

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

FRIDAY, 22 NOVEMBER 1963

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Answer:—

“These railmotor services are at present the subject of investigation but no decision has yet been made regarding their discontinuance.”

ROAD CONSTRUCTION IN COEN RACE-COURSE AREA.—Mr. Adair, pursuant to notice, asked The Minister for Local Government,—

As concern has been expressed by graziers and residents of Coen at the proposed closure of the newly-formed race track in Coen owing to road construction in the area, will he take the matter up with the Administrator of the Cook Shire with a view to having any necessary road construction carried out outside the race-course area?

Answer:—

“The Honourable Member is no doubt aware that the matter raised is one for consideration and decision of the Administrator of the Cook Shire to whom representation could be made.”

FRIDAY, 22 NOVEMBER, 1963

Mr. SPEAKER (Hon. D. E. Nicholson, Murrumba) read prayers and took the chair at 11 a.m.

QUESTIONS

PREFERENTIAL VOTING, LOCAL AUTHORITY ELECTIONS.—Mr. Coburn, for Mr. Aikens, pursuant to notice, asked The Minister for Local Government,—

Will preferential voting apply in the poll for the election of mayors and shire council chairmen at the Local Authority Elections next year and, if not, why not?

Answer:—

“Preferential voting will apply to the poll for the election of mayor and aldermen of the Brisbane City Council where elections are conducted under the provisions of *“The Elections Acts, 1915 to 1962.”* In all other Local Authority Areas, voting will be in accordance with the provisions of *“The Local Government Acts, 1936 to 1962.”*”

RAIL MOTOR SERVICE FOR STUDENTS FROM REDLYNCH AND EDMONTON AREAS.—Mr. Adair, pursuant to notice, asked The Minister for Transport,—

As students from the Redlynch and Edmonton areas, attending schools in Cairns, have been advised that from the commencement of the 1964 school year only bus transport will be available, is it his intention to discontinue the present railmotor service for these students?

RENT CONTROL.—Mr. Hanlon, for Mr. Lloyd, pursuant to notice, asked The Minister for Justice,—

(1) Will he instruct the Registrar of the Fair Rents Court to investigate rentals being charged by private landlords through commission agents?

(2) Are printed forms with Stamp Duty available for purchase, enabling tenancy agreements to be reached by which tenants contract themselves out of their tenancies?

(3) As many real estate agents are at present charging rentals of up to £7 weekly for sub-standard homes in Brisbane, will he give consideration to the re-introduction of a stricter form of rent control?

Answers:—

(1) “Investigations by authorised officers under *“The Landlord and Tenant Acts, 1948 to 1961,”* are related by those Acts to such matters as the investigation of an application for the determination of the fair rent of a dwelling-house or the investigation of a complaint of a breach of the Acts. Any complaint in writing of such a breach, made to the Registrar, will be investigated.”

(2) “Such a form is not available at the Fair Rents Office nor, I am informed, at the Stamp Duties Office. It is understood that draft forms of ‘tenancy agreements’ may be purchased from stationers or real estate agents. However, it is only upon the completion of the agreement by both parties that it attracts the prescribed stamp duty. It is here mentioned that prospective tenants may seek advice as to the nature and terms of any proposed agreement and free legal advice in this regard may be had at the Public Curator Office.”

(3) "Where a tenant considers he is paying an excessive rental and the dwelling-house he occupies was leased during the three years ended on December 1, 1957, he may apply to the Fair Rents Court to have the fair rent determined. The standard of dwelling-houses is the subject of Council Ordinances or By-laws."

MINISTERIAL STATEMENT

DELEGATION OF AUTHORITY; MINISTER FOR TRANSPORT

Hon. G. F. R. NICKLIN (Landsborough—Premier) (11.5 a.m.), by leave: I desire to inform the House that, in connection with the visit overseas of the Minister for Transport, His Excellency the Governor, in pursuance of the provisions of Section 8 of the Officials in Parliament Acts, 1896 to 1963, has authorised and empowered the Hon. Henry Winston Noble, Minister for Health, to perform and exercise all or any of the duties, powers, and authorities, imposed or conferred upon the Hon. the Minister for Transport by any Act, rule, practice, or ordinance, on and from 25 November, 1963, and until the return to Queensland of the Hon. Gordon William Wesley Chalk.

I lay upon the table of the House a copy of the "Queensland Government Gazette Extraordinary" of 21 November, 1963, notifying these arrangements.

Whereupon the hon. gentleman laid the "Queensland Government Gazette Extraordinary" upon the table.

MOTOR VEHICLES INSURANCE ACTS AMENDMENT BILL

INITIATION

Hon. T. A. HILEY (Chatsworth—Treasurer): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Motor Vehicles Insurance Acts, 1936 to 1962, in certain particulars."

Motion agreed to.

AGRICULTURAL BANK (SPECIAL RATIFICATION) BILL

INITIATION

Hon. T. A. HILEY (Chatsworth—Treasurer): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to ratify a certain transaction entered into by the Corporation of the Agricultural Bank, and for other purposes."

Motion agreed to.

EXPLOSIVES ACTS AND ANOTHER ACT AMENDMENT BILL

INITIATION

Hon. G. W. W. CHALK (Lockyer—Minister for Transport): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Explosives Acts, 1952 to 1961, and the Queensland Marine Acts, 1958 to 1963, each in certain particulars."

Motion agreed to.

VAGRANTS, GAMING, AND OTHER OFFENCES ACTS AMENDMENT BILL

INITIATION

Hon. A. T. DEWAR (Wavell—Minister for Labour and Industry): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Vagrants, Gaming, and Other Offences Acts, 1931 to 1962, in certain particulars."

Motion agreed to.

INDUSTRIAL CONCILIATION AND ARBITRATION ACT AMENDMENT BILL

INITIATION

Hon. A. T. DEWAR (Wavell—Minister for Labour and Industry): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Industrial Conciliation and Arbitration Act of 1961, in certain particulars."

Motion agreed to.

LABOUR AND INDUSTRY ACTS AMENDMENT BILL

INITIATION

Hon. A. T. DEWAR (Wavell—Minister for Labour and Industry): I move—

"That the House will, at its present sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend the Labour and Industry Acts, 1946 to 1961, in certain particulars."

Motion agreed to.

WHEAT INDUSTRY STABILISATION BILL

INITIATION

Hon. J. A. ROW (Hinchinbrook—Minister for Primary Industries): I move—

"That the House will, at its present sitting, resolve itself into a Committee of

the Whole to consider of the desirableness of introducing a Bill relating to the stabilisation of the wheat industry."

Motion agreed to.

INSPECTION OF MACHINERY ACTS AMENDMENT BILL

THIRD READING

Bill, on motion of Mr. Dewar, read a third time.

HARBOURS ACTS AMENDMENT BILL

THIRD READING

Bill, on motion of Mr. Hiley, read a third time.

NATIONAL TRUST OF QUEENSLAND BILL

THIRD READING

Bill, on motion of Mr. Richter, read a third time.

LOCAL GOVERNMENT ACTS AMENDMENT BILL

THIRD READING

Bill, on motion of Mr. Richter, read a third time.

WHEAT INDUSTRY STABILISATION BILL

INITIATION IN COMMITTEE

(Mr. Gaven, South Coast, in the chair)

Hon. J. A. ROW (Hinchinbrook—Minister for Primary Industries) (11.14 a.m.): I move—

"That it is desirable that a Bill be introduced relating to the stabilisation of the wheat industry."

This Bill is part of Australia-wide legislation designed to provide the basis of a marketing and stabilisation plan for the Australian wheat industry during the five seasons commencing with the crop now being harvested. The Commonwealth Government has already passed its legislation and complementary legislation is required in all States to enable the plan to be put into effect.

