**WHEAT STABILISATION SCHEME BALLOT BILL 1948**

**LEGISLATIVE COUNCIL, 24 AUGUST 1948, PAGE 804**

**Second reading**

The Hon. R. J. RUDALL (Midland—Attorney-General)—The object of this Bill is to empower the Government to hold a poll of wheatgrowers with the object of ascertaining their views on the proposals of the Commonwealth Government for stabilising wheat prices.

These proposals, as hon. members know, require the passing of both Commonwealth and State legislation. Commonwealth legislation is required to establish an Australian Marketing Board, to fix the guaranteed price and toenact the necessary financial provisions. State legislation is required in order to ensure that farmers will deliver their wheat to the marketing board and to make other incidental administrative arrangements. The scheme involves the creation of a Commonwealth-wide marketing board drawing its powers partly from Commonwealth legislation and partly from State legislation.

It is the policy of the State Government not to impose marketing schemes on any class of primary producers unless the producers concerned are in favour of it, and it has been the practice in marketing Bills to provide for the holding of polls.In thepresent case circumstances make it expedient to hold a poll immediately without waiting for the passing of the actual Marketing Bill. The reasons for this are two-fold. The first is that the terms of the Commonwealth's wheat stabilisation scheme have been definitely fixed by the Commonwealth Government and wheatgrowers can know immediately what they are voting on. The other reason is that the State Bill, which will be uniform as far as possible with those of other States, cannot be introduced immediately owing to the necessity of obtaining some further drafting details from the Commonwealth. The Government has therefore decided to proceed with the holding ofthe poll at once and this Bill is for the purpose of authorising the poll and making the necessary financial provisions.

The terms of the Bill are simple and on the usual lines. The poll will be conducted by the Electoral Office on behalf of the Minister of Agriculture. The farmers will be asked to vote whether they are or are not in favour of the Commonwealth's proposals. When the postal ballot papers are set out each farmer will receive a short statement showing the main outlines of the scheme. All wheatgrowers at present licensed under the National Security Regulations will be entitled to a vote. The Department of Agriculture will prepare the list of voters which will be evidence of the right to vote. Voting will be by the method of figures which is now commonly adopted. The details of the Commonwealth’splan for a guaranteed stabilised price of 6s. 3d. a bushel, with cost of production variations, have already been placed before the House and are in Hansard (page 232), and I will not now repeat them. Clause 3 of the Bill contains an appropriation of revenue to meet the cost of the poll. I move the second reading and would be obliged if members would expedite the passage of the Bill, because it is essential that a ballot be taken at an early date so that, if the scheme is approved of, it can be put into operation.

The Hon. F. J. CONDON (Central No. 1—Leader of the Opposition)—In 1946 a Wheat Stabilisation Bill was placed before Parliament and I said that I did not fully support what proposed, but was influenced by the fact thatthe majority of farmers' representativesin this House supported it. The Attorney-General, in moving the second reading, said:-—

It is the policy of the State Government not to impose marketing schemes on any class of primary producers unless the producers concerned are infavour of it, and it has been the practice in marketing Bills to provide for the holding of polls.

I can recall Bills affecting primary producers which did not provide an opportunity for them to express an opinion.Myopinion is that Parliament should accept the responsibility of deciding these matters itself. If we refer any proposal contained in a Bill to a poll of wheatgrowers it is only right that we should follow the same practice in other matters, but where would we find ourselves if we referred every matter such as this to the people concerned? I admit that this Bill is entirely different from the one introduced in 1946.

The wheat industry is a very important one. I have always been concerned about the composition of the Australian Wheat Board. It should be well balanced and not have a majority of its members thinking one way. The present board consists of seven farmers elected by ballot, one commercial man and a miller. The other sections of the industry have no representation. I consider that all those engaged in the industry, particularly the employees, should have representation. The board is one-sided and cannot function as well as it should. If we do not pass this legislation the board will probably have to take some action in the matter or the South Australian Government may have to introduce other legislation. We had for a number of years a flour tax amounting to a halfpenny a loaf designed to help the wheat industry. I did not oppose that because at the time the farmers needed assistance. The Act imposing the tax has not been revoked, but when the price of wheat was fixed at 6s. 3d. a bushel the Federal Government took off the flour tax; although there is nothing to stop its being re-imposed. We are told that it is necessary to pass this Bill to provide for a ballot of wheatgrowers on the question, according to clause 2 of the Bill, "Are you in favour of the proposals of the Commonwealth Government for the stabilisation of the price of wheat?"

