**Margarine Act Amendment Bill 1948**

**Legislative Assembly, 13 October 1948, page 982**

Second reading

**The Hon. Sir GEORGE JENKINS (Newcastle—Minister of Agriculture)—**The object of this Bill is to bring to an end a special war-time restriction on the manufacture of margarine in this State. The history of the margarine legislation, so far as relevant to the Bill, is as follows:—In 1939 Parliament enacted laws for fixing the maximum amount of margarine which could be manufactured in South Australia. The Act of that year was part of a Commonwealth-wide scheme, promoted by the Agricultural Council, for restricting the competition between margarine and butter. The principle was accepted that the margarine manufacturers should be allowed to continue their business on the scale on which they were then operating, but that further inroads into the market for butter should be controlled. For this reason the Act of 1939 empowered the Government to restrict the amount of margarine manufactured to the quantities produced in 1938. Pursuant to this Act, quotas were declared for the South Australian companies, amounting in all to 312 tons a year. In 1941, a Bill was introduced by the member for Onkaparinga reducing the quota from 312 to 260 tons a year for the duration of the war, and laying it down that the 312 tons a year should be the permanent maximum quota after the war. The Bill was an attempt to protect the market from what was then called “Committee" butter, and was accepted by the margarine companies as a reasonable war-time restriction. The difficulty which now arises is that, as a matter of law, the war is still on, although it is some three years or more since the actual fighting ceased, and no-one can say when peace will actually be concluded so as to terminate the war in the legal sense.

The margarine companies have made representations to the Government, that the war should now be declared at an end, and that the normal peace-time quotas should be restored. After investigation, the Government is satisfied that the request is a reasonable one. The Director of Agriculture has reported that at present all butters for which coupons are available are readily sold, that the addition of one ton a week of table margarine would be readily absorbed on the Adelaide market, and that the addition of the extra ton a week would not disturb the market to any great extent, and there would be no disturbance at all if permits for the extra quantity were spread out rather than being given at the one time. It is, I think, a fair assumption that when Parliament in 1941 reduced the quota for the duration of the war, no-one contemplated that the signing of peace would be delayed for so long a period as has in fact elapsed. The Government therefore suggests that it would now be just to restore the peace-time quota.

The Bill therefore provides that the maximum annual quota is in future to be restored to 312 tons a year and that the restoration will apply to this year’s production as well as in future years. Because of the reduction in the quota made by a previous Bill, manufacturers here are suffering under a disability. Owing to the demand now existing in South Australia for margarine, the other States could readily sell supplies here, and that would be to the detriment of local manufacturers.

Mr. Fletcher—Are manufacturers on quotas in the other States?

The Hon. Sir GEORGE JENKINS—Yes, the old quota arrived at, but they did not have a war-time reduction as in South Australia. I move the second reading.

Mr. SHANNON (Onkaparinga)—As the Minister of Agriculture said, the Bill proposes to carry out an agreement entered into by the organized section of dairymen and the mar­garine manufacturers for the duration of the war. Obviously neither party realized that there would be an unspecified period after the actual cessation of hostilities before the war was legally terminated. It is conceivable that we shall have another war on our hands before the last world conflict has actually ceased legally. South Australian margarine manufacturers have played the game. Hon. members are well aware that I represent the major South Australian dairying district. I am cognizant of the fact that dairy farmers have had an honest deal from margarine manufacturers, who were subjected to a war-time agreement to restrict their production. Under the Act there is a limit for all time placed upon the quantity of table margarine that can be sold in South Australia. No matter how the population increases, there can be no increase in the sale of table margarine without the approval of Parliament. That is warranted, because South Australia is probably one of the least favoured of the States from the dairying point of view. We have little pockets of country suited for the purpose, but they are isolated and in many instances are not near the city. When we are compared with Victoria, New South Wales' and Queensland, we are not in the race as a dairying State.

At the moment South Australian table margarine manufacturers are limited to 5 tons a week. The other States had no reduction of their quotas during the war, but today, because they have surplus table margarine available, supplies are coming across the border to South Australia. They are thus utilizing some of the 1 ton a week which our own State should be enjoying. That is insupportable from a South Australian point of view. If that margarine is to be sold here, then our own manufacturers should make and sell it. They make just as good an article as the eastern States, although it is not as good as butter. Margarine cannot be made the equivalent of butter under any known process, although it can, by the addition of certain flavourings, be brought to such a point of perfection that the average palate would not detect whether it was margarine or butter. Some margarine manufacturers have tried to prove that margarine is the equivalent of butter in every respect, but that is not supported by other authorities who say that butter has certain living qualities which one cannot get from the synthetic article. The major point at issue is whether South Australia should play the game with our local manufacturers of margarine. In view of the circumstances I consider that we should give this measure our blessing and a speedy passage.

Mr. DUNCAN secured the adjournment of the debate.