Wheat industry stabilisation legislation of the type covered in the Bill is not new. This is, in fact, the fourth of a series of plans that have covered the marketing of all Australian wheat crops since 1948. Prior to that, wheat was marketed on an Australia-wide basis by the Australian Wheat Board under National Security legislation. Thus, since 1939 the Australian wheat crop has been marketed continuously under some form of stabilisation or collective marketing scheme.

The plan which this scheme covers is in most respects similar to the five-year scheme

that is just ending. There have, however, been some important changes with which I shall deal shortly.

As has been the case with all previous wheat plans, the main provisions have been hammered out during a series of negotiations between Commonwealth and State Ministers and representatives of wheat-grower organisations. In the Commonwealth sphere, there was extensive discussion between the Government and the Australian Wheat Growers' Federation, on which the Queensland Grain Growers' Association is represented. In Queensland, there has been close co-operation between the State Wheat Board and the Government. The general president of the Queensland Grain Growers' Association has also been a party to discussions here.

The result of all these negotiations is that a plan which has been accepted by wheat-growers and Commonwealth and State Governments is now ready to be put into operation once the necessary legislation is passed. The main intention of the plan is to ensure that wheat-growers receive a return at least equal to cost of production on all wheat consumed in Australia and on up to 150,000,000 bushels of export wheat for each of the next five years. I might mention at this stage that the cost-of-production figure used as a basis for the scheme includes allowances for such items as interest on capital and the farmer's labour and management.

The basis on which the plan will work is simply that all wheat sold for consumption in Australia will be sold at a price based on cost of production, and the Commonwealth Government will guarantee a return equal to cost of production on up to 150,000,000 bushels of wheat exported as either flour or wheat. Under the scheme that is just ending, the Commonwealth guarantee on export covered 100,000,000 bushels. In effect, the guarantee is now being raised from 100,000,000 bushels to 150,000,000 bushels. The wheat-growers themselves will bear the risk on any exports in excess of 150,000,000 bushels.

For purposes of illustration, we might look at the position that will apply to this year's expected deliveries throughout Australia of about 270,000,000 bushels. The wheat-grower will receive the cost of production on about 53,000,000 bushels used in Australia, plus 150,000,000 bushels of export wheat—a total of 203,000,000 bushels. The return to the grower on the remaining 67,000,000 bushels will depend on the level of export prices.

It can be seen from this illustration that the wheat-grower will receive protection for a substantial portion of his crop. The Australian consumer, on the other hand, will have the protection that any sharp increases in export prices that may occur will not be passed on to him.

It might be argued that export wheat prices during the last few years have been below the Australian home-consumption price. This is true, but export wheat prices are notoriously liable to change when least expected. For a number of years during the earlier stabilisation plans export prices were well above the Australian domestic price. During the past year they have been moving up again, largely as a result of the big purchases by Mainland China and, more recently, Russia. Actually, Russia is importing wheat, whereas last year she was exporting it.

There is also to be a reduction in the basic home-consumption price on a bulk basis at ports of export from the present figure of 15s. 11½d. a bushel for what is called f.a.q., fair average quality wheat—to a figure of around 14s. 6½d. or 14s. 7d. a bushel depending on the cost of shipping wheat to Tasmania, which I will explain later. This reduction has been brought about by a fall in cost of production due to improved yields resulting from increased efficiency in the industry. This is a very pleasing trend and will bring our domestic price fairly closely in line with prices now being realised on export markets. It also shows that stabilisation and increased efficiency can go hand in hand. As the wheat industry research scheme gets well under way we hope that further increases in yields and quality will result.

Before proceeding to explain in more detail some of the major provisions of the Bill, I should like to comment very briefly on some aspects of the present world wheat situation. Until 1960-61 the world wheat picture was not particularly bright. Massive surpluses had accumulated in the hands of the major exporters and there appeared to be no apparent outlet for these stocks. Even annual production at the time in the United States of America could not be cleared and stocks were expected to increase further. The market generally was weak. Some 1,968,000,000 bushels in total were carried over by the United States of America, Canada, the Argentine and Australia in 1959. Australian stocks that year totalled just over 65,000,000 bushels.

The entry of Mainland China into the market in 1960-61 on a very large scale, together with unfavourable seasons in parts of Europe, enabled Australia to clear that year's big crop and reduce carry-over to only 24,000,000 bushels. Australian carry-over has since remained at a low level just sufficient to provide continuity of supplies. The ready clearance of very large Australian crops during the last few years and some decline in world stocks have tended to give rise to rather optimistic views on the export side. It is a little sobering, however, to see that the United States of America alone still had an estimated carry-over of no less than 1,165,000,000 bushels at the end of their 1962-63 cereal year.

Their entry into the Russian trade may result in some reduction, but a carry-over of such proportions in the hands of one country surely provides ample evidence of the need for a wheat industry stabilisation scheme to protect the Australian wheat-grower.

We might turn now to the main points of the plan itself. The plan will operate for five years and cover the seasons 1963-64 to 1967-68. The Australian Wheat Board will continue to be the marketing authority for wheat sold in Australia and for export.

A cost-of-production figure will be determined in each of the five years, and this figure will form the basis of the home-consumption price and the Commonwealth guarantee. The cost-of-production figure for the first year of the scheme will be 14s. 5d. a bushel, a reduction, in effect, of 1s. 5d. on the previous year, when the figure was 15s. 10d. The main imputed elements in the cost-of-production formula which have been changed are the owner-operator's allowance and the yield per acre. The owner-operator's allowance has been increased from £1,110 4s. to £1,250 per annum. The yield per acre has been raised from 15½ bushels to 17 bushels to bring it more into line with actual yields. Actually 17 bushels to the acre is more in line with the 15-year average.

The interest rate allowed on capital will remain at 5½ per cent. The basis of review of the cost-of-production figure each year will be by means of an index of cost changes compiled by the Bureau of Agricultural Economics. The Bureau's findings will be reviewed by the Wheat Index Committee, on which wheat-growers as well as Governments are represented.

The usual practice whereby the Commonwealth Minister for Primary Industry consults with State Ministers before announcing the new cost figure each year will also be followed. The Commonwealth Government will guarantee a return to growers equal to the cost-of-production figure on up to 150,000,000 bushels of wheat exported in each year of the scheme.

A Stabilisation Fund will operate and will be financed by means of grower contributions from sales proceeds when the average export price of wheat exceeds the guaranteed price. The maximum rate of grower contribution will be 1s. 6d. a bushel, as in previous schemes. In effect, any export price over and above 14s. 5d. which the grower gets goes back into the stabilisation pool, up to 1s. 6d. a bushel. A ceiling of £30,000,000 is placed on the stabilisation fund compared with £20,000,000 in the existing scheme. The increase in the fund ceiling is in the same proportion as the increase in the guaranteed export quantity. If at any time the fund should exceed the ceiling of £30,000,000, the excess will be repaid to growers on a first-in, first-out basis.

When the average export price falls below the guaranteed price, growers' returns on up to 150,000,000 bushels of export will be made up to the guaranteed price first by calling upon the Stabilisation Fund, and, if it is exhausted, by calling upon the Commonwealth guarantee.

The home consumption price for f.a.q. bulk wheat in Australia will be fixed at a figure equal to cost of production at ports of export, plus a small loading to cover the cost of freight on wheat shipped to Tasmania. The loading to cover Tasmanian freight is set at 2d. a bushel or such amount as is necessary to cover actual costs. That is to offset the freight on wheat from the mainland to Tasmania. It is a subsidy. The present figure is 1½d. a bushel. This means that in the first year of the scheme the home consumption price should be very close to 14s. 7d. a bushel.

