

SUGAR AGREEMENT.

No. 59 of 1935.

An Act to approve an Agreement made between His Majesty's Government of the Commonwealth of Australia and His Majesty's Government of the State of Queensland, and for other purposes.

[Assented to 7th December, 1935.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

Short title.

1. This Act may be cited as the *Sugar Agreement Act 1935*.

Repeal.

2.—(1.) Section three of the *Sugar Agreement Act 1932* is repealed as on and from the date of commencement of this Act.

(2.) So much of the *Sugar Agreement Act 1932* as is not repealed by the last preceding sub-section is repealed as on and from the first day of September, One thousand nine hundred and thirty-six.

Approval of agreement.

3. The agreement made between His Majesty's Government of the Commonwealth of Australia and His Majesty's Government of the State of Queensland (a copy of which agreement is set forth in the Schedule to this Act) is approved.

Prohibition of importation of sugar.

4.—(1.) The importation of sugar into the Commonwealth, except with the consent in writing of the Minister, is prohibited.

(2.) Any sugar imported into the Commonwealth in contravention of this section shall be deemed to be a prohibited import within the meaning of the *Customs Act 1901-1935*, and the provisions of that Act relating to prohibited imports shall apply to any sugar so imported into the Commonwealth.

Section 3.

THE SCHEDULE.

SUGAR AGREEMENT, 1936-1941.

AGREEMENT made this Nineteenth day of July One thousand nine hundred and thirtyfive BETWEEN THE RIGHT HONORABLE EARLE CHRISTMAS GRAFTON PAGE Acting Prime Minister of the Commonwealth of Australia and herein acting for and on behalf of and with intent to bind the Government of the Commonwealth of Australia (hereinafter referred to as the Commonwealth Government) and not so as to incur or come under any personal liability in respect of these presents of the one part AND THE HONORABLE WILLIAM FORGAN SMITH Premier of the State of Queensland and herein acting for and on behalf of and with intent to bind the Government of the State of Queensland (hereinafter referred to as the Queensland

THE SCHEDULE—*continued.*

Government) and not so as to incur or come under any personal liability in respect of these presents of the other part WHEREBY IT IS MUTUALLY AGREED—

1. (a) THAT this Agreement shall have no force or effect unless and until it is approved by the Parliament of the Commonwealth. Commencement.
- (b) THAT subject to sub-clause (a) of this clause this Agreement shall come into operation on the first day of September One thousand nine hundred and thirtysix.
2. (a) THAT upon this Agreement coming into operation the persons composing the Fruit Industry Sugar Concession Committee appointed under Clause 7 of the Sugar Agreement 1933-1936 being the Agreement of which a copy is set out in the Schedule to the *Sugar Agreement Act 1932* of the Commonwealth shall cease to hold office and any obligations under that clause remaining unfulfilled shall be fulfilled by the Fruit Industry Sugar Concession Committee appointed under Clause 7 of this Agreement in all respects as if the Fruit Industry Sugar Concession Committee appointed under Clause 7 of this Agreement had been appointed under Clause 7 of the Sugar Agreement 1933-1936.
- (b) THAT except as provided in sub-clause (a) of this clause, nothing in this Agreement shall impair or affect the operation of the Sugar Agreement 1933-1936.
3. THAT THE Queensland Government shall hereafter under its statutory powers in that behalf acquire all raw sugar manufactured from sugar-cane grown in Queensland during the seasons of 1936-1937, 1937-1938, 1938-1939, 1939-1940 and 1940-1941, other than such quantity of raw sugar (not exceeding one per centum of the total quantity of raw sugar manufactured during each of the said seasons in any mill where raw sugar is manufactured) as the owner of any such mill shall desire to retain use and dispose of for local consumption. Acquisition of Raw Sugar.
4. THAT the Queensland Government shall purchase all raw sugar manufactured from sugar-cane grown in New South Wales during the seasons of 1936-1937, 1937-1938, 1938-1939, 1939-1940 and 1940-1941. Purchase of Raw Sugar.
5. THAT the Queensland Government shall during the period commencing on the first day of September One thousand nine hundred and thirtysix and ending on the thirtyfirst day of August One thousand nine hundred and fortyone (in this Agreement referred to as the "agreed period") make sugar and other sugar products the product of the raw sugar manufactured during the seasons of 1936-1937, 1937-1938, 1938-1939, 1939-1940 and 1940-1941 available for sale and delivery in Sydney, Melbourne, Brisbane, Adelaide, Perth, Fremantle, Hobart and Launceston respectively at prices (which shall include the cost of bags and other containers) not exceeding the prices specified in this clause in respect of each grade of sugar and each sugar product— Sale of sugar.
Places of delivery.

