**WHEAT INDUSTRY STABILIZATION BILL 1946**

**Legislative Assembly, 19 November 1946, pages 1020-8**

Second reading

The Hon. T. PLAYFORD obtained leave to introduce a Bill for an Act relating to the stabilization of the wheat industry and to provide for the control of the production of wheat.

Bill introduced and read a first time.

**The Hon. T. PLAYFORD (Gumeracha— Premier and Treasurer)—**This is probably one of the most important pieces of legislation introduced here for many years. I would have preferred to see some of the conditions in it altered, but the fact remains that the Bill provides for the stabilization of our biggest industry, and on that account must be regarded as of paramount importance. Never before has a scheme set out to give an assured price for a largely produced primary commodity, irrespective of what the world’s markets are, been attempted. We have passed legislation dealing with the dried fruits, butter, cheese and other industries, but in every instance the legislation was based on a home consumption price for the portion of the commodity sold on the home market, and a pool representing the world’s price for the balance sold on the overseas market. The price to growers for their dried fruits alters from time to time; there is no guaranteed price to them. The present legislation breaks completely new ground.

There is not much necessity for me to go into the principles of the Bill, but in order to clarify the position I point out that the home consumption price is to be fixed at a stable level of 5s. 2d. and that price will be paid irrespective of whether the overseas price is between 10s. and 12s., as it is at present, or down to 2s. 6d. The price to be paid by the Australian consumer will be 5s. 2d., and that will be maintained irrespective of whether world’s prices are up or down. With regard to the wheat sold overseas, if the price is above 5s. 2d., but not exceeding 9s. 6d., 50 per cent of the amount in excess of 5s. 2d. will be kept from the wheat- growers return and paid into a fund and that fund will be retained to make up the price to 5s. 2d. when the overseas price may fall below 5s. 2d. The amount above 9s. 6d. a bushel will be paid in to the grower. For example if the Australian price were 5s. 2d. and the overseas price 7s. 2d., and half the wheat were exported, for the wheat sold overseas the grower would receive 6s. 2d. and for the wheat sold in Australia 5s. 2d. Members should not experience any difficulty in agreeing to this principle. If we are to have healthy rural industries it is necessary to support them, particularly those depending to a large extent on their produce being sold overseas. Otherwise we shall have ultimately a fictitious economy based upon production for the local market. I feel that possibly many of the .difficulties mentioned so frequently by members with regard to the economic pull to-day being away from rural industries come largely down to the fact that, whereas the national economy has found a way of successfully protecting secondary industries from overseas competition, we have never devised a method of successfully protecting primary industries which are dependent upon overseas exports to secure them sufficient to maintain them under all conditions.

I believe that the conception of this legislation is extremely good. The principle of stabilization is one which we must support. Not only will it provide a degree of prosperity and stability to the wheat industry but it will also do something else very necessary. We have seen the disasters which inevitably follow periods of great economic booms. High prices for wheat after the last war were followed by high land values and those high land values landed those foolish enough to compete for land in serious economic difficulties which ultimately, in many instances, led to bankruptcy. Those high wheat prices did not remain for a long period, but land was purchased at high prices and those prices persisted long after the price of wheat had fallen.

I do not think any valid argument can be advanced against the principles upon which the Bill has been based. I hope members will debate the principles rather than the one or two features against which criticism can be levelled. I have stated publicly that there are features in the Bill which I believe are not generous or just, but the carrying out of the plan will smooth out these difficulties, and I trust that they will not be magnified so as to take our attention away from the big economic advantages of a stabilization scheme that will protect our main industry against any deflation which may follow the present high prices.

