MARGARINE ACT AMENDMENT BILL 1952

**Legislative Council, 28 October 1952, pages 1074-6**

Second reading

The Hon. P. J. CONDON, having obtained leave, introduced a Bill for an Act to amend the Margarine Act, 1939-1948.

Read a first time.

The Hon. P. J. CONDON (Leader of the Opposition)—I move— That this Bill be now read a second time. The effect of the Bill is as follows:—Subsection (3a) of section 20 of the Act (which was enacted by the amending Act of 1948) now provides that the declaration to be made by the Minister under section 20 fixing the quota for the manufacture of margarine during any calendar year is not to provide for a greater aggregate quantity than 312 tons. The Bill increases this to 624 tons. By a declaration under section 20 published in the Government Gazette on November 1, 1951, the Minister fixed the following quotas for the calendar year 1952:—Golden Nut Margarine Ltd., 156 tons; Yidale Products Ltd., 156 tons. The Bill provides that this declaration is to be read as if the quotas were increased by 100 per cent., thus each quota of 156 tons will be increased to 312 tons. Subsection (2) of section 20 provides that, when a declaration is made under section 20 fixing the quota of any person for any period the quota shall be not less than the quantity of table margarine manufactured by that person during the last previous period. Thus, if in fact the two companies concerned take up their quotas as increased by the Bill, they will be automatically entitled to the same quota in future years. The 1939 Margarine Act fixed the quota at 312 tons per annum. During the war an interstate agreement was arrived at which reduced the weekly quota by half a ton, but after the war this quota was restored, and today it is 312 tons. Owing to the demand this quota is exhausted and the firms operating here are closed until next year. Governments in other States have met the demand by increasing the quotas considerably. In Queensland the quota has been more than doubled and now exceeds 3,800 tons. In New South Wales it was increased from 1,248 tons to 2,500 tons per annum, in Tasmania from 208 to 416 tons, and in Western Australia from 360 to 800 tons. This month Tasmania and Western Australia passed legislation increasing their quotas. The legislation was passed with the assistance of both parties and in Western Australia the voting in the House of Assembly was 35 to 5 and in the Legislative Council 19 to 9.

The Hon. P. T. Perry—Was it a Government Bill?

The Hon. P. J. CONDON—Yes. In introducing this legislation I am strongly of opinion that it will not in any way interfere, with the dairying industry, and in support of this I quote from statements of two Ministers of Agriculture. The first is a letter from the New South Wales Minister of Agriculture addressed to Mr. W. G. Northcote, the managing director of the Golden Nut Margarine Coy. Pty. Ltd. and reads:—

With reference to your recent letter regarding the increase in the amount of table mar­garine permitted to be manufactured in this State, following the recent amendment of our Dairy Industry Act, I desire to inform you that under this amending legislation the aggregate amount of table margarine which may be manufactured per annum was increased from 1,248 tons to 2,500 tons. This increase has not had any adverse effect whatsoever on the consumption of butter in New South Wales. In fact the position is that with the growing population butter production has not been keeping up with the demand for edible fats, and in order to fill the gap it was necessary to introduce this amending legislation to permit the increased manufacture of table margarine. Naturally, as a primary producer myself, and one who has been closely associated with the dairying industry, I am most concerned that no action is taken which will adversely affect that industry. I believe, however, that with proper control over the manufacture of margarine and provided it is only manufactured in sufficient quantities to meet normal demands, it will have no such adverse effect on the dairying industry. In fact the position is that margarine does meet a real demand by the poorer sections of our community who have to meet their family requirements from their limited cash resources. While we are having a very good season in this State and production of butter is at its top, we still find that considerable quantities of table margarine are required to meet normal demands for this product, and it may even be necessary for us to consider increasing still further the quantities of margarine in order to meet the require­ments of the general public.

It is interesting to note that the Ministers of Agriculture who introduced similar legislation in the four States I have mentioned are all farmers representing country districts and it is not likely that they would do anything detrimental to the interests of the dairying industry. This month the Western Australian Minister for Lands (Mr. Thorn), who is probably one of the largest men connected with the dairying industry in that State, in introducing the Bill said he would do nothing to injure the dairying industry.

In the Legislative Council on October 18, the Minister for Agriculture (Sir Charles Latham), said that the drift in the dairying industry was away from butter production. One of the big South-West dairy co-operative firms had written to him asking for a permit to produce margarine. Although the shareholders of that firm would be dairy farmers, members were trying to tell the House that the dairying industry did not want an increased margarine production. Dr. J. O. Hislop, M.L.C., said he believed that if the price for export butter under the trade agreement with Great Britain was equivalent to the home consumption price there would not have been the outcry against the increased margarine production. He believed that the time would come when margarine would be used more and more in the household and scientists would find means of making it spread like butter. I received a wire from the Tasmanian Minister of Agriculture stating that the margarine quota had been doubled this month. No legis­lation has been introduced in Victoria yet; members will understand why. In four other States the quota has been doubled.

