increase local consumption and thus reduce the amount to be exported. It realised that if the price for an essential commodity such as butter were unduly increased it would lead to either the use of substitutes or a reduction in the quantity consumed locally, which would result in a further increase of export at lower prices.

Mr. Lacey—That applies to all high priced foodstuffs.

The Hon. R. L. BUTLER—Yes. The third recommendation of the Committee was, "The price to the producer for his butterfat would not be adversely affected." The report pointed out that the consumer would benefit by 4d. a pound and that the producer would not be adversely affected.

The Hon. G. F. Jenkins—It is a pity that that aspect was not considered instead of an exorbitant tariff being imposed.

The Hon. R. L. BUTLER—I quite agree that the fiscal policy which has been adopted in Australia is leading to the introduction of various other artificial methods to help those whom the tariff unduly penalises. The adoption of a policy of high tariffs does incalculable harm to some industries. In that event the only thing to do is to see that there is a reduction in the tariff and no further adoption of artificial methods, which ultimately will break down the whole system.

Mr. Craigie—The Treasurer had better come over to this corner.

The Hon. R. L. BUTLER—I quite agreed with the honourable member when he effectively pointed out the other day that a high protectionist policy ultimately led to higher prices, increased costs and unemployment. I think that that is unanswerable.

Mr. Fitzgerald—To more work.

The Hon. R. L. BUTLER—No, less work.

The Hon. G. F. Jenkins—It leads to the starving of the primary industries.

The Hon. R. L. BUTLER—Yes. The report of the Committee referred to further says "The dairy butter problem would disappear because there would then be no equalising levies which are now paid by factory and not by dairy butter." The report adds, "The consumption of table margarine and other butter substitutes would be considerably reduced to the advantage of butter." That is tremendously important, because we find that as soon as the price of butter has been artificially risen in Australia there has been a tremendous increase in the

consumption of margarine. No doubt exists that if the price of butter is unduly inflated it will lead to the use of substitutes. The manufacturers of margarine are mixing a certain amount of bullock's fat in margarine, with butter colouring, and are adding butter for flavouring.

The Hon. G. F. Jenkins—It means that they are getting their butter from the bullock instead of the cow!

The Hon. R. L. BUTLER—The result is that it is almost impossible to detect margarine from butter.

Mr. Dale—Would the Treasurer like it?

The Hon. R. L. BUTLER—I have tasted it and I could scarcely tell it from butter. If I had not been aware that it was margarine I would not have known it.

Mr. Dale—You must have a poor taste.

The Hon. R. L. BUTLER—No, if I brought three samples into the House, two of them being margarine of that type and one genuine butter, I would challenge the honourable member, if he were blindfolded, to say which was the margarine. I suppose most members who go into restaurants to-day are getting margarine or some other substitute for butter. In these days of low wages and salaries the housewife is compelled to buy as cheaply as possible to make ends meet. Naturally she will have to consider whether she will pay 1s. 6d. a pound for butter if she can buy a substitute at a much lower price which the children would not be able to detect from butter. There is not the slightest doubt that people on low wages and salaries will resort to buying a cheaper substitute if the price of butter is fixed too high. That is being done in every capital city in the Commonwealth. The result is that the Government has decided to introduce legislation to control butter substitutes being placed on the market. The Committee's report also states "The existing expensive stabilisation committees with their offices and heavy travelling expenses would no longer be necessary." Does any member know what the expenses of these offices have been? No sooner had power been granted to the committee by the Federal Government than it appointed a chief executive officer from New South Wales at £2,000 a year, another from Queensland at £1,500 and another from Victoria at £1,000. If all the States come into the scheme a staff of 16 will be required. In addition boards will be set up in every State.

As the South Australian Committee pointed out, all that unnecessary expense has to be borne by the industry and has to be passed on to the consumer. As the report pointed out, those heavy expenses associated with the establishment of the stabilisation committee would no longer be necessary if the Committee's report were put into effect. That shows that the existing wide margin of 5½d. a pound between the price of butter to the producer and the local market price would be reduced to 2½d. or less, and the suspicion now existing as to the bona fides of the manufacturer would disappear. The actual increase in the Australian consumption and the corresponding reduction in the export brought about by the lower local price of butter would require less to be raised by taxation than on the existing basis of consumption and prices and the present cumbersome bounty system. The Committee says that the loss on the quantity exported would be borne by those best able to bear it instead of increasing the cost of a necessary item of food on the poorest people of the community. A scheme based on the taxation of luxuries to raise funds for an export bounty could be easily implemented by the fixing of an internal price of bulk butter wholesale and it would also regulate the price of butterfat and allow the exporters the difference between the Australian fixed price and the export price. The special circumstances of Western Australia could be met by a disabilities grant. The hampering Governmental restrictions on interstate trade, the preparation of voluminous returns and statements, and the fixing of export quotas would all be unnecessary under a constitutional scheme set up by the Commonwealth Parliament as suggested. That showed that the Committee was unanimously in favour of an alternative scheme.

I want members to realise that this is emergency legislation. It has been forced upon us because the Federal law has been enacted and the other States have more or less agreed to it. By the adoption of the Federal scheme we have been forced to enter into a scheme which I think will be much more advantageous to this State than the Commonwealth one. I want it to be clearly understood that it is not a permanent scheme and that I do not believe in these schemes as a solution of all our primary producing problems. I wish we could convince the primary producers of that. If we went to members of the dairy industry,

the butter manufacturer, and the man who sells his cream to a factory and asked them what the law was in Victoria and what the Federal law was not one would have the slightest conception. They have been told that it will probably mean an increase in the price for butter. Others believe that a levy is proposed to be imposed on all butter manufactured in Australia. One section supports it because it thinks it will receive an increased price and the other section opposes it because it believes it will mean a levy. If we chose 10 dairymen from any part of Australia and asked them to explain the legislation they would have no idea of what it was or what it would mean. It is not an easy matter to explain.