As I indicated earlier, the present basic home consumption price is 15s. 11½d. a bushel. Growers in Western Australia will continue to receive an additional payment in consideration of their shipping freight costs being lower than those of the rest of Australia as a whole. They used to send most of their wheat to the United Kingdom, and of course, by being closer to the United Kingdom, they saved so much in freight. The basis of this payment will, however, be changed from the present flat rate of 3d. a bushel on the wheat exported from the West to the actual freight advantage calculated by the Australian Wheat Board, up to a maximum of 3d. a bushel on exports. This is because quite a bit of Western Australian wheat is now going to the Far East. It was felt by members of the Australian Agricultural Council that 3d. was really in excess of what Western Australia was saving the pool.

Under the Bill, Queensland's quality premiums will be protected. All moneys earned by way of quality premiums on the sale of Queensland wheat will be paid over to the State Wheat Board for distribution to growers who deliver quality wheat in this State; that is Q.1, Q.2 and Q.2A.

The Bill also ensures that the hail insurance and wheat classification schemes, which have been of such value over the years to Queensland wheat-growers, will not be disturbed. This State's other wheat marketing legislation and the State Wheat Board have also been protected and the Queensland organisation will continue to form an integral part of the Australia-wide scheme.

Apart from the changes mentioned, the provisions of the Bill are very similar to those contained in the Wheat Industry Stabilisation Act of 1958. The set-up of the Bill has however been changed to conform to changes made in the set-up of the Commonwealth Act, to facilitate reference.

I should like to say that my colleague, Hon. Jack Pizzey, was Acting Minister for Primary Industries, then Agriculture and Stock, for

some time and he played a very large part in the discussions concerning the setting-up of the stabilisation plan for the wheat industry. He did a tremendously good job for Queensland. When I came into the picture early in June I attended my first meeting of the Australian Agricultural Council and of course I did not know very much about wheat. I pay a tribute to Jack Pizzey for his efforts in advancing Queensland's case. We tried very hard to get the same rates for North Queensland wheat as exist for Tasmania, but we were defeated by weight of numbers. Two other people, namely, Dr. Summerville and Mr. Lapidge of my department, played a very big part in the presentation of Queensland's case. To those three gentlemen I pay a tribute on behalf of the State of Queensland.

I commend the Bill to the Committee.

Mr. DUGGAN (Toowoomba West—Leader of the Opposition) (11.35 a.m.): This is unquestionably a very important measure because it deals with an industry that is, I think, our second largest export earner and one that has a profound effect upon the economy of Australia and the livelihood of many thousands of people.

The Minister gave us a factual recital of the proceedings that took place before the introduction of the Bill, when agreement was reached by the Federal Council of Agriculture because of the expiration of the previous agreement and, despite the fact that in the main the Minister gave us a purely objective outline of the proposals, he could not resist the irresistible temptation, of course, to praise his colleague, the Minister for Education, who, like himself, apparently is a very versatile man, possessing great assimilative capacities, because the Minister acknowledged that he knew nothing about wheat when he came into this job, although he has quickly learned all about it.

Mr. Row: I did not say I had learned all about it. Be fair.

Mr. DUGGAN: At least he implied that he had become an authority on the matter and he indicated that the Minister for Education was equally versatile because he had deputised for a period as Minister for Agriculture and had been able, with great skill and great diplomacy, to engage in these negotiations.

Mr. Row: You would be surprised how much he acquired.

Mr. DUGGAN: Oh yes, he is a very versatile man. I do not under-estimate him at all. He is an intelligent man and a fine fellow. I am not trying to rubbish him. I merely point out this disposition on the part of Ministers to savage us if we talk about propaganda, while at the same time they do not fail to seize on every opportunity to boost their political stocks. That

is the point I want to emphasise. I will have something more to say about that on another Bill next week.

As there is no monopoly on these matters of propaganda, it might be desirable to emphasise that it was a Labour Government that introduced the State Wheat Board Act, which stabilised conditions in Queensland back in about 1920, and it was the Chifley wheat stabilisation plan that this scheme has been modelled on, so no Country Party member can claim credit for being its architect. In principle it merely carries on what was laid down by Mr. Chifley and his Minister for Agriculture, Mr. Pollard, in 1948. That scheme was of tremendous benefit to Australia, both for producers and for consumers. So do not let us be under any false impression about the desire of the Australian Labour Party to provide for the just requirements of the primary producer as well as to protect the interests of the consumer.

The Bill merely makes a few alterations in the principles. I do not think there is any departure from any principle, merely an extension of two successive agreements that have been made since the original scheme was introduced in 1948. But I should like to talk this morning on some of the problems of the wheat industry and its importance to Australia.

When we look at the information that is available, the first thing that impresses us is that we now rank as the eighth largest producer of wheat in the world, the leading nations being, of course, the U.S.S.R., China, the United States of America, Canada, India, Italy and France. It is rather remarkable that our present prosperity is due in no small measure to the fact that two of the world's largest growers of wheat, namely Mainland China and the Soviet Union, are on the market because of drought conditions in those countries. That has had a tremendous effect on our wheat-marketing activities in recent times. Eventually common sense has prevailed against the emotional political hysteria that foolishly existed in certain quarters particularly in the Democratic Labour Party. I think that was quite silly and that it was obviously designed originally to embarrass the A.L.P., who recommended that we should trade with all nations prepared to trade with us, as every other country in the world, with the notable exception of the United States of America, is doing.

The stage has been reached at which the Government of the United Kingdom has sought recognition of Red China among the nations of the world. Australia has not done so. We do not see the D.L.P. challenging Mr. Harold Macmillan or Sir Alec Douglas-Home with being Communist supporters. These allegations are made against the Australian Labour Party because it took the initial steps in advocating trade with any country prepared to trade with us.

We consider that to be a common-sense point of view. It is one shared by other nations trading in wheat, even the United States.

There is some ground for examining the long-term effects that current trading arrangements have had on the economics of the wheat industry. Few industries have been subject to as much change as has this one. In 1952-53 Australia had 10,200,000 acres under wheat. That figure more or less continued till 1955-56, and in 1956-57 it fell to the very low level of 7,900,000 acres. That was caused by abnormally high rainfall in that year which interfered with planting and harvesting.

In 1957-58 the figure rose to 8,800,000 acres. That was an abnormally dry year. Since then the figures have progressively increased each year to a provisional estimate in 1962-63 of 16,200,000 million acres under wheat.

Seeing that we are dealing with Queensland conditions, it is desirable to examine what has happened in Queensland. Since 1958-59 the acreage in New South Wales has increased from 3,178,000 to 4,800,000. That represents an increase of 51 per cent., and 28·2 per cent. of the total Australian increases. The acreage in Victoria increased from 1,810,000 to 3,126,000. That represents an increase of 1,316,000 acres, or 72·7 per cent. and 22·8 per cent. of the Australian total.

Queensland is a relatively insignificant producer of wheat. Our acreage increased from 704,000 to 850,000, representing an increase of 146,000. Our rate of increase was 20·7 per cent., the lowest of all the States, and 2·5 per cent. of the Australian total. South Australia increased its acreage from 1,408,000 to 2,577,000, an increase of 1,169,000. This represents an increase of 83 per cent. and 20·3 per cent. of the Australian total. Western Australia vies with New South Wales for the greatest acreage under wheat. The figure in that State increased from 3,292,000 acres to 4,800,000 acres, being an increase of 1,508,000 acres. This represents an increase of 45·8 per cent., or 26·2 per cent. of the Australian total.

The first reason for this increase in Australian wheat production is the relative security provided by the Wheat Stabilisation Agreement Act. It is regarded by most people as permanent because it was introduced by a Labour Government and has been endorsed and carried on by the Liberal-Country Party Coalition Government. The only difference is that the guarantee has been increased from 100,000,000 bushels to 150,000,000 bushels. In addition, the carry-over of wheat stocks has not been excessive in Australia. There has also been a relatively favourable price for wheat compared with that for wool during the period of marked expansion in the wheat industry.

