LOANS TO PRODUCERS BILL 1917

House of Assembly, 18 October 1917, page 665

Second eading

**The MINISTER of AGRICULTURE (Hon. R. P. Blundell)—**This Bill is to give effect to the principle of co-operative effort among producers and encourage them to realise that with the big expenditure in which the State will be involved owing to the war it will be necessary to conserve their interests in every way and at the same time increase our production. It is hoped the producers may be able to come together instead of working independently as in the past, and, with co-operative effort, place their produce on the market to the best advantage to themselves and the greatest benefit to the whole community. While we have to face very heavy expenditure directly due to the war, one effective way of meeting the increased interest which will have to be paid will be by expanding our production. This measure is a practical endeavour to place before the producers the need for co-operative effort. Co-operation in South Australia has been retarded instead of advanced, although we have in connection with the fruitgrowers a successful illustration of co-operative effort, and there is also the Farmers’ Co-Operative Union. The Government therefore feel that the time has now come to step in with practical help. In New Zealand a Bill was introduced in 1913, having for its objects the advancing of money to genuine co-operative efforts on the part of the producers. It goes further than our Bill because it recognizes an association of fruitgrowers and gives them power, which we do not propose; that is, it establishes the principle of the right of the Government to loan money towards efforts in that direction. Today New Zealand is able to say that all the fruit from the various centres must be in accordance with the guaranteed brands upon the cases. That has helped New Zealand considerably in the disposal of its apples overseas. The season before last we endeavoured to assist the growers in the disposal of their surplus apples, but there were continual complaints regarding lack of uniformity in the quality expected when purchased. And even with the care exercised in connection with export today, South Australia has suffered. Some of our fruit sent to the English market is not always true to description. It is essential that our overseas exports should be guaranteed reliable and up to sample. It has not only the effect on the individual grower, but upon the whole of the industry and the reputation of the State generally. A great deal of the trouble is due to the fact that an individual grower is not in a position to provide his own grading plant. This Bill gives power so that where fruitgrowers in any part of the State come together they may be provided with graders and packing sheds, &c. The Government can, where the growers are prepared to subscribe a certain sum and come in as individuals on a co-operative principle, advance the money to construct plant and secure a grader. To show the need for this Bill there are already from a number of centres in this State requests to the Government for financial assistance in this direction. Blackwood has already purchased land adjacent to the station, where it is intended to erect the necessary building and also to go in for drying and the like. In many of our centres, growers are struggling against adverse conditions. They have had to battle hard, and in the majority of cases they cannot afford to put big sums into any concern where they would have to wait for a considerable time before securing returns. It is the duty of the Government to step in in such cases, and under this Bill we can lend them money and establish their requirements in their own neighbourhood. You cannot have one big packing shed and grader to which all could send their fruit. They would have to be put in different places where there is a colony of producers in that particular line. We will not put up any packing sheds or storage place until the growers themselves have subscribed some money to it, because we want to make the individual grower feel that it is his concern. We do not want anyone to feel that the Government will put up a leaning post. The grower will take all he receives, but the State will help him put up his building, and have a lien over it, but we will not help until the producers have put some money of their own into it. It is not the money that will make the concern a success, but the personal interest of the producer. It is not proposed to confine the operations to apples, but we include other kinds of fruit as well. We have an officer in the Irrigation Department who went to New South Wales and Victoria. He says they were growing in those States on their reclaimed ground vegetables which were not to be put on the local market, but were to be canned, and he pointed out that if there was a factory adjacent to the place where they were produced, the growers here would get a fair return for their labour for canned vegetables. Take pork. In South Australia the production of pork and bacon has gone down instead of up. Honourable members do not realize what the value of the pig industry can be. In Great Britain under normal conditions, they import every year £22,000,000 worth of pork and bacon. Members will realize that we can secure a share of that market if we organize and encourage this industry. It was pointed out at the last conference by Senator Millen, that it would be beneficial to the settlement of soldiers if we could start some new industry in the Commonwealth which would enable a man to go on a comparatively small area of land and make his livelihood by his own labour, and he pointed out that this was one of the industries that held out great possibilities. In America in a comparatively few years, with encouragement and assistance, the hog industry has developed into one of the biggest in the country, and we recognize that we have land and conditions that are suitable for hog raising. There are many men living in the district of Flinders who would be able to make a better living than they are if they could run the hog industry in connection with their agricultural work. The trouble is that they have no market, and the pigs have to be sent to Adelaide, but this Bill provides that if the men on the West Coast will come together, put in money, and establish a co-operative pig and bacon factory, the Government can put up the building and machinery and have a lien over them. It is not State aid in the ordinary sense of the word, it is a loan to co-operation among the producers. The men who put their money first into the co-operative factory cannot expect any return on the money invested for some time, because men will not start the industry until there is a market for their produce, and in the period before there would be many pigs to dispose of the whole burden of the factory would not fall on the producers. The regulations will provide that the rules and conditions of the factory will have to be submitted to the Minister, and any advance will depend upon the Government being satisfied as to the financial position of the concern. The society will have to be registered in accordance with the law. In districts where there is one factory already, and where there is only room for one, it would be absurd for the Government to establish another. The Government realize that if encouragement is to be given to the industry, apart from the proposals in this Bill, other assistance must be given. The whole trouble in the pig industry is that the market fluctuates, and from time to time one never knows what he is going to receive for his pigs. There are many occasions when pigs are hardly worth selling at the price. There is no need for that condition, because we have the records of prices of pork and bacon in the Old Country covering a number of years, and we find that we would be perfectly safe in giving to the producer a fixed price for a certain stamp of pig all the year round. We could do that on the advice of our officers for a period of two years and at the end of that period prices could be revised, and the producers would know that if the local market went down below the export value, he would have this fixed price. If that action is adopted, and this Bill is passed, I know no reason why the hog industry should not make great progress in South Australia. We can fix a price that will give the producer a fair return and leave a margin. Even if there was a slight loss for two years to the State, it would simply be a bonus for the establishment of an industry, and if by giving this bonus we could establish the industry we would have accomplished something. The same argument could apply to butter. Every honourable member will admit that the dairying industry is not going ahead as it should. South Australia has, for some unaccountable reason, gone downhill in this connection when we should be making substantial progress. Despite the fact that in this State there are large areas of poor land, we have to recognize that there are immense areas eminently suitable for dairying purposes. We have along the banks of the Murray millions of acres that will largely be occupied by men making a magnificent living out of the dairying industry. We have to settle a large number of soldiers on the Murray when they return to this State. As they go farther up the river, we will have to provide means for the disposal of their products. The Government could build factories on every one of the settlements, but it is better for everybody that the men should feel that while a factory is to be established at their door, so to speak, they themselves should put some financial responsibility into it, and that it is their factory and not a factory owned by the Government or any outside person.