Mr. Thompson—Is that a reflection on the dairymen?

The Hon. R. L. BUTLER—No, but on the law as it stands. It is difficult for them to understand and it is difficult for members to understand unless they thoroughly study it. I do not want any honourable member to run away with the idea that I think schemes of this nature will solve our problems, because I do not believe they will. We will find as time goes on, and as other countries have found, that schemes which are particularly designed to help producers have done industries incalculable harm. We need only to look at the sugar scheme which emanated in Queensland. Not the slightest doubt exists that a voluntary scheme could have been carried on in Australia had it not been for the Paterson scheme. Queensland, having tasted blood so far as sugar was concerned and compelled the people of the other States to pay for the building up and expansion of that industry, thought it was a golden opportunity to force a scheme on the people of Australia in regard to butter. Anybody who studies the question will see that Queensland is determined to further expand her dairying industry. I have heard that the Queensland Minister of Agriculture said that Queensland had doubled her production in five years. I do not mind that so long as it is done at the expense of the people of Queensland, but I do object to the people of South Australia having to contribute largely to the expansion of that industry. The scheme is doomed to failure ultimately. The high price fixed for sugar for home consumption has led to such tremendous expansion of the industry

that the quantity of sugar exported overseas this year and sold at world's prices has cost the people of Australia about £3,000,000.

The Hon. G. F. Jenkins—They are not allowing them to expand any further.

The Hon. R. L. BUTLER—I am not too sure of that. These restrictions have been on for a year. There was an extraordinary increase in the production of sugar last year. It was sold at a ridiculous price overseas, and cost Australia about £3,000,000.

Mr. Thompson—It is bringing the average price down.

The Hon. R. L. BUTLER—No; they were guaranteed a definite price, irrespective of what they sold overseas.

Mr. Petherick—A payable price, too.

The Hon. R. L. BUTLER—It is more than a payable price. I am at a loss to understand the tremendous influence which Queensland wields in the Federal political sphere. We know that an inquiry was originally held some years ago, and the price agreed upon between the producers and workers' organisation was £21 a ton. It was agreed that that price would enable the men to secure a living wage and the producer sufficient means to carry on, but what happened? When politics came into it they got £28 a ton right on the eve of an election. The price has gone down since then. That scheme is doomed to failure because the prices fixed have been so high that they have led to a tremendous expansion in the production of sugar, prompting people who originally held land to sell out and make a small fortune.

The SPEAKER—I think the Treasurer will realise that he has had some latitude on this matter. I cannot permit a general discussion on sugar.

The Hon. R. L. BUTLER—I shall not say any more about sugar. The Commonwealth scheme is identical with the sugar scheme, which was the means of fixing an artificial home consumption price. I particularly stress the danger of such a scheme if it becomes permanently adopted in Australia. We have seen what has happened in other countries. For instance, endeavours were made in Brazil to expand the coffee industry by fixing a high home consumption price, and we all know what ultimately happened. Ship loads of coffee were thrown into the sea, coffee plants were uprooted, and the land put to other uses. The effect of the Paterson scheme in increasing

butter prices in Australia was to lead to a tremendous expansion of the industry, combined with the fact that at the same time New Zealand, Germany, France and Italy had adopted similar schemes. They said to their producers, "We will guarantee you a certain price for home consumption." Probably Germany went to greater extremes than any other country. Every country expanded its industry, and the production of butter in the world was about doubled, and it was dumped upon the English market, to the detriment of the British producer.

The Hon. R. S. Richards—What will be the effect of this proposed legislation?

The Hon. R. L. BUTLER—I do not think it will have the effect I have just mentioned.

The Hon. R. S. Richards—Will it reduce the price and restrict the production of butter?

The Hon. R. L. BUTLER—I do not think there will be any restriction this year. Nature is doing it satisfactorily both for the producer and the consumer.

Mr. Thompson—It will not bring about an expansion of the butter industry in this State!

The Hon. R. L. BUTLER—No. It is my duty to emphasise where that scheme will ultimately lead us to. Surely we can understand the resentment which was expressed in England by those engaged in the dairying industry when they saw Denmark and other countries with fixed home consumption price having an increased production, and the surplus being dumped on the British market. I think the ultimate solution of this problem will be that we shall have the right to expect that England will give us a preferential tariff.

Mr. Cameron—She has the right to expect a preferential tariff from us.

The Hon. R. L. BUTLER—If we expect her to give us a preferential tariff on primary products we shall ultimately be compelled to give her a greater preference on her manufactured goods which come to Australia.

Mr. Cameron—We cannot say that the interpretation of the Ottawa Agreement was a fair and straight deal to Great Britain.

The Hon. R. L. BUTLER—I do not think it was.

Mr. Cameron—It is the cause of the quota argument in Great Britain today.

The Hon. R. L. BUTLER—The Paterson scheme adopted in Australia did incalculably more harm to the producer than if we had not

had a scheme at all. Since 1926-7 when the Paterson scheme came into force, the production of butter has increased from 252,000,000lbs to 419,000,000lbs. per year. An increase of 66 per cent. The production in New South Wales increased from 95,000,000 to 128,000,000lbs; in Victoria it went from 81,000,000 to 144,000,000lbs.; Queensland 51,000,000 to 103,000,000lbs.; South Australia 13,000,000 to 21,000,000lbs; Western Australia 3,000,000 to 11,000,000lbs; Tasmania 6,000,000 to 11,900,000lbs. These figures refer to 1932-33.