The typical wheat-grower in Australia today is no longer exclusively a producer of wheat. He is a mixed farmer engaged also in fat-lamb production, the growing of cereal crops, or a combination of these activities with beef production. He is consequently following a balanced farming technique that enables him to cushion the blows that he may suffer from the effects of varying seasonal conditions. There has been a long run of favourable seasons. It is interesting to note, too—the only records that I can find relate to New South Wales, but I think they apply with almost equal force here—that the average annual rainfall in wheat and sheep districts in New South Wales for the 15 years prior to 1962 was more than 20 per cent. higher than the 30-year average to 1940. In addition, there has been a very marked increase in the mechanisation of the industry, and this has brought about an improvement in the economical working of the properties. There has also been a marked increase in the use of weedicides, which has enabled the control of weeds to be achieved much more economically in areas where weed infestation previously made the growing of wheat impracticable.

For many years, from 85 to 90 per cent. of the total Queensland wheat crop was grown on the Darling Downs. That pattern has been changing slowly in recent years and we have seen an extension out into the south-western parts of the State and, more particularly, into the area represented by the hon. member for Barcoo—Peak Downs, Retro, Capella—and also around Kianga-Moura. When I flew over the Kianga Valley recently, I was surprised to see the increase in wheat planting in the area. It is now being suggested that land in the brigalow belt could be used for wheat production, but I think future events will have to prove the economic justification for growing wheat there. I understand that, although the fertility of the soil is very high, its clayey nature makes it very subject to soil erosion and that there are problems associated with the germination of seed because the rainfall is less reliable than the rainfall on the Darling Downs. For these reasons, I think we must withhold our praise and endorsement of wheat growing in the area.

Mr. Sullivan: Which area is this?

Mr. DUGGAN: The brigalow area. I understand that there is a lot of melon-hole country there, which is responsible for accelerated erosion and other problems.

The question we have to consider is this: how stable is the economy of Australia going to be in relation to the country's wheat production? The Minister very properly drew attention to the fact that the United States of America currently has about 1,000,000,000 bushels of wheat in storage—to my knowledge, it has never had much less, and has had as much as

1,400,000,000 bushels in storage—and that Canada has about 500,000,000 bushels in its grain storage depots. Therefore, surpluses always pose a very big problem, and no doubt, under the programme to aid underdeveloped countries, they will be a factor in international politics concerned with wheat marketing. The countries that are not parties to the International Wheat Agreement—and there are many that are not—will take advantage of the surpluses to depress prices. The nations that are signatories to the International Wheat Agreement have agreed to pay a price between 12s 6d. and 15s. 0d. a bushel, and that is obviously a payable price in Australia.

However, Sir David Muir pointed out in a report that he made a few months ago that the Common Market countries, between them, could produce enough wheat to drive Australia entirely out of the United Kingdom market. As I said recently, and as I have been saying for some time, there is no doubt in my mind that the present United Kingdom Government is definitely committed to a policy of gaining entry to the European Common Market and is prepared to sacrifice the rest of the Commonwealth in pursuing that objective. If they do, as Sir David Muir, the present Agent-General for Queensland in London who is coming back to be Director of Industrial Development, said it is obvious that these factors could be responsible for the exclusion of the United Kingdom as a market for Australian wheat, and at present it takes about 12 per cent. of our wheat crop. The French Government is subsidising heavily the production of wheat in France as an incentive to growers where the soil is suitable for producing wheat to meet the requirements of Great Britain and adjacent Common Market countries. Therefore, we are thrown back into the position that we may be dependent upon markets such as Red China, which has taken a tremendous quantity of wheat from Australia.

Statistics that I have here indicate that in the calendar year 1961 we were exporting something of the order of 80,000,000 bushels to Red China. The reason I mention this is that Canada is selling a tremendous amount of wheat to Red China. There are many different figures relating to this matter and in the short time available it has not been possible to get the latest figures; however, our sales to Red China during the last year, as I say, were something of the order of 80,000,000 bushels, which represents a considerable quantity of grain. Japan is also buying a great deal and we will find that, once the seasonal conditions in those countries improve, we will perhaps be hard pressed to maintain these markets at levels that appear to be profitable at present.

I do not think anyone could argue that the formula is based on cost of production. According to all the reports I have read, wheat farming has been generally profitable during recent years despite the fact that this

profit factor is not supposed to be taken into account. That is reflected in the fact that the price of wheat land has not decreased despite the fact that costs generally have increased.

As the Minister pointed out, the improved efficiency of the industry is reflected in the increased yield—about 17 bushels an acre as against about 15½. That is the factor responsible for the lower guarantee of approximately 1s. 5d. a bushel.

When that announcement was made by the various authorities, the State Minister contributed to it. I am not certain whether or not it was the present Minister, but the statement was made that it would reflect itself in lower bread price. So far that has not materialised. Despite the increased yield it has not been reflected in lower prices to the consumer. Therefore, the flour millers must be currently gaining from this price adjustment. It has not been reflected in lower prices of bread or flour and I think that is a matter which the Minister should, on behalf of the Government, take some cognisance of and examine to see just where we are going in this matter.

There are several countries, of course, in active competition with Australia for wheat markets. Canada has sold large quantities this year to various countries with whom she has agreements. She sold 800,000 tons to Japan; she has a three-year agreement to sell Poland 44,000,000 bushels, the basis of payment being 10 per cent. down and the balance is financed by the Canadian Government over a period of three years. Canada is also selling to China, the Soviet Union, Bulgaria and Czechoslovakia. She has an agreement to sell, over three to five years, an aggregate volume of wheat to those countries of something of the order of 537,000,000 bushels. That is an astronomical figure. If those countries are doing that, we will meet severe competition and we must make competitive arrangements with the buying countries. Whether the Australian Government is prepared to match those credit facilities, I do not know. Obviously, the buying countries will get the best deal they can. I do not blame them for that, and I do not think anybody else would.

Now the United States of America is coming in on a tremendous scale and all that seems to be retarding the sale of wheat by the United States to Russia is the question of how the wheat is to be shipped. Again I am not quite certain of my figures, but I think the freight was something of the order of 26 dollars a ton. The United States wanted to use American shipping lines, but the non-American shipping lines were taking wheat from the United States to Russia for something of the order of 21 dollars a ton. Anyway, whatever the prices were there was a differential of 6 or 7 dollars, but there is some arrangement now, or a price has been submitted to the Russian authorities.

When these things are happening, what will be the effect on the economics of the industry? As I pointed out, the profitability of

people engaged in wheat growing in Australia has been brought about largely because of their non-concentration on wheat growing and by the diversifying of their forms of production to produce lambs, beef and other cereal crops.

It is rather strange that neither meat nor wool has a guaranteed price yet we are guaranteeing the wheat industry to the extent of 150,000,000 bushels. In order to retain existing markets I read the other day that Australian meat export works will have to spend, I think, £20,000,000 in Queensland. I personally think that is a rather exaggerated figure. Someone in New South Wales said that it would cost something like £1,500,000 to bring all the meat export works in that State up to the required standard. I should be very surprised if it cost £20,000,000 here if it is only going to cost £1,500,000 in New South Wales. Of course, the author of the article I read is a man who is given to flights of fancy.

Mr. Hiley: Put an extra nought on.

Mr. DUGGAN: I think the hon. gentleman knows the person concerned. As long as he gets some sensational figures published, that is all he is concerned about. However, it is rather interesting to observe that these other producers do not get a guaranteed price.