Apart from that, there is another big advantage attached to the legislation and it arises out of the present taxation position. Many farmers have incurred large overdrafts in attempting to develop their properties or in purchasing stock and plant. It could be stated with a good deal of truth that it would have been a good thing for a wheatgrower to capitalize on the high prices which exist to-day—and the overseas prices are extremely high— and free himself from the financial burden hanging around his neck. Possibly under normal circumstances that might have been the best course to pursue, but anyone who contends that that is the best, action to take at present overlooks this fact. Assume that a wheatgrower receives a return of £3,000 from his crop. Instead of being able to pay, say, £1,500 off his mortgage and using the other £1,500 to maintain his property, he may find himself in the position that the £1,500 which he would like to pay off his mortgage is demanded from him by the Commissioner of Taxes, so that there is no possibility of his taking advantage of the high prices to quickly free himself from any financial obligation. Apart altogether from other questions, it is possible for a tax free fund to be established to assure the wheatgrower of a reasonable income when the overseas price is not sufficient to return him 5s. 2d. a bushel. No wheatgrower will have any proprietary rights in the money in the fund. If a man ceased wheatgrowing tomorrow the Taxation Department could not assess him on any money he might receive from the fund. The department must wait until he gets something from the fund.

Mr. Dunks—What about the money he has paid into the fund?

The Hon. T. PLAYFORD—The Bill stabilizes the industry, not the returns to the individual wheatgrower.

Mr. Lyons—Do you mean that his returns are equalized?

The Hon. T. PLAYPORD—Yes. He will be assured of 5s. 2d. a bushel for the next five years if he remains in the industry.

Mr. Dunks—If a wheatgrower sells his farm is the commitment to the fund taken over by the new owner?

The Hon. T. PLAYPORD—Yes, and he will be assured of a minimum of 5s. 2d. a bushel.

Mr. Christian—In other words, the scheme helps to stabilize land values.

The Hon. T. PLAYFORD—I pointed out previously that during the period after the 1914-1918 war troubles were caused because of the high prices paid for land. On Yorke Peninsula the price of wheatgrowing land went up to as high as £30 an acre. From a purchaser’s point of view a high price is undesirable because it ties a millstone around his neck. Three matters will be raised when this Bill is debated. One, which will be adversely commented upon, is the fact that the scheme does not start until the legislation is passed. The wheat grown last year and acquired by the Commonwealth under National Security Regulations, and sold at good prices, will be covered by the legislation. This cannot be supported on the grounds of equity and I have always opposed it. I am sorry that it had to be included in the Bill. It will also be argued that the legislation covers only five years, and that the stabilization of the wheat industry cannot be brought about in such a short period. As last season will be covered by the Bill it means that the scheme will continue for only four years. Another objection to the Bill is that extremely wide powers are given to the Commonwealth Minister and he can direct that farmers’ wheat be sold at concession prices

This will ultimately affect adversely both the fund and the wheatgrower. In answer to these objections, I point out that the Commonwealth has no constitutional power to give effect to the legislation. A recent referendum decided that the power should remain with the States. Therefore, before any scheme could be instituted the States and the Commonwealth had to agree. The Commonwealth has suggested a scheme which has been accepted by five States. Naturally, many clashes of interests occur at conferences of State representatives, and it must be regarded as an achievement to get the Governments of five States to accept the scheme. Although my Government has not expressed its entire approval in regard to the three matters I have mentioned, we must not forget the interests of the State on the one hand and what might be at stake on the other if there is a drop in wheat prices on the world’s market. My Government decided to submit the matter to Parliament.

Mr. Stott—There is also the difficulty of getting agreement in the future.

The Hon. T. PLAYPOED—Experience in the dried fruits industry has shown that once the principles of marketing have proved successful over the years the tendency has been to build up those principles and not retract them in any way. Although the dried fruits marketing legislation was accepted by a limited number of States for a limited time in the first place, the position has become so strong that all States have now accepted the legislation in totol. No dried fruits grower would suggest the destruction of the marketing provisions. This wheat stabilizing legislation is introduced in the hope that the principles associated with it will become stronger as the years go by. A volume of doubt about the legislation has been expressed in numerous ways, so my Government thinks it desirable to hold a ballot of wheat- growers in order to ascertain their views.