Mr. Hunt—The Paterson scheme was wholly responsible for that increase.

The Hon. R. L. BUTLER—Not solely responsible for it. The Paterson scheme was brought into operation when butter was selling at from 165s. to 181s. per cwt., as against a selling price of 74s. to-day. Butter was selling badly at 2s. a pound at that time.

Mr. Hunt—What did it cost to produce butter at that time?

The Hon. R. L. BUTLER—Very little more than it does to-day.

Mr. Hunt—Was it not ascertained by various committees of inquiry that it cost 2s. 4d. to produce a pound of butter at that time?

The Hon. R. L. BUTLER—I have heard of all sorts of investigations of that nature being made. In the year prior to the Paterson scheme coming into operation the industry was not in a bad way, and the producers were able to carry on with the price at infinitely less than 2s. a pound.

The Hon. G. F. Jenkins—Do you not think that a great deal of the increase is caused by the farmers turning to dairying to augment the family income?

The Hon. R. L. BUTLER—That is correct up to 1931, when we did find there was a considerable increase in South Australia. From the statistics it will be seen that in 1926-27 the production in Queensland increased from 51,000,000 to 72,000,000lbs. Since that time it has gradually increased to 103,000,000lbs. The big increase took place before dairying was entered into as a side-line. I have not the slightest doubt, and I believe it is admitted all over Australia, that the main reason for the increase in butter production in this country, just as it was in Denmark and elsewhere, was due to the fixation of a high price for home consumption.

I am at a loss to understand why a scheme of that kind was brought into operation at a time when it was less needed.

In times of crisis like these we have to adopt extraordinary methods to save an industry, but to deliberately inflate the price of butter by 28s. a cwt. when the people here were paying 2s. a pound was never justified. It was a blunder of the greatest magnitude, and led to the present deplorable state of the industry, and the fact that we are unable to sell our surplus butter at a profit. We have come through the crisis pretty well, and are not going to embark on schemes which would wide experience has proved to be wrong. If we have to do something to assist, it will be something of a temporary nature rather than of a permanent nature and methods which, I think every member of my own party at least will admit, are unsound, artificial, and uneconomic. Why did the Paterson scheme break down? We were told that it was owing to the tremendous increase in the manufacture of farm made butter, but records will show that the quantity of farm made butter has not increased to any considerable extent in South Australia. In Victoria and New South Wales, where only three to five per cent. of the butter produced is farm made, they found just the same difficulty in carrying out the Paterson scheme as we did, and we produce 20 to 25 per cent. The real reason for the break down of the scheme was that production was increased enormously and it was impossible to sell the butter overseas at a profit. Therefore it became necessary to impose a higher and still higher levy which it was impossible to carry out on a voluntary basis. Further, we find the co-operative factories in Queensland so keen on forcing the Federal scheme down the throats of South Australia, when they were the defaulters under the voluntary scheme. I believe they owe the voluntary scheme about £100,000 to-day. To the credit of the butter factories of South Australia, they did pay their commitments under the Paterson scheme. If every factory in Queensland had followed the example of South Australia, the scheme would never have broken down. That was not Queensland's reason for setting to work to bring the Federal scheme into force. They saw an opportunity, at a time when prices were exceedingly low, and the whole industry was depressed, to force the Federal Parliament to enact a law to bring in a scheme on a con-

pulsory basis, knowing full well that they were going to reap all the advantages and that the other States were going to pay the piper.

The Hon. R. S. Richards—How could one State force the Federal Parliament?

The Hon. R. L. BUTLER—I cannot understand the influence which Queensland wields in the political sphere, and yet they do wield it. They have very clever people connected with the manufacture of butter in that State.

The Hon. G. F. Jenkins—You are damning your Bill with faint praise.

The Hon. R. L. BUTLER—I am condemning the Federal scheme.

Mr. Cameron—The Federal crowd may damn your State scheme.

The Hon. R. L. BUTLER—I am not afraid of that, and the bluff which comes from the other States that we are dependent on their scheme will not count very much with South Australia. They say they can smash our scheme by dumping butter. Let them dump a pound of butter in South Australia and we will test the legality of their scheme. I guarantee that from two points of law their scheme will not stand testing—either from the Constitutional or the legal point of view.

Mr. Stott—Does not Federal law override State law?

The Hon. R. L. BUTLER—I am not going to be bluffed by the people of other States, and I am surprised we have not more people in South Australia prepared to stand up for the rights of their own State and look after the producers and consumers. Every suggestion we have made has been met with the threat that the scheme will be broken down by dumping. If they dump butter here their law will be tested, and I know all the weaknesses connected with it.

Mr. Abbott—Why not test it, whether they dump butter or not?

The Hon. R. L. BUTLER—I am not going to take the responsibility. If we went into the Federal scheme this year it would cost us £100,000, because we are producing a small quantity of butter.

Mr. Dale—Do you agree that the middle man gets the biggest rake-off?

The Hon. R. L. BUTLER—I do not know whether he does, but if the Federal scheme or the Paterson scheme was advantageous to anyone, it was particularly advantageous to the man manufacturing butter. The Paterson

scheme never did assist the industry to anything like the same extent as it did the manufacturers.

Mr. Stott—Will your scheme prevent that?

The Hon. R. L. BUTLER—I hope that will be done under another scheme. I do not want to interfere with private industry. I am quite prepared to allow private industry to carry on and make a profit, but yet this obvious fact stares us in the face, that the cost of manufacturing butter has increased from 1½d. to 3d. a pound since the Paterson scheme commenced.