I do not think it is a good thing to get back to the control of acreages, but we have to take a good look at long-term planning in the wheat industry. If we are to increase acreages, with a production to the order of something like 300,000,000 bushels a year and a home consumption of less than 60,000,000 bushels, it seems to me that by the time this plan is completed it will be quite a hazardous sort of occupation. The taxpayers, through the Commonwealth Government, are already subsidising the wheat-growers. In the years of the Chifley administration there was the aftermath of war and prices were higher. There were surpluses for two or three years in the Wheat Stabilisation Fund, but then it began to go into deficit, so that the combined contributions up to 1962 by which the wheat-growers have been subsidised by the Australian taxpayers totalled something like £8,000,000.

I do not know how long we can go on subsidising various sections of the Australian economy, although I must acknowledge that many nations are doing that very thing. Of course, the only people profiting are the buyers of wheat. I feel that these matters are of sufficient importance to bring forward.

I approve of the legislation—no-one here would be against it for one moment. But in addition we have other problems that I should like to mention briefly. The imposition of freight is one. The overseas shipping lines increased freight rates on

Australian exports to North America by 10 per cent. without any prior consultation with industry here. We have no appeal against that action. In 1955 there was throughout Australia a tremendous outcry, in which all Australian Governments joined, when there was a decision by the overseas shipping interests to increase freight rates by 10 per cent. Subsequently, because of the pressure that was applied the increase was reduced to 7½ per cent.

Because of her geographic location Australia is at a disadvantage compared with many other nations that are closer to countries requiring their wheat. I do feel that that is also a factor which has to receive very careful consideration.

Looking at the wheat industry on the long-term basis, I should say that if we are to continue expanding at the rate of the last five or six years, it could be dangerous to the Australian economy. Nobody wants to curtail production but nobody wants to see a set of circumstances arising which can bring about a great deal of tragedy and economic loss to Australia. I hope that the Minister, in association with the Federal Government, will take a very lively interest in this matter—he is now obliged to interest himself in it—to see if we cannot, in addition to stabilising prices, work out through the Wheat Research Institute, and by exploring every other means, ways of using the land that is currently available for wheat more advantageously for the growing of other crops. Whatever such an examination might reveal, that is one of the reasons why the Australian Wheat Institute was established. That is something else I commend. The Institute in Toowoomba, controlled by Mr. McKnight, a very outstanding wheat scientist, and staffed by other very capable men, is doing highly important work on the Darling Downs. I hope that we can make a realistic approach to the trend towards increased production of wheat throughout the world so that we do not find ourselves in the same position as the United States of America, with tremendous surpluses on our hands. So far we have been free of them but that is only because of the catastrophic weather in Europe, which surely will correct itself in a year or two. In the previous year those countries took quite a considerable quantity of our wheat. This year the acreage under wheat is up considerably. I do not know whether it is affected by the bad season in Europe, but I read about four months ago that they expect a considerable percentage increase in the wheat crop. Whereas they imported considerable quantities of wheat from Australia, that cannot be expected to continue. We cannot depend for the sale of our wheat on a succession of disasters in overseas countries.

In conclusion, I may say that this legislation is desirable. It establishes a stabilisation scheme, which is essential if we are to have orderly marketing and encourage

people on the land. I think there is an obligation on me, and on other hon. members, to draw attention to some of the dangers that face the industry, as well as the advantages that accrue from stabilisation.

Mr. O'DONNELL (Barcoo) (12.1 p.m.): My Leader has covered the situation fully and I have not a great deal to add. I should like to emphasise one of the matters he raised, namely, the expansion that has occurred in recent years in the grain-growing industries, particularly the wheat industry. As my Leader said, there are developments in Central Queensland, especially in the area extending from north of Clermont to south of Springsure. In the past few years there has been great development in sorghum-growing, but the opinion was held in that area that, with a little luck, wheat crops could be produced. In the last financial year that opinion was confirmed, and wheat production in that area ran into tens of thousands of tons. However, if Red China had not been in the market we would probably have had difficulty in obtaining a buyer for it. That concerns me considerably. A couple of years ago we were confronted with the same problem with grain sorghum. But for the drought in New South Wales there would have been a surplus. Year after year areas under grain are expanding. Yesterday the movement from the dairying industry into the more acceptable way of life of grain-growing was referred to. We are concerned about that development. Of course, that does not apply to Central Queensland but the acreage under grain is growing year after year as the land is cleared. Much of the brigalow is being cleared by local effort, apart altogether from the brigalow-lands development scheme. I have previously said that the intrusion of the share-farmer will certainly bring grain-growing to that area. With expanding production we need expanding markets and we have indeed been fortunate that Russia and Red China have entered the market.

Lot feeding throughout the producing areas on the same principle as in the United States of America would greatly benefit the industry, although we know that this year the American scheme is not producing the same results as in the past. It is a very difficult problem and the best brains in Australia must be applied to it.

As to increased acreages, we can rely on the figures that I produced in this Chamber showing the expansion in Central Queensland. As the years go by, the Central Highlands will develop into another Darling Downs but is there a market for the products of that area?

I must say that I approve of the measure before us. Two points in particular appeal to me. One is that the grower is being protected more extensively on the overseas market. I think that is very important. I welcome, too, the news that the Australian

consumer will be protected. It was very good to hear that this was owing to increased efficiency in the industry. We hope that the reduction in price through increased efficiency will be passed on to the consumer. It is essential for the producer and the consumer to go hand in hand. We shall appreciate it if we see the product of efficiency in all our economy being passed on to the people who are, after all, the customers—the local market. We have had the problem before. It was not lack of production we suffered from; it was lack of consumption.

The few points I have dealt with briefly have been based really on my own area. When the Bill is printed and we debate it on the second reading, we will be able to go into a more detailed criticism. However, we have given the Australian wheat-grower a great deal of encouragement by this plan and I think it will be widely acclaimed.

In conclusion, I point out that our new Minister is having a saloon passage with his Bills. He has now had three in a row that have met with the approval of almost everyone in the Chamber.

Mr. SULLIVAN (Condamine) (12.7 p.m.): It is realised by hon. members on both sides of the Chamber that this legislation is complementary to legislation passed by the Federal Government and by other States, and it is no doubt important validating legislation to the wheat-growers of Australia because, until such time as it is approved, they will not be paid for their year's toil.

In answer to the Leader of the Opposition and the hon. member for Barcoo who both expressed concern that there had been no reduction in the price of bread following the reduction in the home-consumption price of wheat. I point out that it is obvious that this price is for this year's wheat and actually the farmers have not been paid for it. Very little of this year's wheat has been milled. I understand that the wheat grown by the hon. member for Carnarvon has already been eaten. Apparently he is in an area where wheat ripens a little more quickly. It is a good thing to see that the flour-millers are scraping the bottom of the barrel, so to speak, waiting for this season's wheat. Apparently that holds good throughout the Commonwealth. We have no carry-over of last season's wheat, and that is a very good thing because this year we look like having a record crop, approaching 300,000,000 bushels. As has been pointed out by the Minister and the Leader of the Opposition, we can have a carry-over of wheat. It is a very good thing to start the season with our storage empty. I suppose the new price for wheat is something that will concern the grower.

Incidentally, I express the hope that, with the reduced price to the grower, there will be a reduced price to the consumer. None of us likes to have his price reduced, but, as pointed out by the Minister, there are certain

advantages in this new stabilisation plan and I think the increase in the guaranteed quantity of that portion of the crop that is sold on the overseas market, from 100,000,000 bushels to 150,000,000 bushels will really give security to the growers. The increasing of the stabilisation pool from £20,000,000 to £30,000,000 gives, I am sure, quite a feeling of security. Reducing the price for home consumption indicates to my mind that the industry and those engaged in it have become more efficient.

I suppose there are many reasons for this. Not all of it is attributable to the grower, an important part being played by the research carried out in the industry. When I accompanied the Minister to the Hermitage Research Station, near Warwick, it was apparent to me that much work is being done by officers of the Department of Primary Industries in the breeding of better types of wheat for the assistance of wheat-growers. I pay a high compliment to those officers who are endeavouring to produce heavier-yielding grains with better protein quality.