Mr. Macgillivray—Is that a part of the Commonwealth agreement with the States?

The Hon. T. PLAYPOED—This State did not enter into an agreement in connection with the matter. I told the Commonwealth Government that I strongly approved of the stabilization scheme and would do my utmost to give effect to it, but I also said I would like an alteration made in regard to the three matters I have mentioned. Although I have included in the Bill provision for a ballot of wheatgrowers to be taken, I point out that any amendment to the measure, especially if it alters any of the characteristics of the scheme, will be regarded by the State Government as the defeat of the Bill. It has been introduced as a uniform measure.

Mr. Dunks—What is the position in regard to the ballot?

The Hon. T. PLAYPOED—That does not alter the constitution of the Bill, which will not come into operation unless 50 per cent of wheatgrowers, voting by ballot, approve of it

Mr. O’Halloran—Was that an agreement reached at the conference?

The Hon. T. PLAYPOED—There was no formal acceptance of the Bill by South Australia. I have seen a report that it was accepted, but the conference minutes show that South Australia did not accept the Bill, particularly that part relating to last year’s wheat which is subject to a High Court action by wheatgrowers against the Commonwealth Government. We agreed to stabilization and with many of the principles included in the Bill. The principles with which we have had difficulty are relatively small, especially when notice is taken of the many matters on which we agreed.

Mr. McKenzie—How many States will have to agree before the scheme can become law?

The Hon. T. PLAYPOED—In my opinion, it would not be possible for the Commonwealth to operate the scheme if any of the four big wheat producing States stood out. I emphasise the importance of remembering that any amendments to the legislation might mean that the Bill will not be in accordance with that of the Commonwealth and other States, but will, to all intents and purposes, mean rejection of the legislation. I would have preferred not to hold a poll and to exclude last year’s wheat, to have made the term 10 years, and put all transactions under the direction and control of the Wheat Board and not subject to any overriding Ministerial authority. Had I done any of those things I would have advocated legislation which was not in accordance with that of other States and would have been tantamount to rejection of the Bill, as such. We have been offered a bargain. The scheme possesses many advantages, but I think we can suggest improvements on three matters. I believe that over a period wheatgrowers will gain much more than they will lose under it. If a majority of growers favour a Bill identical with that submitted by the Commonwealth Government it will be carried in its entirety, but if a majority say they do not want the legislation the Bill will be rejected. It is proposed to hold a ballot of registered South Australian wheatgrowers as quickly as possible under Government: supervision. We have control under National Security Regulations over areas sown to wheat and we want to obtain an early decision so that we can notify the Commonwealth authorities.

Mr. McKenzie—If the poll is carried it will not upset the Bill?

The Hon. T. PLAYFORD—No, but if it is not carried the Bill will not come into operation. The Bill is the Bill that was submitted by the Commonwealth Government, and is con­sistent with the Bills submitted to other States. I ask members not to view the measure from the point of view of something which can be made more perfect, but to remember that any alteration will tend to destroy it. If the Government accepts amendments it might constitutionally upset the whole plan and render any stabilization scheme inoperative. Anything other than purely drafting amendments will be resisted by me on the ground that they will destroy uniformity that is essential in a plan of this description, involving as it .does agreement between the different Governments. I do not propose to proceed with the debate on the Bill to-night, but have merely introduced it now so that members will have an opportunity of studying its provisions. One important feature of the legislation is that associated with the limitation of acreage. I do not think there will be much difficulty in the House accepting the proposed acreage limitation because, whereas price and marketing provisions are almost completely under Commonwealth Government control, acreage limitation will still be retained by the respective States.

The Hon. T. PLAYFORD—The limitation of acreage is based upon the States controlling it within the States and the Ministers agreed to co-operate with the Commonwealth in a general policy. I am not aware of any difficulties associated with this part of the scheme. Some slight concession has been given to Queensland, but, it is not unfair or unjustifiable. At present the average acreage sown in Queensland annually is about 500,000, from which she does not produce enough wheat for her own requirements. Before the Queensland People would agree to the proposal they said that, prior to any restrictions coming into effect, they would like to be considered as if they planted 1,000,000 acres annually, which means that the restrictions, would not come into effect upon Queensland until they were imposed on a fairly heavy scale in the other States.

