**POTATO MARKETING BILL 1948**

**Legislative Assembly, 28 October 1948, page 1134**

Second reading

**The Hon. Sir GEORGE JENKINS (Newcastle—Minister of Agriculture)—**During the war, and since the end of the war, the production and marketing of potatoes has been controlled under the National Security Regulations. These regulations will almost certainly expire at the end of 1948 and will not be renewed. The State Government has been asked by various organizations interested in the production and sale of potatoes to pass legislation in order that the system of control may be continued after the expiry of the National Security Regulations. The request is supported by the Commonwealth Department of Commerce and the Agricultural Council. The main argument, I think, in favour of continued control is that during the war, in order to meet the requirements of the fighting forces, including those of our Allies, the production of potatoes was greatly increased. At one stage, in fact, it was doubled. It is therefore thought that if Australia now returns to the free marketing of potatoes there would be at times serious gluts and disastrous falls in prices. The Government has therefore agreed, subject to the approval of the growers, to introduce legislation providing for the regulation and control of the marketing of potatoes.

The Bill which has been brought down does not provide for the establishment of the usual kind of marketing board with powers of compulsory acquisition and sale, but for a board which will have power to regulate the flow of potatoes into the market and to fix prices. There is also provision for the registration of growers and the licensing of merchants, but no attempt is being made to restrict production.

The details of the Bill are as follows:—Clause 2 provides that the Bill is to come into force on a day to be fixed by proclamation, and that no proclamation will be made until a poll has been held and a majority of the growers vote in favour of the Bill. The persons entitled to vote at the poll are those growers who were registered under the National Security Regulations on October 1, and those who satisfy the Minister that they intend next season to grow potatoes on at least one acre. The poll will be conducted in the usual way by postal voting under the supervision of the Returning Officer for the State.

Clauses 4 to 11 provide for the constitution of the board. The board is to be known as the South Australian Potato Board and will consist of nine members. The chairman will be appointed by the Governor. One other member, selected by the Minister as being a person suitable to represent the interests of retail sellers of potatoes, will also be appointed by the Governor. It is contemplated that the Minister, before making his recommendation, will obtain nominations from the various associations representing retailers. Five members of the board will be elected growers’ representatives, and two will be elected merchants’ representatives. The members of the board will hold office for four years. The retirement of the elected representatives of merchants and growers will be staggered so that some will retire at the end of each period of two years.

Clause 12 provides that the board may make levies on registered merchants and licensed growers to raise money for administrative expenses. This provision is similar to a provision in the dried fruits legislation. Clause 13 provides that members of the board are entitled to be paid out of the funds of the board remuneration and expenses at rates approved by the Governor. Clause 14 provides for the staff of the board and clause 15 deals with the accounts of the board and the audit of those accounts . Clause 16 sets out the incidental powers of the board, ancillary to its main powers. Clause 17 provides that if a member of the board becomes personally liable for anything done by him in good faith in the administration of the Bill he shall be entitled to be indemnified from the funds of the board.

Clause 18 provides for the registration of growers. Registration will be granted as a matter of right to anybody who satisfies the board that he is growing potatoes for sale or will be growing them during the period for which he is to be registered. No fee will be charged for registration of a grower. Clause 19 provides for the licensing of merchants. A person who is a registered wholesale potato merchant under the National Security Regulations will be licensed under the Bill as a matter of right; but a person who is not now registered under the regulations may be-refused registration if the Minister approves of such refusal and if the board is satisfied that in the public interest it is undesirable that he should be registered.

Clause 20 sets out the main powers of the board. The general purport of the clause is that the board will be able to regulate thepotato trade by making orders which will be binding on growers and merchants. The matters which can be dealt with by orders are the following:—

(а) The fixing of the quantity or quota of potatoes which a grower may sell or deliver at any specified time or place.

(b) The general regulation and controlof the sale and delivery of potatoes.

*(c)* Maximum and minimum prices.

(*d*) The terms and conditions on whichpotatoes may be sold.

*(e)* Incidental matters.

A member—It is a real grower’s board.

The Hon. Sir GEORGE JENKINS—It could be quite the contrary as it could prevent, not only gluts, but serious shortages which result in tremendously increased prices with disastrous consequences to the purchaser.

The Hon. S. W. Jeffries—There is no power to control the growing of potatoes.

The Hon. Sir GEORGE JENKINS—No, but there is power to regulate their flow on to the market, so that at one period there is not an extraordinary flood and, a few months later, a shortage just when they are most needed.

Mr. Moir—You cannot prevent the importation of potatoes from other States.

The Hon. Sir GEORGE JENKINS—No

Mr. Moir—Can you control the price once they are here?

The Hon. Sir GEORGE JENKINS—Yes, under the price control legislation. Clauses 21, 22, and 23 are the provisions on the usual lines dealing with offences and penalties, notices and regulations. Clause 24 deals with the duration of the Act. This provides that in the year 1951 and in the third year thereafter not less than 100 growers may present a petition to the Minister asking for a poll to decide whether the scheme shall continue. If a majority of the growers vote against continuance, the Act will have no operation as regards any potatoes sold on or after the 1st of October following the holding of the poll. The Government is of opinion that by making appropriate orders under this clause the board will be able to prevent gluts in the market and undue depreciation of prices. The board’s price for potatoes will prevail over that fixed under the Prices Act.

South Australia has never been regarded as an extensive potato growing State. During the war years production was greatly stepped up, as it was in other States, because of the demand for potatoes for the army. When that demand fell off with the cessation of war South Australia reverted substantially to the position she was in prior to it. On balance we produce just about enough potatoes for our own needs. At certain times of the year we export potatoes to certain parts of Australia and at other periods, when potatoes are out of season here, we import them. At present there is a serious shortage here, also in several of the other States, and as a consequence not only is the price high, but the quality poor, because we have to accept second grade potatoes from other States. It is hoped that this position will be remedied early in November, when supplies of potatoes will be available from Western Australia.

One of the difficulties arising from price control was the fact that a fixed price was paid for all potatoes, and the people who previously were prepared to dig early potatoes because they always brought a higher price would not do so, but allowed the potatoes to mature, because they got the same price in any case, and by allowing them to mature they got more tons to the acre.

Mr. Whittle—Twelve tons as against four.

The Hon. Sir GEORGE JENKINS—That is one of the difficulties which arise under price control and it is difficult to deal with. Members will be pleased to see that under State price control new potatoes are now on the market. It is not an economic proposition to dig potatoes which return three to four tons an acre as new potatoes which, if allowed to mature, would return 10 tons, and at the same price. If there is some inducement for growers to dig potatoes for which there is a demand, no doubt they will respond and make available to the public a commodity it requires. To the board, which has a majority of grower- representatives, I have added a member of the retail trade, because no-one is in closer touch with consumers and knows more what they are asking for than the retailer. I move the second reading.

Mr. O ’HALL OR AN secured the adjournment of the debate.