I should like to mention to the Minister something that came to my attention on that occasion. I feel that those engaged in producing new varieties at the Hermitage station could be considerably assisted if a little more money were made available to provide irrigation on that section of the farm. New varieties of wheat bred there must, of course, be put to the test under natural conditions, but it is a little disheartening to these officers to see perhaps several years of work go down the cracks in the ground because of inclement weather conditions. Some assistance to them would be a great help to the wheat industry.

Efficiency on the farm has been brought about by mechanisation. I give full marks to those engaged in the manufacture of farm machinery. From time to time I have been critical of them, and I will continue to be till they realise that machinery costs are far too high and have lost relativity with what farmers can get in return. Nevertheless, the manufacturers have done a magnificent job in assisting farmers to become more efficient and to keep working costs down once the capital outlay has been made.

Today we see a typical wheat farmer growing possibly 600 acres of wheat. In the days before bulk handling and the use of the larger combine headers, it would have been necessary on that acreage to employ at harvest time anything up to a dozen men. Today, with modern machinery, a farmer and an offsider can do all the work required from the preparing of the earth, through the planting and growing, to the harvesting. That no doubt tends to reduce production costs. A problem is created because less labour is needed, but the farmer has to keep his costs to a minimum to protect his investment.

I shall now quote some figures that have been supplied to me relating to the wheat stabilisation plan. Under the 1958 Wheat

Industry Stabilisation Act, the cost of production of wheat is determined yearly according to movements in costs. That figure becomes the guaranteed price for wheat which applies to home consumption plus 100,000,000 bushels of export. Of course, that has now been increased to 150,000,000 bushels. A table that I have shows the cost of production or guaranteed price a bushel, the freight component in that cost, the actual freight deducted from Queensland growers, and the final gross price to Australian growers. From this gross price, freight deductions are made. The freight component cost of production used in the 1961-62 review of the home-consumption price was 18·373d., whereas the actual freight cost in Queensland was 24·5d. I mention that because it shows that the Queensland grower is at a distinct disadvantage. The rail freight charged to Queensland growers has been higher than the freight component allowed in the guaranteed price, and the disparity between the two figures became substantially wider following the rail freight increases in Queensland in October 1960. The actual increase amounted to 6d. a bushel.

Going further, we see that the gross price to the growers has been below the guaranteed price—for example, 17d. below in 1959-60 and 19d. below in 1960-61—principally because of export prices. Therefore, with the 6d. freight factor, Queensland growers are receiving up to 25d. below the cost of production.

Although the industry has become more efficient and farmers are producing their wheat at a lower cost than they did some years ago, they are still at a distinct disadvantage because their actual freight is 6d. a bushel above the component used in the cost-of-production table. I believe that the Government should give very careful consideration to subsidising wheat freights, as is done in New South Wales. Rail freights in Queensland are 20 per cent. higher than those in force in New South Wales. Of course, there is an equalised freight system in Queensland, under which the man growing wheat in a far-distant area pays only the same freight rate as does the grower on the Darling Downs, and this certainly assists a grower who would otherwise have to haul his wheat over long distances and pay higher freight charges.

Freight is possibly the greatest single expense that a farmer has in growing his wheat. It works out at 14 per cent. of the gross return that he receives for his product. I gave some figures in this Chamber during the Address-in-Reply debate, or the Budget debate, comparing that percentage with the percentage on beef and wool. Freight represents only 7 per cent. of the beef-grower's gross return, and, based on a price of 50d. lb. for wool (it has risen considerably since then), it is only 3 per cent. of the wool-grower's gross return. It is obvious, therefore, that freight representing 14 per cent. of gross

return takes a big bite out of the wheat-grower's net return. It boils down to this: if a farmer is growing 1,000 acres of wheat, he is growing 140 acres for his freight alone. On top of that, he has the cost of getting his wheat to the rail. In the days of bags, that was 2s. a bag or 8d. a bushel. Hon members can see from that that a considerable amount of the cost is taken up for freight alone and I feel that, with dieselisation of our railways, which are now able to haul much greater loads, and with the Wheat Board or the farmer actually loading the train, the time has come when very serious consideration should be given to a reduction in wheat freights. I know the Minister for Transport felt that he was not in a position to do that, but I do not think this should come out of railway revenue; I think it should come out of our overall funds. I know that, with the 10 per cent. marginal increase and the three weeks' annual leave granted by the Industrial Commission, the Minister felt that he was not in a position to reduce freight rates, but I do not think that the decision of the Industrial Commission should be carried by the wheat farmer.

Speaking generally of the wheat industry, anything I might say would be incomplete without some word of commendation of the Wheat Board. We know that the board has been faced with a tremendous task in keeping bulk storage up with the development of the industry in Queensland. In the 1953-54 season 197,000,000 bushels of wheat were grown in Queensland, whilst in 1962-63 production had increased to 306,000,000 bushels. If we take into consideration the fact that it is only in the last five years that the change-over to bulk handling of wheat has taken place, we can well appreciate the problem the board had in keeping bulk facilities up with development and making them available to farmers. It has done a reasonably good job in this direction.

Perhaps the same position does not exist on the Central Highlands as obtains in the nearer areas, but no doubt it will. Whilst the board has done a very good job, farmers on bulk get only a proportion of their crop into bulk storage during harvest time. It works out, I think, at about four or five bags an acre depending on the crop, and that is perhaps only 30 or 40 per cent. So there is the added cost to the farmer of having to provide bulk storage on the farm for the remainder of his crop, until such time as he is able to get it away to the board's stores at Pinkenba. Three or four, or perhaps six, months may elapse before the farmer eventually gets all his wheat into forward storage. That necessitates double handling, which obviously increases costs. But I can appreciate—and growers do, too—that to provide this storage costs much money, and much work is involved. Nevertheless, I commend the board for the gradual progress it is making. I should say that, within the next two or three years, it will have almost caught up the lag.

Whilst speaking of the wheat industry generally, I should like to pay tribute, too, to those who have played a great part in the development of our industry in breeding new varieties of wheat. I refer first to Mr. John Bligh, who has developed a new wheat known as "mengavi". Last year that variety came in for a lot of criticism from certain farmers because of its susceptibility to rust. It was expected that it would be rust-resistant, but seasonal conditions last year caused rust to attack it. This year, when seasonal conditions have been more favourable, there have been some exceptionally high-yielding crops of mengavi wheat. Like Professor Watson of the Sydney University, Mr. Bligh is a man who is more or less dedicated to assisting the wheat industry in breeding better varieties. The wheat-growers have a lot to be grateful to him for.

I think it was the Leader of the Opposition who mentioned the Director of the Wheat Research Institute at Toowoomba, Mr. McKnight. He is a very able scientist in the wheat industry. I agree entirely with the Leader of the Opposition in that regard.

A new problem has come into the wheat industry this year. We have had it before, but not to nearly the same extent as we have had it this year. I refer to what is termed "mottling". Nobody knows the answer to the problem at the present time. It was said to be more prevalent in box country than in brigalow country or black soil downs, but when the harvest progressed it cropped up in all kinds of soils. Recently the Assistant Manager of the Wheat Board, Mr. Bruce, made the statement at Jandowae that it was something that the Research Institute would have to go into. It is said that it reduces very steeply the protein content of the wheat. Whether that is right or wrong is something that the average farmer does not know. It is a problem, because if the wheat is extensively mottled it is classified as "Q2A" which is only just a little better than feed.