Mr. O’Halloran—The overall policy will be restriction on production?

The Hon. T. PLAYFORD—No. The Commonwealth authorities have said, with some justification, that if the price of wheat is made profitable over a long period it will tend to increase production and thereby throw a heavier burden on the equalization fund. With the areas available in some States it would be quite possible for the increased production to be so great as to break down the scheme. It does not necessarily mean that there will be a limitation of acreage every year, but it, .does mean that in the event of the overseas markets becoming unprofitable we would not expand wheat production. There is no restriction, for example, this year. Growers have been permitted to plant, areas far in excess of their licensed acreages because the overseas market is strong and any wheat grown now is not detrimental to the fund, but rather helps to build it up. We must, all share the regret that this year, when there is an opportunity to establish a very strong fund, the drought in Queensland, large areas of New South Wales, and even some parts of Victoria, will seriously reduce our exports. Every bushel of wheat sent overseas this year will put into the fund about 2s. net, or even more, and a large export would have formed a big reserve against a falling of prices in the future The provisions of the Bill do not automatically mean a restriction of acreage, but do mean that if the Commonwealth and the States, as a matter of policy, decide that the overseas market is bad and that the fund cannot carry increased plantings, they can impose restrictions in the interests of the solvency of the fund.

The Hon. J. Mclnnes—Will that decision rest with one authority.?

The Hon. T. PLAYFORD—No. The States agreed to co-operate with the Commonwealth. I suppose the ultimate decision as to how much each State will have will rest with the Commonwealth authorities, but the actual licensing will devolve upon the States.

Mr. Teusner—There will be no descrimination between the States?

The Hon. T. PLAYFORD—No, because this legislation may be repealed or amended by the States if they feel that there is any discrimination. I mentioned the Queensland arrangement merely to emphasize that, although a small concession has been given to that State, I do not regard it as discrimination. The Queensland Government has been quite reasonable, because it accepted without opposition a home consumption price of 5s. 2d. a bushel. I grant that this is not a concession at the moment because, on world parity, they would have had to pay much more, but overseas prices over a term of years show the concession to be reasonable.

Agreement has been reached on certain arrangements which go beyond the scope of the Bill. They involve an investigation into the cost of production of wheat in Australia with, not exactly an assurance, but a firm understanding that the Commonwealth Government will, at a later stage, reconsider the 5s. 2d. if the investigation shows that it is not a reasonable figure. I believe some steps have already been taken to carry it into effect and members cannot completely overlook it in considering this measure. There are certain difficulties in this legislation, but I do not think they are nearly so great as were involved in the original dried fruits legislation, which initially had the great weakness of being unconstitutional. I quote that as an example of growers’ co-operation. The dried fruits legislation is now accepted by all Australian Parliaments and the people as a very good thing and it certainly has the sup­port of the growers.

Turning now to the actual provisions of the Bill, it is part of a combined Commonwealth and State scheme for the future stabilization of the wheat industry. During the war the industry has been controlled under National Security Regulations. These regulations provide for an Australian Wheat Board which is the sole marketing authority and to which all farmers are obliged to deliver their wheat. The regulations also provide for the licensing of wheatgrowers and the registration of wheat farms. Thus the National Security Regulations have conferred upon Commonwealth authorities power to ensure a stabilized price and to regulate the production of wheat. The regulations, however, depend upon the defence power and it is obvious that the present scheme of Com­monwealth control will not be able to continue indefinitely by virtue of this power. If, therefore, the scheme for the stabilization of the wheat industry is intended to continue in future it is obvious that the problem must be attacked from another angle. A number of conferences between the Commonwealth and State Ministers and officers have been held and a new scheme has been evolved to take the place of the present one. The main outlines of the proposed new scheme, which will depend upon both Commonwealth and State legislation are as follows: —