Mr. Parish—You have already been asked for assistance.

The MINISTER of AGRICULTURE—Yes. At Murray Bridge the settlers engaged in dairying have asked the Government to give them some special assistance in providing means for the storage and disposal of their milk and the treatment of cream. They want to work on co-operative lines. The proposition they have put forward is a reasonable one, and will tend towards organization. Organization in everything means success, but disorganization means failure and loss. At Cobdogla we have already had to undertake the provision of a factory for dealing with milk and bacon and the canning of fruit. The idea is not to make it a Government factory. As the soldiers settle at Cobdogla and Moorook they will be told that part of the conditions is that they will have to take up at least one share in a butter factory. The Government will have to put up the factory, but this Bill is to be used as a means of stepping out of it and leaving the settlers in control.

Mr. Crosby—You do not think they will quarrel?

The MINISTER of AGRICULTURE—No, as they will have to stand by the conditions laid down by law. I propose to insert an amendment when we go into Committee, which will provide that the Government may appoint on the committee of management of each co­operative factory, to which an advance is made, a Government representative who shall stay on the committee until such time as the whole of the advance has been repaid.

Mr. James—Supposing a settler sells his block?

The MINISTER of AGRICULTURE—If a soldier disposes of his block, he will also have to dispose of his share in the co-operative factory.

Mr. James—In Victoria the dairymen have no assistance.

The MINISTER of AGRICULTURE—The Victorian Government have now introduced a Bill for the purpose of doing what we propose to do. That Bill provides for loans on very much the same lines as we provide in our Bill.

Mr. Robinson—The maximum amount is only £10,000, which is very limited.

The MINISTER of AGRICULTURE—It is limited, but after all this is an experiment, and will only cover one year. If, after that period, experience teaches us that it is desirable to have a larger amount, then we can come down to this House with confidence, and ask for a larger vote. This is the time for the State to look around for new industries and do everything in its power to increase production. The Bill provides for advances being made for cool stores, the storage and packing of fruit, the erection of canning and packing factories, the preservation of fruit and vegetables, the erection of fruit packing sheds, the erection of butter, cheese, and bacon factories, and the erection of silos. The only item that does not come under the heading of the co-operative system is the advance to farmers for the erection of silos. Experience has taught the Agricultural Department that it is desirable to encourage farmers to go in for silos for fodder. That is the only departure from the cooperative effort. We thought it would be a good idea to put it in this Bill, because silos are bound up with successful dairying. In this case we make an advance to the individual for the building of a silo having security over his land until such silo has been paid for.

Mr. Hamilton—How would you get on with existing mortgages?

The MINISTER of AGRICULTURE—That would be arranged by the different departments. You may rest assured that the Government would have the first claim. I believe the principles embodied in the Bill will commend themselves to honourable members. We have to recognize that this State in many directions has not made the progress it should, particularly in the cases I have indicated, and it would be wrong for us, as representatives of the people, seeing that there has been a falling off in our biggest industries, not to look around and ascertain what we can do to encourage and assist those industries. The Bill is an honest endeavour to meet the situation. Numerous examples could be given of the splendid results of co-operative efforts in different countries. Turn for a moment to Denmark. Denmark some years ago was a country of very little wealth and was making no progress, yet today it is one of the most prosperous and happy little countries you will find anywhere in the world. That is because the people realized that disorganized effort was no good. They saw that Denmark could establish industries if the country was prepared to organize, and they have today the finest system of organized effort in any part of the world. From a poor country they have grown, for size and population, into one of the richest in the world. That is the outcome of cooperative effort, plus thrift and industry. In commending this new principle to the House, I point out that it will open up still more scope for the successful placing of our returned soldiers on the land.

Mr. HAMILTON secured the adjournment of the debate until October 23.