The Hon. E. H. Edmonds—Are you sure they are going to be the proposals?

The Hon. F. J. CONDON—It is difficult to make upone'smind on the Bill when we do not know what the proposals are, but we are informed by the Government that they are as set out in this year's Hansard, page 232.

The object of the proposals is to stabilise prices, and of that I approve. The Bill contains three clauses. Clause 2 sets out the question to be submitted to the wheatgrowers and states that the returning officer for the State will conduct the ballot, and also defines the persons who will be entitled to vote. Clause 3 deals with the method of financing the ballot, and the schedule shows the method of voting. I shall listen with interest to mem­bers representing country constituencies. Whatever Parliament decides we desire to place the industry on a reasonable footing and to stabilise the price at a figure which will show a reasonable profit. Without deciding what action I shall take later, I support the second reading.

The Hon. A. P. BLESING (Northern)—I am disappointed that the Bill has been presented in the way it has. We were assured that when the proposals were put before the growers, they would have an alternative scheme to vote on in case they did not approve of the Federal scheme. That was my reason for giving contingent notice of motion today—to provide for an alternative State scheme. Wheatgrowers would still have the opportunity to support the Commonwealth scheme, but there is a feeling throughout the State that some other scheme should be submitted for their consideration. If the Commonwealth scheme is rejected and there is no alternative scheme, we will have to go over the whole ground again. No-one is foolish enough to talk of an open market for wheat these days. I have been accused of arguing towards that end but I have done nothing of the kind. The present is no time to throw the gate open for anyone to handle our wheat. I have not heard it suggested by anyone in the trade or by farmers, but there is something to be said for the State's handling our wheat, and the growers should have an opportunity to express an opinion on that point. About £20,000,000 taken from the proceeds of the growers' wheat has been put away somewhere, and that in itself should stabilise the price or meet the guaranteed price for a number of years in the event of the price falling below the guaranteed price. As all this money is kept back from the wheatgrowers, by way of tax, without their approval, there is no need to take more money from them. They should be given an opportunity to say whether they wish to handle their own product, as Western Australia is prepared to do if the growers desire it. There would be no difficulty in co-ordinating the efforts of the Statesbecause it has been done for many years. The only difficulty would be the apportionment of shipping to the respective States and that could be done on a quota basis.

We have no more than an outline of a schemebefore us but, if I am any judge, there is morein the Commonwealth scheme than we read inHansard. The authority will still be in Canberra and I do not think the State boards will count for much; they will be merely advisory. Canberra will have the final say and what will be done there will be beyond the control of the grower. In the Western Australian scheme, the grower is at liberty to authorise the retention of some of his money if he wishes.

The Hon. R. J. Rudall—The Commonwealth always has the final say with regard to export.

The Hon. A. P. BLESING—I do not think any Commonwealth Government would deny any State the right to export a commodity that the world wants. It would not dare to deny that right and I do not think the moral code has sunk so low that any Government would attempt it.

The Hon. R. J. Rudall—I was simply point out that they have the power.

The Hon. A. P. BLESING—I am not prepared to trust them so much as some people seem to be. No other industry is subjected to this sort of thing. Stabilisation is all very well but, in the wheat industry, the growers have found all of the money and the Government takes no risk. There would have to be a disastrous fall in prices extending over several years to absorb all the growers' money now lying in Canberra or somewhere.

I agree that the growers should have an opportunity to vote but they should not be asked to vote for this or nothing. That is why I want to insert a provision to enable them to say whether or not they prefer a State scheme. Co-ordination between the States, as I have said, is not a difficult matter and the machinery could be set in motion within a very short time. I think the average grower realises that some kind of scheme has to be adopted and I am prepared, as a member of Parliament, to advise him in that way, because I am not in favour of throwing the gate wide open, leaving the grower without any protection. Whetherit is a Commonwealth or a State scheme we will not get any more for the wheat we export than the world is prepared to pay for it. We will still retain the home consumption price and I would not interfere with that. A State scheme would result in economies in handling as has been shown by past experience.

When the time comes, I shall endeavour to outline the merits of State control because I object to a repetition of what has happened in Canberra, where the constitutionally appointed board has been ignored. I hope before the Bill is finalised, we will have inserted a provision enabling the growers to vote for an alternative scheme.