1. A new Australian wheat board will be established under Commonwealth law. The Commonwealth Act for this purpose has already been passed.
2. The powers of the board to obtain wheat will be conferred by the combined effect of State and Federal law. The Federal law will empower the board to conduct interstate and export trade in wheat and will also, ensure that wheat grown in the territories of Australia is delivered to the board. The State law will confer upon the board a general power to conduct trade in wheat within the limits of the respective States and will also ensure that wheat produced in the respective States is delivered to the board.
3. The Commonwealth law provides for a guaranteed minimum price to the wheatgrower.
4. The Commonwealth law imposes an export charge on wheat equal to 50 per cent of the amount realized for wheat exported over and above 5s. 2d. f.o.r. Australian ports of export. The amount realized from this tax will be paid into a fund and used to subsidize payments to wheatgrowers when overseas prices fall below the guaranteed amount.

Mr. Stott—That tax can be less than 50 per cent.

The Hon. T. PLAYFORD—Yes. From a constitutional point of view this may be the weakest part of the scheme. The Commonwealth Government has power to acquire property, but it must pay a just price. What constitutes a just price has been the subject of much litigation, on which the courts have given certain decisions. Under this scheme the Commonwealth may acquire wheat and subject the proceeds of its sale to a tax, and I have always felt some doubt as to whether the Commonwealth will not say that the wheatgrower has, in fact, been paid a just price.

Mr. Stott—He ultimately receives the benefit.

The Hon. T. PLAYFORD—Not necessarily. Although I do not pretend to be a. constitutional lawyer, I believe that if this legislation is ever successfully attacked it will be on this question of taxation on the price of wheat. As an illustration, if the Commonwealth Government acquired the hon. member’s farm for some public purpose at £3,000, which was declared to be a just price, and then levied a special tax of £1,000 on the transaction. I doubt whether the hon. member would feel he was being paid a just price. I believe it is not likely to be subject to attack except as regards

last year’s wheat, because that wheat was acquired under National Security Regulations. A case has been listed for the High Court in that regard.

Mr. Stott—There is no doubt about the legality of the Commonwealth’s including that wheat in the scheme, but as to whether it takes the 50 per cent.

The Hon. T. PLAYFORD—Unless there is that charge, there will be nothing to include in the scheme. Probably millions of pounds will be involved. The acreage control will be carried out under joint Federal and State arrangements. It is proposed that there will be a Federal Wheat Industry Stabilization Board which will lay down an Australia-wide policy for production and there will be State Stabilization Committees which will regulate production in the respective States. This Bill carries out South Australia’s part of the scheme outlined above.

By clause 2 it is provided that before the Bill comes into operation a poll of wheatgrowers must be held. The poll will be conducted by postal ballot on the principle of one wheatgrower one vote, and a majority of the wheatgrowers validly voting at the poll will be necessary before the legislation can be brought into operation. At the poll any wheatgrower who held a wheatgrower’s licence for the season 1945-1946 or 1946-1947 will be entitled to vote. This dual test for the right to vote is put in because every wheatgrower does not necessarily take out a wheatgrower’s licence in every season. Clauses 4 to 13 deal with the powers of the Commonwealth board to obtain wheat in the State and to market it. By clause 4 the board is empowered to license receivers of wheat who will receive the wheat from growers on behalf of the board.

Clause 5 confers upon the board a general power to purchase or otherwise acquire wheat cornsacks, jute and jute products and to sell or otherwise dispose of them. The board is also empowered to grist wheat and to dispose of the products of gristing and to do anything incidental to the foregoing powers. Clause 6 places an obligation on any person who has wheat in the State which has not already been delivered to the board to deliver that wheat to the board. The only exemptions to this duty to deliver wheat to the board are the following:—-

1. A farmer may retain wheat on his farm for his own use.
2. Wheat which has been purchased from the board can be dealt with freely.
3. The board may give permission to sales or deliveries of wheat to which it is not a party.
4. Wheat which is the subject of interstate trade will not be controlled under the Bill.