The Hon. G. F. Jenkins—Is that in South Australia?

The Hon. R. L. BUTLER—Yes.

Mr. Stephens—What is the cause of that?

The Hon. R. L. BUTLER—Because of no competition, and the fact that the standard of costs was fixed on the most inefficient factory instead of on the most efficient. They all reap the advantage.

The Hon. R. S. Richards—Is there anything inefficient in private enterprise?

The Hon. R. L. BUTLER—We have some inefficient factories, and are too prone to protect them. Members opposite are prone to condemn the efficient factories. I feel that we are always inclined to render assistance to an industry which does not deserve it. I say frankly that if I were a manufacturer I should vote straight out for the Federal scheme, for it would relieve me of a tremendous lot of the difficulties which are connected with the industry at present.

Mr. Stephens—Will the scheme be able to deal with the difference between what the producer gets and the consumer pays?

The Hon. R. L. BUTLER—I shall explain the scheme directly. The Paterson scheme was not the sole reason for the increased production. There were other factors, such as the low prices ruling for other primary products, which caused many people to go in for dairying as a sideline; also the natural opportunities in Queensland in the shape of suitable land were so great that the industry was bound to expand there.

Mr. Lacey—They have a lot more land which has just been cleared of prickly pear.

The Hon. R. L. BUTLER—They are only just starting to bring that into use. It would be found that the more Queensland expanded

her dairying industry, and the greater the quantity of butter she produced, the greater would be our contribution to Queensland through the Federal scheme. That means that the consumers would have to contribute, or the producers to lose, very considerably by the expansion of the industry in Queensland. That is what I want to guard against.

Mr. Hunt—What about the potentialities of the South-East?

The Hon. R. L. BUTLER—There are potentialities down there, but I hope that the people whom we ultimately settle there will not be led into producing something that they cannot sell. That land is eminently suitable for sheep and lamb raising.

Mr. Cameron—The lamb outlook is not too healthy.

The Hon. R. L. BUTLER—It is exceptionally healthy at present.

Mr. Cameron—Only because we have none.

The Hon. R. L. BUTLER—The prices are quite satisfactory.

Mr. Cameron—What about meat quotas?

The Hon. R. L. BUTLER—We have no quotas affecting lambs and I am not unduly alarmed about the British market for meat. After passing this legislation we should concentrate our efforts upon obtaining a higher preferential duty, as against foreign countries, for our butter in London, to which I think we are entitled, to enable us to meet our obligations.

Mr. Cameron—That is only putting it on to the back of the British consumer.

Mr. Fitzgerald—As long as he has winkers he will not see it.

The Hon. R. L. BUTLER—It does not matter whether it is a quota or a tariff. I think it will be found that ultimately England will depart from the quota system, and, provided we adopt some reciprocal system, will be prepared to give the Empire some preference in the duty on butter. If we were able this year to get a preferential duty, no Australian scheme would be necessary and we should have been able to fix the home price for butter on that basis. I ask members to be very chary about adopting schemes of a permanent character. There may be some on the Opposition benches who would welcome them because they are distinctly of a socialistic nature. Yesterday I spent considerable time in reading the whole of the debate in the Federal Parliament on the

scheme. Mr. Ford, from Queensland, one of the leading Lang supporters—

Mr. Dale—He never belonged to the Lang Party. He is not militant enough.

The Hon. R. L. BUTLER—I stand corrected. Mr. Ford led the debate on behalf of the Labor Party. It was supported by most of the members. Every Labor member supported it because they said that it was distinctly a part of Labor's policy, that the Labor Party believed in the socialisation of industry and this was a tremendous step forward.

Mr. Lacey—You are becoming more socialistic every day.

The Hon. R. L. BUTLER—If a man has socialistic views I do not mind his fighting for them, and I shall accept his sincerity.

Mr. Stott—Is not your scheme partly that way?

The Hon. R. L. BUTLER—So partly that way that it is for a year only. Parliament will have the opportunity to reconsider this legislation, and it is only because of the Federal scheme that we are compelled to enter into a scheme at all.

Mr. Lacey—You are prepared to adopt socialism to get the country out its difficulties and then go back to Liberalism?

The Hon. R. L. BUTLER—Not exactly. If the honourable member will quietly review the position of South Australia he will see that if there is not a marked improvement in the seasonal conditions we shall not have much butter to export.

Mr. Lacey—That is so unfortunately.

The Hon. G. F. Jenkins—You might have to pay the producer a payable price.

Mr. Abbott—Do you think the industry needs the Bill this season?

The Hon. R. L. BUTLER—At present prices are satisfactory.

Mr. Abbott—Then it does not really need it.

The Hon. R. L. BUTLER—There is a fear that if we get a good spring there might be a considerable increase in the production of butter, which would necessitate our exporting some. I am inclined to think that if we carried forward our surplus production in the spring for use in the summer, instead of resorting to importing from the other States, we would have sufficient to carry on for the year.

Mr. Abbott—Why not defer the Bill until next year?

The Hon. R. L. BUTLER—The mere fact that the Federal scheme has become law and

that restrictions are placed upon the export of our butter makes it essential that we should adopt one scheme for the year to see how it works.

Mr. Morphett—We are forced into it by the Federal scheme.

The Hon. R. L. BUTLER—That is so.

Mr. Dunks—Will this scheme require any equalisation?

The Hon. R. L. BUTLER—It may and it may not. I shall come to that presently. Let me now deal with the export of butter. The following table shows the export from each State for the last two seasons:—

	1932-33.	1933-34.
	Tons.	Tons.
New South Wales . . .	19,036	26,187
Victoria	40,581	33,155
Queensland	34,212	44,103
South Australia . . .	4,152	3,714
Western Australia . . .	1,009	930
Tasmania	1,768	1,245
	100,758	109,334

I am using those figures to show that the increased export last year has been almost entirely due to the extension of the butter industry in Queensland.