The Hon. E. H. EDMONDS (Northern)—I appreciate that in this Bill cognisance is taken of the right of growers to determine whether or not they shall have any particular wheat scheme governing the sale of their products. That is a principle for which we have fought for a long time. Hand in hand with that is the acceptance of their right to have a stabilised price. Having said that I want to raise some objection to what seems to be becoming the habit of having important legislation of this nature brought before us at the last minute, expecting us to deal with it more or less out of hand. I have a lively recollection that when a similar measure was before us there was a good deal of the same kind of haste and, in consequence, many people vitally concerned did not have as much opportunity as they desired to give mature consideration to all that was involved.

Admittedly the Bill is a clear-cut issue, in as much as it proposes to submit to the growers the straight-out question whether they are in favour of a Commonwealth wheat stabilisation scheme, but that is as far as it goes. I accept the Minister's assurance that an explanation will be issued with the ballot papers. We are told that we can get an outline of the scheme by reference to a statement made in another place a couple of months ago, but from memory, there have been conferences of officers of the Agricultural Departments of the several States on this project and, arising therefrom, certain proposals have been made which are to be embodied in the scheme to be submitted. If that is the case the proposals may differ materially from those outlined in the statement mentioned by the Minister.

From a casual glance through Hansard I can see no mention of some very vital points of interest to the wheatgrower. I can find, for instance, no reference to acceptance of the principle of securing the equity of those who may contribute to a stabilisation scheme and subsequently go out of the business of wheatgrowing. I remember that in a previous debate that aspect of the matter was of great concern to representatives of wheatgrowers. There are other aspects which, to say the least, were of a decidedly controversial nature in the previous scheme and we want to know if they are going to be introduced into this one.

I shall not oppose the Bill for the taking of a ballot, as that is the first step to be followed, but I shall watch very closely what subsequent proposals are put forward because, while giving my support to this Bill, I do not want it to be taken as full acceptance of the scheme subsequently to be submitted. I think the wording of the second schedule might be improved by inserting after "price of wheat" the words "on the basis of the scheme submitted". Merely to ask whether the wheatgrowers are in favour of the Commonwealth Government's proposals for the stabilisation of the price of wheat is a pretty open cheque and some amplification of it might be necessary. I was interested in Mr. Blesing's remarks about the possibility of introducing an alternative State scheme. I hope we will not become involved in a lot of alternative proposals which have no hope of reaching finality. We had enough of that sort of thing in the past few years and I have often thought that it is sometimes desirable to be saved from one's friends. There seems to be a confusion of thought, and counter proposals by organisations which claim to represent wheatgrowers generally, and those circumstances certainly have not contributed to a practical solution to the problem. I support the Bill but will watch with interest the subsequent legislation.

The Hon.L.H. DENSLEY (Southern)—I support the Bill. It is regrettable that negotiations have not proceeded far enough to enable the Government to put before Parliament an alternative scheme. The Government announced that it would put one forward when the time arrived, but unfortunately that has not been possible. We know that it will be impossible to work out another scheme, debate it in Parliament, and have it in operation before next harvest. Parliament could not debate it before October next, and by the end of that month farmers will commence delivering wheat. It is unfortunate that we have not got another proposal before us at this time. If we could debate the pros and cons of another scheme it would enable farmers to know whether or not they wanted the scheme in the Bill. Without having the benefit of a debate in Parliament, they will have no information before them except the bare statement of the Commonwealth's proposals. On a previous occasion, when the matter of wheat stabilisation was before them, they turned down the proposalsin no uncertain manner. The present Commonwealth proposals are more attractive than the previous proposals. There is to be a guaranteed home consumption price as well as an export price of 6s. 3d. a bushel. The guaranteed price is tied up with the index of production costs. In a year or two a guaranteed price of 6s. 3d. may be of no use, unless rising costs of production are taken into account. We are to have a guarantee for 100 million bushels of export wheat, in addition to the quantity used in home consumption, and that should adequately cover all the production in the Commonwealth. Under the Commonwealth terms the tax on wheat shall apply when the export price is higher than the guaranteed price, and shall be 50 per cent of the difference between the two, but shall not exceed 2s. 2d. a bushel. That amount will be deducted from the returns of growers for stabilisation purposes. Under the Commonwealth plan State Governments are required to pass legislation for various purposes. Mr. Edmonds referred to farmers having equity in a pool. One of the Commonwealth's proposals is that it will not hold an excessive amount in the fund and will consider a refund of tax to the oldest contributing pool when the financial prospects of the fund justify it. I take it that will provide some equity for growers in a pool.