This latter provision is inserted to make it quite clear that the State is not attempting to violate section 92 of the Constitution. It is considered that although interstate trade in wheat will not be regulated, the amount of this trade which does not pass through the board’s hands will be so small that it will not affect the general working of the proposed wheat scheme.

Clauses 7 and 8 are ancillary provisions only, while clause 9 provides that the board must pay to the growers for wheat delivered by them to the board the price determined in accordance with the Commonwealth Wheat Industry Stabilization Act. Clauses 10 to 13 inclusive are ancillary provisions. Clause 14 provides for the setting up in South Australia of the Wheat Industry Stabilization Committee. This committee will be appointed by the Minister of Agriculture. Its principal duty will be to organize and control the registration of wheat farms and the licensing of persons to grow wheat under the Bill. It will also advise the Minister on matters relating to the stabilization of the wheat industry and will co-operate with the Commonwealth Wheat Industry Stabilization Board. If necessary it will appoint advisory committees to assist it.

Clauses 17 and 18 provide for the registration of wheat farms and the licensing of wheatgrowers. Such registration and licensing will be carried out by the State Stabilization Committee and, in general, the provisions on this subject are very similar to those now contained in the National Security Regulations. Persons who are licensed as wheatgrowers for the 1946-1947 season under the National Security Regulations will be deemed to be licensed under the Bill. The Bill contains provisions to ensure that wheatgrowers will not harvest wheat other than from registered farms or from any acreage in excess of the number of acres specified in his wheatgrower’s licence. If a wheatgrower should sow to wheat a larger area than that specified in his licence he will be required before the ear in the crop develops beyond the milky stage to deal with the area in such manner as the Stabilization Committee determines. The Bill contains the usual provisions for penalties, which must not exceed a fine of £100 or imprisonment for six months and for making regulations. If members desire any other information I will endeavour to secure it.

Mr. Stott—How long will it take to have a ballot on the question!

The Hon. T. PLAYFORD—It should not take very long. A roll of growers has already been prepared and the Government will have everything ready, so that if the House approves the Bill a ballot can be taken in a reasonably short time.

Mr. Macgillivray—Why not take a ballot before going on with the Bill?

The Hon. T. PLAYFORD—There is no provision at present to enable a ballot to be taken. It would have no legal effect whatever.

Mr. O’Halloran—We have nothing to submit to the growers until the Bill is passed.

The Hon. T. PLAYFORD—That is so. We can then ask the growers whether they approve of the Bill or not.

Mr. Stott—Will you send a copy of the Bill to every grower?

The Hon. T. PLAYFORD—No.

Mr. Stott—Well then, how can they give an intelligent answer ?

The Hon. T. PLAYFORD—I rather feel that the hon. member is not aware of the knowledge wheatgrowers have on the subject. I believe that they have debated this matter fully among themselves.

Mr. Stott—In that case, why have a ballot?

The Hon. T. PLAYFORD—A ballot is necessary because very strong opposition has been expressed by wheatgrowers against the legislation.

Mr. Stott—By a noisy minority.

The Hon. T. PLAYFORD—That may be so, but a ballot will prove it. We are dealing with other people ’s property in an arbitrary manner and acting as agents for them. I have received many petitions against this legislation.

Mr. Stott—You have had a good many in favour of it, too.

The Hon. T. PLAYFORD—The number of persons who have sent letters opposing the legislation would, in my opinion, be two or three times greater than those who have for­warded petitions supporting it. I do not take that as being definite, but seeing that opposition has been voiced against the legislation, and as we are acting on .behalf of the farmers, I believe it will aid the acceptance of the legislation in Parliament if the members know that growers will have the right to say whether they believe that their wheat should come within the scheme or not.