The Hon. G. F. Jenkins—Much of the falling off where it occurred was due to seasonal conditions.

The Hon. R. L. BUTLER—That is so. I shall point out the disadvantages South Australia has suffered under the Paterson scheme. When speaking in the Federal House Mr. Paterson estimated that the total amount paid to the industry under his scheme amounted to about £19,000,000. To what extent did South Australia benefit? The total of levies collected amounted to about £523,000, out of which South Australia had to transfer to the other States £160,000. Ultimately South Australia will be worse off under the Federal scheme than will the other States, particularly Queensland, which has opportunities to increase its production, whereas South Australia has not. It must be realised that South Australia is not a dairy producing State and that there is limited area available for full-time dairying. There is a likelihood of there being any considerable expansion in the dairying industry here as compared with the other States. Dairy production in South Australia costs more than elsewhere in the Commonwealth, because of our scattered areas and

because many of our part-time dairymen have not the opportunity to send their cream to a factory. Mr. McCann, the South Australian Trades Commissioner, at every meeting he has addressed on the subject in this State, has stressed that we should sell our goods as far as possible on a f.o.b. basis. He said that it would be a fatal mistake if South Australia was forced to sell its goods on consignment. Under the Dairying Industry Act, 1924, the Federal Government promised that it would not interfere with the rights of the exporter in selling his butter either f.o.b. or on consignment, whichever he chose. Once a land is granted certain powers it always wants more. After that promise was made regulations were approved by the Federal Parliament which practically prohibited the export of butter on a f.o.b. basis. The result has been that whereas on a falling market manufacturers here could have received up to 95s. a cwt. if able to sell f.o.b., they were forced to sell on consignment. At the time the butter reached England the price was down to 50s. Consequently they had to sell at a loss. Following the Paterson scheme a supplementary scheme was introduced in South Australia, which imposed about 1½d. a pound on all butter manufactured in South Australia. This levy was to meet the losses exporters sustained in selling butter on a consignment basis. Such interference with trade will ultimately lead to disaster.

New Zealand had a butter pooling scheme similar to the Federal proposition. When butter was 160s. a cwt. in London it was held up, and was not sold. Ultimately the exporters had to accept 90s a cwt. Under the scheme in New Zealand it is estimated that losses amounted to between £2,000,000 and £3,000,000. It will be found that more than 60 per cent. of the butter exported from New Zealand is on a f.o.b. basis. Last year Mr. McCann sold about 20,000 cases for about 10s. a case, and he received 2s. a case more than the average ruling price. Once a large quantity of produce is sold to a London retailer at a certain price he has to keep the price up until he disposes of it. Therefore, it always leads to the stabilisation of prices and stops fluctuation. I mention these matters because it is absolutely essential that whatever scheme is adopted in Australia we should remove the embargo which exists and prevents any butter manufacturer from selling on con-

signment or f.o.b., whichever he thinks will be the more payable to him.

I have before me a table showing the prices of butter and butterfat to-day compared with those ruling before the Federal scheme came into operation. In Victoria on April 30, which was before the scheme was initiated, the wholesale price of butter was 1s. a pound. On July 16 it was 1s. 3d. In the city and the Gippsland district the price paid for butterfat has not altered, and is still 10½d. The same applies to the northern districts, where the price paid is 10d. a pound. Under the Federal scheme the price of butter to the consumer rose by 3d. a lb., and yet the price paid to the producer for butterfat did not increase. In New South Wales the price of butter rose from 1s. 0½d. a lb. to 1s. 3d., and the price of butterfat increased from 8d. to 9½d. a lb. In Queensland, the price of butter was advanced from 1s. 1½d. a lb. to 1s. 3d., and the price of butterfat increased from 8½d. to 10d. a lb. The Queensland producers are getting a much greater benefit from the Federal scheme than those in either New South Wales or Victoria. In South Australia it is found that the price of butter decreased from 1s. 2d. a lb., to 1s. 0½d., and the price of butterfat advanced from 10d. a lb. to 10½d.

Members will see that under the scheme here the producer is getting a better price than he is in the other States and the consumer is buying butter at 1s. 0½d. as against 1s. 3d. in the other States. A half-penny levy exists in South Australia whereas it is 3d. in the other States. Butter in bulk is 1s. 0½d. in South Australia as against 1s. 3d. which shows a benefit to the consumer of 2½d. a pound and yet the price to the producer is equal to, if not better than, that in the other States.

Mr. Shannon—It is a fictitious price in South Australia because of certain circumstances.

The Hon. R. L. BUTLER—No, they even pay more. These prices in South Australia have been manipulated, as butter fat might be 1s. 1d. one week and down to 1s. the next week.

Mr. Shannon—A certain set of circumstances operate which makes the price fictitious.

The Hon. R. L. BUTLER—The conditions are not fictitious. Any scheme should be drawn up so as to suit prevailing conditions. Although we are in a position to-day where the

production of butter is not high, that does not alter the fact that both producers and consumers are infinitely better off than if we had been under the Federal scheme. Even Mr. Shannon, who knows a good deal about the question, must frankly admit that we would save £100,000 which would be distributed amongst the consumers and producers, but we would not save it if we were in the Federal scheme. That is the whole point at issue. I will briefly explain the legislation. I think I have convinced members that it will pay us to keep out of the Federal scheme. The Federal Board provides for an inter-State export quota, which provides that if a manufacturer desires to export butter to another State he must export 50 per cent. overseas. The Federal law does not go any further than that. A man could produce butter here and as long as he did not want to sell it to the other States the Federal law would not affect him. If a manufacturer does not trade interstate he will not be affected by the Federal law.