REFINED SUGAR OF 1A GRADE:

Price for not less than half-ton lots for net cash .. £33 : 4 : 0 per ton.

REFINED SUGAR OF 1XD GRADE:

Price to manufacturers for net cash £32 : 10 : 9 per ton.

OTHER GRADES OF REFINED SUGAR, AND GOLDEN SYRUP AND TREACLE:

These prices shall be fixed at amounts not exceeding the respective proportionate values of such products compared with the above prices for refined sugar of 1A and 1XD grades.

WHOLESALE MERCHANTS' TERMS:

The prices for all the above products, except the prices to manufacturers, shall be subject to a discount of two per centum (the whole or any part of which discount may be deferred for a period not exceeding twelve months) to persons, firms and corporations who, in the opinion of the Queensland Sugar Board (whose decision shall be final and conclusive)—

- (a) are wholesale merchants,
- (b) purchase such products and sell them only to completely independent retailers or manufacturers in quantities not more than sufficient for their respective businesses of retailing or manufacturing,
- (c) engage to a reasonable extent in the sale of such products on credit terms, and
- (d) sell such products under conditions approved by such Board.

THE SCHEDULE—*continued.*

MILL-WHITE SUGAR of good colour and not less than 98 net titre, and

FIRST QUALITY MILL SUGAR of not less than 98 net titre—

Price for not less than half-ton lots for definite orders at

reasonable notice for net cash £30 : 0 : 0 per ton.

Price to manufacturers for definite orders at reasonable

notice for net cash £29 : 8 : 0 per ton.

Mill-white
sugar supplies.

6. THAT the quantity of mill-white sugar to be made available by the Queensland Government in pursuance of Clause 5 of this Agreement shall not exceed—

(a) 5,000 tons during the season of 1936-1937; and

(b) such quantity during each of the seasons of 1937-1938, 1938-1939, 1939-1940 and 1940-1941 as is necessary in the light of the demand for mill-white sugar during the season immediately preceding that season and is agreed to by the Commonwealth Government and the Queensland Government.

Concessions to
the Fruit
Industry.7. THAT the Queensland Government on behalf of the Australian cane-sugar industry shall during the agreed period provide amounts at the rate of Two hundred and sixteen thousand pounds per annum to be applied for the benefit of the Australian fruit industry in the manner and subject to the conditions set out in this clause, *the is to say* :—Fruit Industry
Sugar
Concession
Committee.

(a) such amounts shall be paid in equal monthly instalments to the Fruit Industry Sugar Concession Committee (hereinafter referred to as the Committee) which shall be responsible for the due application of the said amounts;

(b) the Committee shall be appointed by the Minister of State for Trade and Customs (in this Agreement referred to as "the Minister") and shall be composed of one representative of each of the following :—

The Commonwealth Government.

The Queensland Sugar Board.

The growers of jam fruits.

The growers of canning fruits.

The proprietary manufacturers of fruit products.

The co-operative and State manufacturers of fruit products;

and the representative of the Commonwealth Government shall be Chairman of the Committee and each of such representatives (other than the representative of the Commonwealth Government) shall be nominated in a manner approved by the Minister;

(c) four members of the Committee present at any meeting shall constitute a quorum and in the event of the voting on any matter being equal the Chairman of the Committee or in his absence the person appointed by the Committee to act as Chairman may exercise a casting vote as well as a deliberative vote;

(d) the Committee shall, in respect of each year ending on the thirtyfirst day of August, furnish to the Minister not later than the thirtyfirst day of the following October a statement of receipts and expenditure under this Agreement certified by the Auditor-General of the Commonwealth and a report of its work;

(e) subject to the retention thereof of such sums as shall be necessary for the payment of its administrative and other expenses the Committee shall apply the aforesaid amounts as set out hereunder;

Domestic Sugar
rebate on
fruit products.