Mr. Baldock—The ballot is not part of the scheme?

The Hon. T. PLAYFORD—No. It is only to ensure that a majority of the wheatgrowers who choose to exercise their vote are in favour of the scheme. A ballot is not unreasonable and is not something new. I remember another industry which asked for stabilization. We had assurances on behalf of persons in the industry that it strongly supported the proposal. Parliament passed marketing legislation for the industry, including a provision that it should be carried by a poll of growers. When a poll was submitted not only was it not carried, but was so overwhelmingly defeated as to indicate that the only people wanting the legislation were the promoters of the Bill who had submitted it to Parliament.

Mr. Stott—Potatoes had Irish blight that year.

The Hon. T. PLAYFORD—I am speaking about the citrus industry. If one looked at the assurances given to the House on the matter and then studied the result of the poll, one. would get a rude shock, because the evidence submitted at that time was that growers were unanimously in favour of the Bill. No one makes that suggestion at present on behalf of wheatgrowers, as substantial opposition has been voiced. Under the circumstances, I believe it right and proper that wheatgrowers should have the ultimate decision as to whether they want their wheat subject to this Bill or not.

Mr. Stott—Was it not agreed to by the States at the Federal conference?

The Hon. T. PLAYFORD—We always advocated that course. We went so far as to say we would not be prepared to introduce a Bill without some such provision in it.

Mr. McKenzie—If the poll is against the Bill will the Bill go on?

The Hon. T. PLAYFORD—Yes.

Mr. Stott—If you put that provision in it is rejected, the rest of Australia has to do without it.

The Hon. T. PLAYFORD—I can legislate only for the wheatgrowers of South Australia. No agreement has been reached so far as South Australia is concerned. We preserved the right to take action when we had had an opportunity of analysing what was involved in the legislation. Having analysed the Bill and having conferred with the wheatgrowers of South Australia upon it, although there are two or three provisions which do not meet with my approval, I nevertheless think that there is a considerable amount of merit in the provision for stabilization of the industry. Although there are some obnoxious features in the Bill, I am prepared to accept it and to advocate it subject to the growers having a final decision as to whether they desire to come into the scheme or not.

Mr. Stott—What is the position if the other States agree and South Australia is out of it?

The Hon. T. PLAYFORD—If South Australia does not agree the position would be almost identical as if Victoria or Western Australia or New South Wales did not accept the legislation.

Mr. Stott—Could South Australia afford to stand out?

The Hon. T. PLAYFORD—I believe that this legislation has a much better chance of becoming law with a provision such as I have outlined in it and, in the interests of the legislation, I suggest to the hon. member that he look at it from that angle.

Mr. O’Halloran—Are you prepared to advocate the legislation?

The Hon. T. PLAYFORD—I thought that that was quite apparent.

Mr. 0’Halloran—Would your Government be prepared to recommend to the farmers that they vote for the scheme?

The Hon. T. PLAYFORD—I am not only prepared to recommend it to farmers, but am asking hon. members to vote for it. What is more to the point, I thought I had been doing that for the best part of a couple of hours.

Mr. Corcoran—Is there any danger, owing to lack of knowledge on the part of wheatgrowers as to the true nature of the Bill, of their being unable to cast an intelligent vote?

The Hon. T. PLAYFORD-—There has been some suggestion that interested parties will try to influence the farmer against it.

Mr. Stott—There is no doubt about that.

The Hon. T. PL A if FORD—That has been stated as an objection to the ballot. I agree that there will be a considerable amount of discussion in connection with the Bill, particularly when the farmers know that they are going to have a direct voice on whether the Bill becomes law or not. Is not that a feature in any exercise of democratic rights? If we desire to carry a referendum do we not proceed a month beforehand to place our views before the public? Is it not the same with regard to elections? I have yet to see an election where the two sides are not forcibly presented to the public.

Mr. Stott—Is not a ballot a new feature?