Mr. Lacey—How is our interstate trade affected by having a State scheme and not accepting the Federal scheme?

The Hon. R. L. BUTLER—In effect all that the legislation does is to affect the intra-State quota. The Federal law says that if a man wants to do intra-State business he must export 50 per cent., but the State law says that he is not permitted to sell locally or within his own State more than 50 per cent of the butter manufactured by him. If we were parties to the Federal scheme we would have to pass a law fixing the intra-State quota of 50 per cent, which would prohibit any manufacturer of butter in South Australia from selling more than 50 per cent. of the butter within the State. The quota we will fix will be in accordance with the butter exported from the State. I think we could fix the quota safely between 80 and 90 per cent. instead of 50 per cent. this year as provided for in the other States. We will then equalise in South Australia on a basis of 20 per cent. export and 80 per cent. home consumption. That means that we will sell 20 per cent. of our butter at rather low prices overseas and the other 80 per cent. will be sold locally at a higher consumption price, which will give the producer a fair average return for his butter fat. If we were under the Commonwealth scheme we would have to export 50 per cent.

of our butter and sell the other 50 per cent. locally. It would be necessary to sell 50 per cent. at a low price and the other 50 per cent. at a high price. If we did not do that we would be at the mercy of the Equalisation Company in the other States, and we will be this year unless we are particularly careful. Every factory which signs an agreement with the company will give it a complete monopoly for the control of the whole industry, right from the production of butter on the farm to the day it is sold overseas or locally. It means that we will give a private company acting under Federal Law the right to control all prices. If we were under the Federal scheme this year we would have to export a large quantity of our butter during the summer months. It is the company in New South Wales and Queensland which will fix the price which the consumers of South Australia will have to pay. It has always done that. We will have to pay a high price for butter after we have paid the cost of carriage on it from the other States and the profits to the importer. If we look through the records of the Government butter factory we will find that the only profit it made was in selling butter imported from Victoria during the dry period when we had none for sale. Legislation, both State and Commonwealth, does not deal with levies at all, but simply fixes quotas. Legislation in this and other States will define a manufacturer as a person who manufactures for sale more than 10lbs. of butter a week.

Mr. Thompson—Is that high enough?

The Hon. R. L. BUTLER—I think so.

Mr. Dunks—The Treasurer is not quite right when he says that if we come under the Federal scheme we will have to export 50 per cent. of our butter.

The Hon. R. L. BUTLER—We will have to take the overseas price for 50 per cent. of our butter.

Mr. Morphett—We will have to equalise it with Queensland.

The Hon. R. L. BUTLER—Nothing is contained in any Federal or State Act that a levy shall be made on butter produced in Australia. The law provides that if we do interstate business we must export 50 per cent. and that we can only sell a certain quantity of butter within the State. What is the effect? The factories can overcome the law, but what about the small man who manufactures say, 10lbs. to 20lbs. a week and is not in a position to make first quality

butter? The only market available to him is the home consumption market, and yet the law says he has to sell 50 per cent. of his butter locally and the other 50 per cent. is to be exported. His butter is not fit for export, and therefore it cannot be sold overseas. What would be the effect? If the law is brought into operation, the small manufacturer could be told that unless he is prepared to pay a levy he cannot sell 50 per cent. of his butter. That is the levy which is payable under an agreement between the manufacturer and the company. This is what it means in effect. The company says to the small manufacturer, "We know that 50 per cent. of your butter is not suitable for export, and if you pay us a levy of 3d. per pound we will do the equalising for you. We will ship someone else's butter overseas and permit yours to be sold locally." This is a weakness, and I do not think it would hold good in any court in Australia.

Mr. Thompson—You will be doing the same thing under this Bill.

The Hon. R. L. BUTLER—Possibly we may, but I think the whole thing is exceptionally weak from the legal point of view. There is no law, it is only an agreement.

Mr. Thompson—What will become of the quota for sale overseas if it is not fit to be exported?

The Hon. R. L. BUTLER—It would be sold locally, and the butter manufactured by the factory would be sent overseas. The position is equalised afterwards, and the factory is compensated for the selling of a greater proportion of its butter overseas.

Mr. Thompson—You will have equalisation under your Bill.

The Hon. R. L. BUTLER—We would have a committee here, and it would be controlled by somebody outside. Any equalisation carried out would have to be supervised by the board to see that the producer received full benefits.

Mr. Stott—There is no mention of it in the Bill.

The Hon. R. L. BUTLER—You cannot mention it.

Mr. Stott—Then how are you going to carry it out?

The Hon. R. L. BUTLER—It is an extraordinary thing about the whole of the scheme that we cannot compel by law any manufacturer to pay the levy. I do not know to what extent this scheme will succeed throughout Australia, but I do know that very few manu-

facturers in other States have signed the agreement. If they are not going to sign the agreement then the industry will be in a worse position than if we had no scheme at all, and infinitely worse off than under the Paterson scheme. If we pass this legislation, as I hope we shall, I do not think there will be any harm done to the industry. It will certainly be an advantage to the manufacturer this year. If we passed the law and fixed a quota at 80 per cent., it would mean that the manufacturer could export 20 per cent. We would form a committee outside which would request every manufacturer of butter of over 10lbs. a week to sign an agreement that he will pay a levy of, say, ½d. or 1d. per pound. What is going to happen if 70 per cent. of the manufacturers refuse to sign? There is no law to compel them.