The Leader of the Opposition mentioned various foreign matter that comes into wheat crops. Unfortunately that does occur, particularly when the land is used solely for grain-growing. When farmers do not associate stock with their land, or do not go in for fallowing or rotation of crops, there is a greater build-up of the various foreign weeds, and they are very expensive to control. I have mentioned before the problem with black oats. There is a weedicide to control that pest but it is costly. It may cost anything up to £2 an acre to control black oats. The man who associates stock with his land can keep black oats in check.

Provision is made to increase the owner-operator's allowance from £1,110 to £1,250. It is at least an increase but the allowance is only a very paltry amount for his work when we remember that a wheat farmer may have an investment of £20,000 or £30,000. A good mechanic in the local garage that the

farmer goes to gets £24 or £25 for a 40-hour week. That would be equivalent to an owner-operator farmer, who works long hours and has invested £20,000 or £30,000.

Mr. Bennett: Don't you think mechanics are worth that?

Mr. SULLIVAN: I do; very much so. I do not know what gave the hon. member the impression that I did not. However, I consider the owner-operator farmer is worth a lot more, taking into consideration the cost of production.

Yesterday the Leader of the Opposition said that the dairy farmer was the poor cousin of the primary producers. However, the hon. member for Bundaberg, whether by chance or intentionally referred to them as the people who are so well off as to be living in luxury. We were given two completely different opinions from two men who were top-ranking Ministers in the Labour Government. We heard today—and I have said it too—that the wheat farmer has perhaps a more attractive form of livelihood than the dairyman, but we must not forget that he has an arduous job and that he works long hours and has to buy machinery.

Mr. Bennett: He would get a much bigger return than the motor mechanic.

Mr. SULLIVAN: That may be, but if the hon. member peruses these figures, which I have not enough time to quote, he will find that in drought years the wheat farmer may not get any return.

(Time expired.)

Mr. McKECHNIE (Carnarvon) (12.32 p.m.): This Bill is essentially a validating Bill and it is necessary for it to be passed as quickly as possible because, as the Minister, the hon. member for Condamine and the Leader of the Opposition have pointed out, the wheat crop is already coming on. As the hon. member for Condamine said, in my area the wheat is off and in. The reserves were so low that we sold all our wheat. They were down to nothing and we were waiting on the new season's crop. That was excellent. We must commend the Wheat Board for putting the industry in that position. It happened particularly because of the sales of wheat to Red China. Compared with some other years, the wheat industry is now in an extremely good position.

The hon. member for Condamine has ably covered most of the matters I wanted to raise, but I will just skip over a few items. The Wheat Board and the Queensland Grain-growers' Association are in agreement with the plan, but the guaranteed price has been reduced by 1s. 5d. a bushel. When the price of wheat was discussed by the Queensland grain-growers they were hopeful of getting a freight reduction to partially offset the reduction. However, in the meantime the various marginal increases have eaten up much of the money that would have helped

the farmers because it was anticipated that the Minister for Transport would be able to assist. They are still hopeful of getting freight reductions and I wish them success. New South Wales freight rates are lower, mainly because of a 6d. subsidy from Consolidated Revenue. I am not very happy about subsidies in any form and I should not like to see help given in that direction. However, I should like to see some method devised whereby a freight reduction is given so that the Queensland rate is more in line with the New South Wales rate. The hon. member for Condamine said that 14 per cent. of the gross return from wheat was eaten up by freight. I think he meant rail freight because that is approximately the charge to cart by rail. In the marginal areas it is possible that the road freight will be in excess of half that much again, taking the total cartage and freight on wheat to beyond 20 per cent. of the gross income. Consequently that is a limiting factor. Anyone who is paying those prices is 30 to 40 miles from rail and that seems to be the limiting factor at the present moment.

The Leader of the Opposition said he was somewhat concerned at the fact that wheat production is increasing at such a rate that it could become an embarrassment. It could, but we have found in most cases that, where production of wheat is increasing rapidly, the wool market seems to have increased about the same time and when there is a rise in wool above 5s. 0d. to 5s. 6d. lb. average it eats into the wheat crop. Once the price of wool exceeds 5s. 6d., with wheat remaining at its present price, it is in many instances more economical to grow wool than grain. That is an equalising factor that operates where the sheep and wheat industries are combined.

It is a tribute to the growers that, through their efficiency, they have been able to stand a reduction of 1s. 5d. This has been brought about by research by the various institutes—the Wheat Institute in Toowoomba and at The Hermitage—and by the development of better-grade wheat, sometimes by private individuals or by individuals in association with researchers.

The growers are so keen on research that they willingly accept the compulsory levy and, in addition, the grain growers have arranged for a voluntary levy of ¼d. a bushel. Taken by and large, the growers are so impressed with research to date and the necessity for it that in the main they are quite happy to accept the voluntary levy in addition to the compulsory levy.

Queensland has rather special costs that are not so prevalent throughout the rest of Australia, particularly taking Western Australia and the southern States. Western Australia has shown the most spectacular crop increase over the last 10 years; in that time it has increased almost 100 per cent. Unfortunately its crop is grown on what is the equivalent

of our wallum lands and its protein content is relatively low, so Queensland's high-protein wheats are called on more and more to carry the low-protein content of the increased production in South Australia and Western Australia, and, to some extent, the Wimmera. It is important to Australia's economy that production of the high-protein Queensland wheats should be increased. This is recognised by the fact, brought out by the Minister, that an extra premium will be paid on the Queensland wheat.

Freights are pooled and at times discontent exists in the industry, particularly among growers closer in at their having to subsidise the freights of marginal areas farther out. Fortunately, this is balanced by the fact that, once you go into the brigalow areas, you have country that produces a higher protein wheat. The high-protein wheats have to come from farther out. They are more attractive wheats and sell better, which tends to balance the freight differential.

The Leader of the Opposition said that there were erosion problems in the brigalow belt. I do not know whether he meant quite that, or whether he was referring to the depletion of nitrogen on the brigalow lands. Our experience in that area is that erosion, other than dust erosion, is very slight, but that when wheat is grown continuously the shallow soil readily gives up its nitrogen content to produce proteins.

It is consequently desirable that these areas not become grain belts in the sense of the continuous farming carried on on the Darling Downs. Areas should be large enough to permit a balance combination of stock and grain. In these areas a form of farming has developed in which the country is sown down to green crops for a year or two till it is civilised by the plough. One, two, or three crops of grain are then grown, following which the area is sown to lucerne and left to grazing for the next five or six years. In the brigalow country it is essential that this pattern be followed, otherwise the nitrogen will be leached from the soil, causing considerable problems in a short time.

I should like to pay a compliment to the Wheat Board. We, as growers, sometimes grumble about it, but by and large it does a pretty good job. It combines very well with the Queensland Graingrowers' Association in ironing out the problems of the industry, the worst of which is the handling of wheat and the raising of sufficient money to provide bulk-handling facilities at sidings. I notice that it is likely that £5,000,000 will be spent on the bulk handling of sugar, and I realise that the same expenditure might have to be incurred in the wheat industry.

There is much more that I could say, but other speakers have covered the subject fairly well. With those few words, I resume my seat.

Mr. TUCKER (Townsville North) (12.43 p.m.): I listened with a great deal of interest to the Minister's introducing what I suppose could be called another wheat stabilisation Bill. One of the things that struck me was the reference to a hoped-for reduction this year from 15s. 11½d. to 14s. 6d. or 14s. 7d. a bushel. As has been mentioned by other members on this side of the Chamber, it is to be hoped that, if it eventuates, it will be reflected in the price of flour and bread.

At various times we hear reports in these co-operative industries of the introduction of new ideas and methods that are claimed to reduce costs. An example is the bulk handling of sugar, which is claimed to have this effect. Never, however, do these reductions in costs seem to find their way to the consumers of the product. Neither I nor any of my colleagues on this side have ever found that. These reductions invariably seem to disappear somewhere along the line. We are told that increased efficiency has reduced costs, but I repeat that the reductions are never reflected in the final price of the commodity to the consumer. Now that the Minister has made this statement, we need to watch carefully to see what happens to the price of the commodity to the user.