The Hon. C. R. Cudmore—Woolgrowers have not got much refund.

The Hon. L. H. DENSLEY—They hope they will get something as time goes on. The State Governments are to pass legislation to ensure a home consumption price equal to the guaranteed price. Mr. Condon referred to farmers being subsidised by consumers through the flour tax. He must get some satisfaction from the move to make the home consumption price equal to the guaranteed price, because it will mean that consumers will not pay more for a loaf of bread than the actual costs of wheat production. When an industry wants a guarantee, it must expect to pay something for it. The Commonwealth's proposals also provide that the legislative authority in each State shall empower the direction of wheat by the Australian Wheat Board at any time to an approved organisation. When the international wheat agreement was expected to come into operation the Commonwealth Minister for Agriculture made a number of promises through the press regarding the benefits wheatgrowers would get out of the scheme. The position has been tightened up considerably through the failure of America to ratify the agreement. Producers had the right to come under the scheme or stay out, but that is not permitted under the provision I have just mentioned. The Scheme in the Bill is to operate for five years. If the international wheat agreement is implemented, and we go on with this scheme, we will not get any extra benefits. The wheatgrowing industry is unquestionably of vital importance to the State. Governments must take cognisance of its demands. Nevertheless, it must be apparent to producers generally that the greatest number of people concerned are the consumers. Therefore, Governments must pay more attention to consumers' requirements. We must hope that under the scheme we will not be charged an undue amount for the small benefit we may ultimately get. Obviously,there will be practically nothing in it for the wheatgrowers, except what they pay in. I am in full accord with the proposal to hold the ballot, because at this late stage it is not possible to put forward any other proposal.

The Hon. F. J. Condon—What will be theposition if the farmers reject the scheme?

The Hon. L. H. DENSEEY—The Premier said if that happens the State will do its best to implement a State pool.

The Hon. F. J. Condon—Before next season?

The Hon. L. H. DENSLEY—After this week Parliament will not meet again until October and it will therefore be impossible to implement another scheme, if the one in the Bill is rejected. I feel confident that in view of all the circumstances the wheatgrowers will accept the present scheme, even if they are notaltogether infavour of it.

The Hon. C. R. CUDMORE (Central No. 2)—Two years ago we had a Wheat Stabilisation Bill before us, and then I stated my views fully. I think I made it clear I do not favour these schemes. Others who have studied the Bill say that the scheme now placed before us is much better than the one turned down by the growers previously. It is unfortunate that we have to put the cart before the horse, as it were, and submit to growers a Commonwealth scheme where the details have been agreed upon in only a sketchy way. The scheme was discussed at a meeting of Ministers of Agriculture, and nothing was finally decided. The scheme will be more or less at the whim of the Minister in the Commonwealth Parliament. If the wheatgrowers reject it because they know little about it, they will be left up inthe air. It seems a pity that we could not have the complete scheme before us for consideration prior to the ballot being taken. There is some merit in what Mr. Blesing said. The farmers may prefer a State scheme to a Commonwealth scheme, and then we would have something ready for next harvest. If the Commonwealth scheme is turned down, as things stand at present, we will not have anything ready fornextharvest. Other hon. members know more about this matter than I do. Mr. Oates made some reference to a referendum. Under the Bill anybody holding a licence can vote. There will be no difference between the growers. I think voting should take place according to the quantity of wheat grown. It seems entirely wrong that a person who gets a licence and grows only a few acres of wheat should have the same say as the man who grows wheat in a big way. Therefore, I make no bones of the fact that I am not enamoured of the Commonwealth scheme as set out and do not like the way the poll is to be taken and the proportion of voting that will occur; so I am not in a position to say that I am in favour of the Bill.

The Hon. A. J. MELROSE (Midland)—I listened with great interest to what Mr. Cudmore has just said because I concur entirely in his remarks. When we considered similar legislation before several of us emphasised the injustice of the voting system, it being obvious to everyone that the man who is in wheatgrowing in a large way and perhaps as his sole means of livelihood is much more vitally interested in any marketing scheme than the person who is on what one may call the basic ration. I am unable to see the force of the licensing of wheat areas. I am one of the people who have been granted almost the minimum area because during the depression I gave up wheatgrowing in order to make it a little easier for those who could not do without it, and therefore I was confined in the quota year to a small area. Each year I am invited to nominate any larger quantity I care to grow, so I cannot see the force of the system. As the Minister has to examine the licences to form his poll of voters it would not be any greater task for him to allot votes in the proportion of the area stated on each licence. I am not in favour of taking a poll on this question. Matters which come before Parliament should be dealt with by Parliament itself in its discretion, and, conversely, things which need to be the subject of a ballot are things which should not come before Parliament.