Mr. Thompson—This Act will not provide for it.

The Hon. R. L. BUTLER—No Act can provide for it. It will be quite easy to get manufacturers to join just as they did the Paterson scheme.

Mr. Dale—For their own benefit?

The Hon. R. L. BUTLER—For the benefit of the producer.

Mr. Bardolph—What did the producer get out of the Paterson butter scheme?

The Hon. R. L. BUTLER—About 1½d. per pound.

Mr. Hunt—The consumer paid for it.

The Hon. R. L. BUTLER—Yes. The Bill is designed to fix an intra-State quota to conform with local conditions in the production of butter. There is no law to enforce anyone to pay a levy. I sincerely hope it will not be necessary to equalise. By having a scheme of this kind it obviates us from going into the Federal scheme, which I am certain would be a tremendous disadvantage to the State. If the Commonwealth Parliament can legally provide for an equalisation scheme, then we can do it also. The producers will need to abide by it if they are going to reap any benefit. It will be necessary for them to pay a small levy. Under the Federal scheme the producers would have to pay 3d. per pound, whereas under our scheme it will be either ½d. or 1d. per pound.

Mr. Thompson—How are you going to protect the consumer through the price going up on account of the limited amount of butter?

The Hon. R. L. BUTLER—The producer should get the benefit of the increased price in times of scarcity, just as he has to put up with a reduced price in times of plenty. We cannot make the position any worse. It might lead to more stable prices for the whole year than if we did not have a scheme at all. If there were a tremendous scarcity of butter in South Australia, we might have to import from other States. The producer is not going to get any benefit from the consumer under our arrangement. It is not going to be detrimental to the consumer this year. It may be asked how many producers there are making over 10lbs. of butter each week. I have obtained figures from the Government Statist which show that there are 800 in South Australia who manufacture over 500lbs. a year, whereas there are 16,000 who produce less than that. The definition of manufacturer, which will apply to those who produce over 500lbs. a year, will carry the bulk of the butter with it, but it will not affect those small producers who manufacture very small quantities and have had the greatest freedom in selling. It is absolutely essential that we should improve the quality of our butter. Ultimately we shall have to depend on the English market for sales overseas, and it is no use us sending second and third grade butter overseas. It may be asked what action can we take in that direction, but that will probably be dealt with in another Bill. I am particularly anxious that the suspicion which exists between the producer and the manufacturer shall disappear. We should encourage producers to send greater quantities of cream to the factories. Unfortunately, the producer is of the opinion that he is not getting a fair deal from the factories, but the Royal Commission which investigated the subject found no evidence that the factories were making undue profit. However, the impression is still there and is difficult to remove, and because of that the producer is resorting to the manufacture of butter on the farm, knowing that he cannot manufacture a butter which is fit for export.

Mr. Dale—Dairy butter is just as good as factory butter in many cases.

The Hon. R. L. BUTLER—For the first week it is better, but it is not pasteurised and contains a certain quantity of bacteria, and by the time it gets to England it would not be fit to eat. Whatever scheme we have we must insist that the factories buy butterfat on a proper graded test, and that there is some inspection to

satisfy the producers that they are getting a fair deal. There is no one more prepared than the factories to remove the suspicion and they are prepared to submit to regulations which will help materially in improving the quality of our butter.

Mr. Stott—How would you explain a factory returning 10lbs. of butter, whereas a private maker can obtain 18lbs. from the same can?

The Hon. R. L. BUTLER—I cannot explain it and I do not think the honourable member can.

Mr. Stott—Do you propose to bring down further legislation in regard to milk?

The Hon. R. L. BUTLER—Later probably. I ask members to review this legislation impartially. It will not place any great burden on the consumer, but will secure to the producer during those times of exceptionally low overseas prices a reasonable return for his product. I hope the time will come when we shall be able to carry on without such schemes. I am certain that New South Wales and Queensland can produce butter infinitely more cheaply than we can, because they have all the facilities available. They can make dairying pay at 8d. a lb. for butter fat, whereas it is almost impossible for South Australian producers to carry on unless they receive at least 10d. If we could stabilise butterfat on a 10d. a lb. basis it would not place any great burden on the consumer, but would enable these men, who work week in and week out, to augment their precarious living. That is all I am concerned about at present. I am trying to make their lot a little easier, realising that in 12 months we shall have a further opportunity of considering the effect of this legislation. I do not know whether we shall ultimately be forced into the Federal scheme, but I do hope that if we do have to have a scheme, it will be on the lines of the Western Australian one, which has been carried on for a couple of years without being involved in any scheme approved of by the Eastern States. Mr. Collier told me definitely that he would never become a party to the Federal scheme. In Western Australia they are carrying on with a levy of about 1d. a lb. I am not a bit afraid of any action the other States may take to break down our scheme, because there are weaknesses in theirs just as there are weaknesses in ours. If they think the Federal scheme is a benefit to Victoria, New South Wales and Queensland I do not want to interfere with them. They can have it. If we think that the local scheme is more advantageous to us they should not interfere

with it. The aim of every honourable member who looks at this question impartially—after all there should be no party politics in it—should be to see if we can, in this time of crisis, do something to help an industry which has experienced a very distressing time, and make the lot of men and women engaged in it a little easier, and particularly without placing an additional burden upon the consuming public of South Australia. I am anxious that in helping the agricultural industry we do not make the lot of the working man on the basic wage any harder. I am certain that if we accepted the Federal scheme it would mean added costs to the consumer, and the producer would not get the same advantages as under the scheme I am introducing. There is not much difference in the schemes except that the Governments in the other States have fixed the quota on a 50 per cent. interstate trade, whereas the quota in South Australia will be fixed in accordance with the quantity of butter South Australia produces and the quantity she exports. Cheese does not present the same problems as butter. As I told the producers in the South-East, if they care to equalise under the Federal scheme it is no concern of mine. It will not affect the price of cheese very much because we export a greater proportion of our cheese than the other States. Although some may think that I appear rather hostile to the Bill I am introducing, I am not so much hostile as loath to depart from principles that, as a Liberal, I hold strongly. This scheme involves some principles of socialism. I do not believe in socialism.