The Hon. T. PLAYFORD—The facts are that marketing legislation in South Australia has not advanced to the same extent as it has done in the other States. In Queensland, New South Wales and, I believe, in Victoria, instead of passing marketing legislation in regard to any individual product as we do in South Australia, they passed general marketing legislation. If we desire marketing legislation dealing with, say, the egg industry, we bring in a Bill dealing with that industry. The same applies to wheat, dried fruits and other commodities. In the other States they have passed marketing Acts. For instance, if the producers in Queensland desire marketing legislation in regard to peanuts, fresh fruit, vegetables, bananas or some other commodity, all they have to do to get the marketing legislation operating is to carry a poll to show that they want it. That is standard legislation in the other States . It is not a new feature.

Mr. Stott—It is a new feature in this par­ticular legislation.

The Hon. T. PLAYFORD—The hon. member has changed his ground somewhat. I have enunciated this as a general principle whenever producers have come along with marketing problems. I have told them there are three things necessary in regard to marketing schemes. The first is that the industry affected should have the main control over the marketing of its own commodities. I lay that down as a general principle. The second point is that the industry affected shall clearly say that it wants the legislation. The third point is that the legislation asked for shall be within the constitution of the authority which has to pass it.

Mr. Baldock—You do not always take a ballot in similar legislation?

The Hon. T. PLAYFORD—I am saying that that is what I believe to be the prime requirement in any marketing legislation. When the egg producers desired legislation some time ago they came along to me as a deputation and said they desired to establish egg marketing legislation in this State.

Mr. Stott—Will you apply the ballot to metropolitan dairymen under the Metropolitan Milk Supply Bill?

The Hon. T. PLAYFORD—I shall deal with that later. The egg producers asked if the Government would bring in legislation to provide for an egg board and marketing. I asked whether there was clear evidence that the industry was in favour of it and they said that every organization except one dealing with eggs was in favour of legislation. I then replied, “I am not prepared to bring in legislation because the Egg Comb organization is not in step. If that association is not in step, how do I know that it does not constitute a majority of the industry? Have a further conference with the Egg Comb organization, which represents a large section of producers, and, if you get their concurrence as well as that of the other organizations, then come back to me and I shall be prepared to introduce the legislation. They went back and negotiated with the Egg Comb organization. They reached agreement and legislation was introduced, and although opposition to it was expressed in the Legislative Council, that Chamber could not find any substantial support for its opposition. Similarly with the Milk Bill. That was not introduced in this House until every established organization dealing with milk had expressed concurrence with the legislation. Last year the Bill was drawn up and there were only two very small sections of the industry not in accord with it. While they were not in accord with it we continued to negotiate to get some agreement with them. In regard to the wheat industry, if there had not been any expressed opposition to this Bill I would have advocated that the wheatgrowers should accept it, but when we have such strong opposition, then I say that, although I believe that a majority of the wheatgrowers do want stabilization, and even they do not like some of the provisions of the Bill, they are prepared to swallow them rather than lose stabilization. At the same time, I say, it is not unreasonable that the issue should be placed fairly and squarely before them for their concurrence.

Mr. Stott—What will be the question on the ballot paper®

The Hon. T. PLAYFORD—Whether they agree with the Bill or not.

Mr. Stott—You will have to send, them the Bill so that they can decide that.

The Hon. T. PLAYFOED—The hon. member can do that if he likes I will exercise every endeavour to see that the issue is fairly placed before wheatgrowers.

Mr. Stephens—The Bill is an agreement between the Commonwealth and the States. If it is vitally amended, what is the position?

The Hon. T. PLAYFOED—Any alteration in principle would be equivalent in my opinion to the defeat of the Bill. For that reason, rather than get into knotty problems about which I have already expressed concern, let us accept these problems subject to the concurrence of the wheatgrowers who, after all are the people most vitally interested in matter. I move the second reading and commend the Bill to hon. members.

Mr. O’HALLORAN secured the adjournment of the debate.