Since the price of butter was increased from 3s. 2d. a pound to 4s. l 1/2d. there has been a heavier demand for margarine. Restrictions have been imposed on the margarine industry, but the pressure of economic necessity and the fact that there is a social need for margarine, which must be satisfied, are being realized. In order to protect the dairying industry various States passed legislation limiting the quantity of margarine to be manufactured for sale in Australia, the respective quotas being based upon the approximate sales at the time. This action prevented damaging competition with butter and avoided placing hardships on margarine manufacturers. The dairy industry will still receive protection under the terms of the Bill, which does not go as far as some parties desire by removing all restrictions. The Bill means that Parliament will still have control. If the legislation is found to do an injustice to another section of industry there is nothing to prevent Parliament from altering it.

The Hon. E. Anthoney—-By how much will the quota of margarine be increased?

The Hon. F. J. CONDON—It will be doubled, but it will still be lower than in any other State.

The Hon. C. R. Cudmore—Are the figures for table or commercial margarine?

The Hon. F. J. CONDON—Table margarine. Since the Act was passed in 1939 South Aus**tralia’s** population has increased by about 130,000, but there has been no increase in the margarine quota. The price of butter to the producer has been maintained partly by realization from sales, with the addition of the Commonwealth subsidy The subsidy has been partly removed and an extra burden has been thrown on to consumers. It is not my intention to do anything detrimental to the dairying industry. This is borne out by the fact that the manufacture of margarine will still be controlled. The high price of butter prevents housewives from using it for cake making and also affects the consumption of eggs . If margarine is made available to the public it will assist in other directions, too. There is a big difference between the retail price of butter and margarine.

Many large families cannot afford to put a full supply of butter on the table. They use only the quantity they can afford and reduce their housekeeping expenses by substituting margarine to make up the balance of their needs Moreover, pensioners and thousands of people who receive the basic wage, or a little more, with large families to keep find that 4s. 2d. is an excessive amount to pay for a pound of butter when they can use margarine, which serves the same purpose and can be bought for 2s. 6 1/2d. a pound. Certain sections of the community are more or less compelled to buy the cheaper commodity because of their economic circumstances. The manufacture of margarine is of importance and manufacturers should not be penalized, neither should the large majority of consumers. South Australian manufacturers are as capable of supplying the needs of the people as interstate manufacturers. No law compels consumers to purchase margarine if they do not want to, but if the Bill is passed it will give them the opportunity of buying it.

The Hon. E. Anthoney—How many are employed in the industry?

The Hon. F. J. CONDON—I do not know. Of the two firms which were operating, one closed down in September and the other in October. They cannot manufacture any more until January 1.

The Hon. C. B. Cudmore—Can they export it?

The Hon. F. J. CONDON—They have none to export; they can sell it all in South Aus­tralia. However, they can import it by virtue of section 92 of the Constitution. If it were reasonable to manufacture margarine in 1939 what is wrong with manufacturing an increased quantity today?

The Hon. L. H. Densley—You realize what steps have been taken to bolster up the dairying industry and the effect that margarine manufacture will have on it?

The Hon. F. J. CONDON—What effect can it have in South Australia if it has had no effect in other States? There is nothing in that argument, especially when other States have passed legislation increasing the quota. The Bill is not a Party one as members of all Parties in other States have agreed to this legislation. They are men who represent the farming community and I am sure they would do nothing detrimental to the dairying industry. I honestly believe that the Bill will not interfere with the dairying industry in any way.

The Hon. L. H. Densley—You said it would cut down butter consumption.

The Hon. F. J. CONDON—We can sell all the butter that is manufactured. During cer­tain times of the year we have to import butter from other States. Should margarine manufacturers in South Australia be penalized?

The Hon. L. H. Densley—You are championing manufacturers in preference to producers.

The Hon. F. J. CONDON—Ninety to 95 per cent of the people in South Australia have as much right to be considered as a minority section. We have gone out of our way to assist the dairying industry and are still prepared to do so. Why should people not have the right to manufacture margarine?

The Hon. E. Anthoney—It is a very modest request.

The Hon. F. J. CONDON—I have given four instances where the margarine quota has been increased—in Western Australia, in Queensland, in New South Wales, and in Tasmania. I rest my ease on that argument. I am ready to help all sections of the community and ask members to give the Bill their favourable consideration.

The Hon. R. J. RUDALL secured the adjournment of the debate.