In these schemes the farmer is asked to accept a very low price when there is a high market price for his product in order to guarantee himself some sort of price in the future. The difference between the home consumption price and the guaranteed price is out of all proportion to the current market price. That may be a form of compulsory insurance for the growers themselves out of their own pockets, but I should think the scheme bristles with injustices. A person who may be a large wheatgrower at present may, through the simple fact of his joining his forefathers, cease to be a wheatgrower. Surely he will be heavily penalised for benefits he will neverreceive. Furthermore, if a low home consumption price is entirely in the interests of the consuming public they should subscribe more directly towards the guaranteeing of a profitable price for growers. As I have said before, the Government, State or Federal, would be wise to consider seriously the Liberal Party's suggestion for a board on all fours with the Tariff Board to consider the ever-changing costs of production in primary industries. Where a guaranteed price is mentioned it should bear some co-ordinating factor based on the varying costs of production. The price mentioned now is 1s. 1d. a bushel better than the previous figure, but probably the costs of production have gone up in the meantime and if they continue to go up the producer will be penalised more. The tendency today is for the cost of production to go up, assisted largely by various Governments. The only reason I shall vote for the Bill is that it gives the farmer the chance to say ''Yes" or "No." In the meantime, I think that if ever the Minister proposes to introduce another wheat scheme Bill, he should consider a more equitable form of voting for the growers' representatives.

Bill read a second time.

The PRESIDENT—Mr. Blesing has given contingent notice that on the Bill being read a second time he will move that the Committee has leave to consider certain amendments. I have examined the amendments he proposes to move if his contingent notice of motion is carried and am of the opinion that his proposals are not relevant to the subject matter of the Bill and are contradictory to the order of reference. I therefore rule that his motion is not in order and cannot be considered.

In Committee.

Clause 1 passed.

Clause 2—“Provisions as to ballot.”

The Hon. R. J. RUDALL (Attorney-General)—I move in line 16, page 1, after "Commonwealth" to insert ''held a wheatgrower's licence for the season 1947-48 or''. The Bill as drafted provided that any person who holds a current wheatgrower's licence issued under the Commonwealth regulations can vote. The officers' point out that some licences for this year have not yet been issued or renewed owing to delays in application or for other reasons. Therefore, some wheatgrowers might have to be excluded from the ballot. To avoid this, it is suggested that any person who held a licence for last season should be given the right to vote. This will ensure that no-one is missed, and it is not likely to let in any appreciable number of growers who have given up wheatgrowing. A similar scheme has been previously adopted to deal with the like difficulty.

Amendment carried.

The Hon. A. P.BLESING—I can find no reference in the Bill to what percentage of growers must favour the proposal for it to be carried. I takeit it will be a bare majority. It should need a certain proportion to authorise the legislation.

The Hon. R. J. RUDALL—The carrying of the poll will not authorise any legislation. It will be purely informatory. If it is carried the matter must still come before Parliament.

The Hon. E. ANTHONEY—I take it that the Government will be guided in the introduction of legislation by the vote cast by the wheatgrowers. If only 20 per cent vote 80 per cent will not be represented in the legislation. That is an important point. Some provision should be made for the position.

The Hon. R. J. Rudall—We will deal with that when the time comes.

The Hon. E. ANTHONEY—Then let us take it the other way. Suppose the wheatgrowers vote against the proposal. The Government will not then introduce legislation.

The Hon. A. P. BLESING—I take it this legislation means that, no matter how few vote, the majority of those voting will guide the Government.

The Hon. R. J. Rudall—There is no question about that, but this does not finalise anything. The matter has to be implemented by legislation and every member will have an opportunity to express his views.

The Hon. A. P. BLESING—I am not concerned with what is done after this Bill ispassed. I simply wanted to know if the Government would accept a bare majority no matterhow few voted. I take it legislation will be introduced only if there is a majority that favour of it.

The Hon.R. J.RUDALL—The whole object of the Bill is to see whether thewheatgrowers are in favour of it or not, and the Government hasalready said that it will not introduce legislation unless the wheatgrowers are in favour of it.

Clause as amended passed.

Clause 3, title, and schedule passed.

Bill read a third time and passed.