**DAIRY PRODUCE ACT AMENDMENT BILL 1937**

**House of Assembly, 26 August 1937, pages 459-10**

Second reading

**The Hon. M. McINTOSH (Albert—Commissioner of Crown Lands)—**The legal effect of this Bill can be explained in one short paragraph. The Dairy Produce Act, 1934-1935, expires on September 30 of this year. The Government has decided to invite Parliament to extend the operation of the Act for a further year, and the Bill, therefore, declares that the principal Act will expire on September 30, 1938. Whilst introducing this Bill I may remind members shortly of the effect of the Dairy Produce Act, 1934-1935, which is similar to legislation in force in all the State of Australia. The general object of the legislation is to provide for export quotas in relation to but­ter and cheese. Manufacturers are compelled in each year to export, a prescribed proportion of the butter and cheese manufactured by them in order to prevent a glut of supplies on the local market and a consequent fall in the price of butter and, cheese to export parity prices. The recent decision of the Privy Council in James against the Commonwealth does not affect the validity of State, legislation on the subject of export quotas. This legislation is still effective for the purpose of stabilising the price of butter and cheese in Australia so long as manufacturers continue under the voluntary equalisation scheme.

This scheme has done much to assist producers during the period of low prices which commenced with the depression, and has effectively enabled producers to carry on without Government assistance. In view of certain statements which have been made about the constitutionality of the Act, the Government, before deciding to extend the Dairy Produce Act, took, advice on the legal position. We have now been advised that although the Act has been used in support of a system of voluntary contributions which butter manufacturers pay to the Equalisation Committee, it cannot be attacked, upon the ground that it imposes an excise duty' in violation of the Commonwealth Constitution. No new clauses are included in the Bill. I move the second reading.

Mr. THOMPSON secured the adjournment of the debate.