Mr. Dale—The honourable member believes in it, but his Party will not let him.

The Hon. R. L. BUTLER—Some members of my Party are voting for this Bill only because it is an emergency measure. As a Liberal for years I have fought against the principle of any pooling system aimed at the artificial fixation of prices for home consumption. I have not altered my views one iota. The principle is wrong both from the producers' and consumers' point of view. Knowing the principles for which I stand I say that I am going to give this Bill a trial purely as an emergency measure, and I ask the House to accept it in that spirit.

I shall not read the Parliamentary Drafterman's report on the Bill, but will have it included in "Hansard" for the information of members. It is as follows:—

This Bill contains machinery for enforcing any scheme which may be decided upon for

fixing home consumption prices for butter and cheese and for equalising the returns from sales as between those who sell in the export market and those who sell in the home market. To understand the Bill it is necessary to have some idea of the way in which schemes for fixing the price of dairy produce and equalising the returns to the producer are worked. The first requirement is to limit the amount of dairy produce sold in each State. For this purpose State legislation is primarily required. The State Act takes the form of a prohibition directed to manufacturers of dairy produce in the particular State forbidding them to sell within the State more than some specified proportion of the dairy produce produced by them. This proportion or percentage is usually called the "home quota," and the balance of the produce which has to be exported overseas is called the "export quota." Owing to the constitutional restrictions on the legislative power of the States, however, a State Act does not prevent a manufacturer of dairy produce in one State from selling as much as he likes in another State. Therefore to restrict adequately the amount of dairy produce offered for sale in any State it is necessary to control interstate trade. This is done by the Commonwealth Parliament.

The Commonwealth legislation takes the form of a prohibition against interstate trade in dairy produce except on condition that the interstate trader exports his proper export quota of such produce. Thus the combined result of the State and Federal law is that each individual manufacturer of dairy produce must export out of Australia a definite proportion of his produce. In practice, however, the Acts do not work this way. Some manufacturers in the course of their trade necessarily export more than the export quota, i.e., more than the law requires them to export. Other manufacturers sell more than the home quota on the home market. The law as to observance of the home quota is not enforced against those manufacturers who sell more than their share on the home market, provided they make what may be described as equalisation payments. These payments are regarded as necessary because the home consumption price is fixed by arrangement at a figure considerably in excess of export prices. The result is that the man who exceeds his home quota gets a greater return for his produce than the man who observes that quota. To counteract this advantage an equalisation committee, operating by agreement among the manufacturers, and not pursuant to any statute, carried out an arrangement for equalising the return per hundredweight of dairy produce, to all manufacturers. The committee fixes the average return per hundredweight which the manufacturer would receive if he observed the home quota. If, owing to non-observance of the home quota, a manufacturer has received more than the average price, he must pay over the excess to the equalisation committee. The committee is thus placed in funds, which it can use to reimburse those manufacturers who, by taking more than their share of the export market,

have received a lower return than the average price. So long as a manufacturer duly pays his contribution to the equalisation committee, the provisions as to compulsory export and observance of the home quota are by arrangement between the committee and the authorities administering the State laws not strictly enforced against him.

It is to carry out a scheme on these lines that the present Bill is introduced. It is so drafted that either a special home quota for South Australia could be fixed under it, or it could be so used as to bring South Australia into the general Australian scheme for the marketing of butter and cheese. Clause 3 provides for the establishment of a board for the administration of the Bill. The board is to consist of three members appointed by the Governor, one of whom shall be nominated as chairman. The Bill is limited in its operation to one year only, and the term of the board coincides with the term of the operation of the Bill. It will, of course, be open to Parliament to extend the Bill next year if the scheme proves satisfactory. The usual provisions as to boards are included in the clauses mentioned.

Clause 14 provides that the Governor, after consultation with the board, is to determine the home quotas for butter and cheese respectively, that is to say, the Governor will determine the maximum proportion of each manufacturer's produce which he is entitled to sell within the State. Public notice of the quotas will be given in the "Gazette" and in two newspapers.

Clause 15 prohibits any manufacturer from selling within the State more than his quota and imposes a minimum penalty of £2 and a maximum penalty of £5 per hundredweight of the produce, sold in excess of the quota. Clauses 17 and 18 are ancillary provisions enabling inspectors to obtain the necessary information to satisfy themselves that the Bill is being observed.

No other provision of the Bill requires any special explanation, except the definition of "manufacturer." It will be seen, under this definition, that as soon as any person makes more than 10lbs. of butter or cheese for sale in any week he brings himself within the definition of "manufacturer," and he must, therefore, comply with the provisions as to quota. If a man produces sometimes more than 10lbs. a week and at other times less than 10lbs. a week he will be obliged to comply with the quota as regards the production in the weeks in which he exceeds 10lbs. Under clause 16 a farmer is deemed to be the manufacturer and seller of all butter and cheese produced for sale on his farm. Some such provision as this is essential in order to prevent the possibilities of serious evasions of the Act.

I move the second reading.

Mr. LACEY secured the adjournment of the debate.

ADJOURNMENT.

At 9.25 p.m. the House adjourned until Wednesday, August 8, at 2 p.m.