To be quite fair about it, Queensland produces a high-protein wheat, of which a great quantity is exported as it is in very great demand. We have the peculiar situation that Queensland exports high-quality wheat and imports considerable quantities of wheat of other types, which means that sundry freight charges are involved, and it is almost impossible to ascertain why the price of bread or flour is as high as it is.

When we consider the state of the world market, we really cannot argue against the export of our high-quality wheat. As the Minister said, tremendous quantities of wheat are at present stored in the United States of America—I think he mentioned 1,968,000,000 bushels—and in other countries, and therefore prices can fluctuate quickly. In fact, the wheat industry could become a very precarious industry; I shall have something more to say about that later in my speech.

I believe that all hon. members will agree that co-operative marketing is a very effective way for primary producers to obtain just and adequate returns for their products, and the wheat industry is a perfect example of what can be achieved by co-operative marketing. The sugar industry is another fine example. Without digressing too far, I should like to mention that I read in this morning's newspaper that potato producers were in a very sorry plight at the moment and claimed that they were not able even to meet their costs of production. When we see the example of what can be achieved by co-operative marketing in the wheat industry and the sugar industry, it seems a pity that the potato-growers cannot do something about implementing a similar scheme in their industry. Perhaps they should not have done away with the Potato Marketing Board.

Before World War II, and possibly as far back as the 1920's, wheat-growers were never out of trouble in growing and marketing their product. There was always the possibility that unscrupulous buyers would corner the market, and, as I said, the industry was in a sorry plight. However, after the beginning of World War II, the Commonwealth Government, under the very wide powers that it had, enacted legislation that allowed it to acquire the entire Australian wheat crop during the war years, and I think it is probable that from this action sprang the present Wheat Stabilisation Act. In 1946 the Commonwealth Government endeavoured to introduce a wheat stabilisation Act covering the industry in Australia but apparently it was not able to get the States to pass complementary legislation similar to that which is now before the Committee. The Minister said that this is the fourth occasion on which legislation of this type has been introduced—I think he said it is introduced every five years—so it is obvious that we have enacted complementary legislation four times since 1948. As I said, the Commonwealth Government was unsuccessful in its effort to introduce a stabilisation plan in 1946 and apparently had to continue using its war-time powers for another two years.

In 1948 legislation was enacted by the Commonwealth Parliament, and on that occasion all the States enacted complementary legislation of a type similar to this. I think Mr. Pollard was the Commonwealth Minister for Primary Industries at that time. It was during the regime of Mr. Chifley that this scheme was brought in and I thought I should mention it. We are very proud of it. It was an Australian Labour Party Government in 1948 that first enacted this type of legislation. The States passed complementary legislation to make it Australia-wide.

If I heard the Minister correctly, he said it was the intention to increase from 100,000,000 bushels to 150,000,000 bushels the amount on which a guaranteed price would be paid. I presume that guaranteed price will be paid for this year, and possibly, I suppose, for the next five years. I think it is right that that should be done. As I see it, it is based on the present production of wheat in Australia, and represents almost the same proportion of the total production as was envisaged in 1948.

In 1948 the guaranteed price was paid on 100,000,000 bushels and the total production throughout Australia at that time was 180,000,000 bushels. So about five-ninths of the total production, or a little over one-half of the 180,000,000 bushels, was subject to guaranteed price. My next figure seems to differ from the Minister's figure and perhaps he may give the reason for it. In 1963 the quantity to be guaranteed has been increased from 100,000,000 bushels to 150,000,000 bushels and, from my reading of the Commonwealth legislation, the total production was 307,000,000 bushels. According to the Commonwealth figures, that was

the total production for the whole of Australia, and 150,000,000 bushels represent just under half of that total production.

Mr. McKechnie interjected.

Mr. TUCKER: If the interjector examines what the Minister said he will see that he mentioned a figure of 270,000,000 bushels.

Mr. Row: 270,000,000 bushels was the total estimated crop.

Mr. TUCKER: That is what I am saying. I cannot understand why the Minister's figure does not agree with that of the Commonwealth, which shows that last year the total production was 307,000,000 bushels. I am not arguing; I am merely using the figure to establish a point. We have a guaranteed price on 150,000,000 bushels of a total production of 307,000,000 bushels.

Mr. Row: The figures you are using are for 1962-63. My figures relate to this year's crop.

Mr. TUCKER: The Minister is talking about the anticipated crop. I can see the point now. I was speaking about the year just passed, in which we in fact produced 307,000,000 bushels.

Mr. Row: 306,912,000 bushels.

Mr. McKechnie: You are skipping over the home-consumption figure, on top of the 150,000,000.

Mr. TUCKER: I presume that was skipped previously in the 100,000,000, too.

Mr. McKechnie: No.

Mr. TUCKER: The guaranteed price is paid on export wheat, is it not? I do not think I took into consideration the home-consumption amount for either 1948 or 1963. Anyway it has been brought up again to just over half the amount of total production, which, I think, is equitable. In 1948 it was about five-ninths of the production. This increase from 100,000,000 bushels to 150,000,000 bushels has brought it again close to that figure, and has re-established equity. I can see no argument with that. It is very desirable that it again be brought back to that proportion.

Last year the income from wheat was worth £186,000,000 to Australia. That is a large sum of money, so it must be a very vital industry. I agree with the Minister that it has been put on a very firm basis. Since 1948 we have had the wheat stabilisation legislation which gave growers a chance to look ahead and know what they would be getting for their crop. It shows what socialisation in that kind of industry can do. From time to time we have arguments from the other side of the Chamber against the socialisation of certain primary industries. Hon. members opposite cast aspersions on us, yet on this occasion we find the Minister

more or less saying what a good job has been done in the wheat industry by this legislation. I would be lacking if I did not point that out. I do not think it can be argued that it has not done very well. The socialisation of the sugar industry has done the same thing. These are two perfect examples of what can flow from this type of legislation.

The Wheat Stabilisation Fund has to accumulate from £20,000,000 to £30,000,000 before anything is returned. That is a fair amount of money before anything goes back to the producers. It may be that with inflation that is necessary. I think that is all right.

Looking through statistics over the period from 1948 to 1963 I find that in those 15 years the Commonwealth Government has been called upon to pay out only £20,000,000. It was £15,000,000, but lately it has increased to £20,000,000. So the Commonwealth Government has not been greatly out of pocket over that period of 15 years—only a little over an average of £1,000,000 a year. Apparently the fund has been able to stand the rest of it.

None of these schemes wholly enjoys constitutional protection. I believe that after 30 November we will be able to achieve this. I would hope that we could hold a referendum to amend the Commonwealth Constitution so that all organised marketing schemes will have the protection of the Constitution. None of them enjoys that protection at the moment.

The mention of the huge wheat surpluses in the United States makes us wonder whether we should not try to establish some sort of international monetary fund to help in the distribution of the surplus production of wheat on a world-wide basis among the underfed nations, and to pay growers a guaranteed price for the surplus production. I know that the Colombo Plan goes a little way, but it provides only machinery, not food. An international monetary fund should be set up with the object of financing the distribution of surplus production so that we could get it to the underfed nations of the world and, at the same time, pay the producer a guaranteed price for the surplus production.

Hon. J. A. ROW (Hinchinbrook—Minister for Primary Industries) (1 p.m.), in reply: I have listened with interest to the debate, and, at the second-reading stage, I shall reply to some of the points raised. I have nothing further to say at present.

Motion (Mr. Row) agreed to.

Resolution reported.

FIRST READING

Bill presented and, on motion of Mr. Row, read a first time.

The House adjourned at 1.2 p.m.