(f) the Committee shall subject to paragraph (g) of this clause pay to manufacturers who—

(i) conform to conditions specified by the Committee and

(ii) pay for fresh fruit purchased and used in fruit products manufactured in the Commonwealth of Australia during the agreed period such prices as the Committee declares to be reasonable;

a rebate of £2 : 4 : 0 per ton in respect of the Australian refined cane-sugar used by them in such fruit products;

(g) the rebate referred to in paragraph (f) of this clause shall be paid only in respect of the Australian refined cane-sugar used by the manufacturers in completely-processed fruit products made entirely with Australian materials where available and substantially composed of Australian fruit, fruit juices, or pure fruit essences;

THE SCHEDULE—*continued.*

- (h) the Committee shall, in respect of the Australian cane-sugar contents of manufactured fruit products exported from the Commonwealth of Australia during the agreed period pay to the exporters a rebate of the amount of the excess (if any) of the Australian net home consumption price of such sugar contents over the Australian equivalent of the world's sugar parity price of such sugar contents at the rates calculated and determined from time to time by the Export Sugar Committee in accordance with clauses 13, 14 and 15 of this Agreement; and
- (i) the Committee shall, in such manner and subject to such conditions as it thinks fit, apply for the promotion of the use and sale of manufactured fruit products or for scientific or industrial research for the purpose of increasing the yield per acre of fresh marketable fruits required for manufactured fruit products such monies as may remain after the payment of the administrative and other expenses of the Committee and the rebates specified in paragraphs (f) and (h) of this clause.
8. THAT the Queensland Government shall in respect of the Australian cane-sugar contents of all manufactured goods (except manufactured fruit products) exported from the Commonwealth of Australia during the agreed period pay to the exporters a rebate of the amount of the excess (if any) of the Australian net home consumption price of such sugar contents over the Australian equivalent of the world's sugar parity price of such sugar contents at the rates calculated and determined from time to time by the Export Sugar Committee in accordance with clauses 13, 14 and 15 of this Agreement.
9. THAT the Queensland Government shall on behalf of the Australian cane-sugar industry accept responsibility for any loss arising from the exportation of surplus cane-sugar from Australia.
10. THAT the Queensland Government shall from time to time during the agreed period take or cause to be taken such action under—
- (a) the Peak Year Scheme; and
- (b) the "Regulation of Sugar-cane Prices Acts 1915 to 1933" in relation to the assignment of lands;
- as is necessary to control the total production of raw cane-sugar and may for the more effective control of such production amend that scheme or those Acts or adopt any other plan devised by it or the organization or organizations representing the producers of sugar-cane and the producers of raw cane-sugar.
11. THAT the Queensland Government if and when requested by the Commonwealth Government shall establish a sugar depot at Hobart PROVIDED THAT the Commonwealth Government shall not make such a request unless the request be accompanied by evidence proving that a general shortage of sugar has occurred in Hobart which is due to wholesale merchants in Hobart or the Queensland Sugar Board failing to adhere to the present arrangements whereby special reserve stocks of sugar are supplied to and held by such merchants.
12. THAT the Commonwealth Government shall subject to compliance by the Queensland Government with clauses 3 to 11 (inclusive) of this Agreement continue to prohibit the importation of sugar until the thirtyfirst day of August one thousand nine hundred and fortyone except—
- (a) any sugar that the Commonwealth Government may after consultation with the Queensland Government consider to be necessary to meet any shortage of sugar in Australia; and
- (b) any kind of sugar not available in Australia that may be required for special manufacturing processes.
13. THAT the rebates referred to in paragraph (h) of clause 7 and in clause 8 of this Agreement shall be calculated and determined from time to time on the bases set forth in clauses 14 and 15 of this Agreement by an Export Sugar Committee appointed by the Minister and composed of—
- (a) one representative of the Commonwealth Government (as Chairman of the Committee);
- (b) one representative of the Sugar Industry nominated by the Queensland Sugar Board; and
- (c) one representative of the manufacturers of exported products containing sugar nominated by such manufacturers.

Export Sugar rebate on fruit products.

Other Assistance on Fruit Products.

Export sugar rebate on other than fruit products.

Loss on Exports of Surplus Sugars.

Control of Production.

Hobart Sugar Depot.

Prohibition of importation of sugar.

Export Sugar Committee.

THE SCHEDULE—*continued.*

Export parity
for refined
sugar.

14. THAT the Australian equivalent of the world's sugar parity price in respect of Australian refined cane-sugar contained in manufactured goods exported during the agreed period shall be the lowest c.i.f. and e. cost in Australia (exclusive of Australian duties of Customs and other Australian taxes) of foreign raw sugar, semi-refined (i.e., mill-white) sugar, or refined sugar, as may be determined by the Committee, brought to terms of equality with the grade of the Australian refined cane-sugar contents of such manufactured goods PROVIDED THAT the foreign sugar submitted for the purpose of price comparison would be reasonably obtainable in Australia under normal trading and shipping conditions and that allowance shall be made for deterioration of such sugar in transit PROVIDED ALSO that if foreign raw sugar is taken for the purpose of comparison with Australian refined cane-sugar the following items shall be added to the c.i.f. and e. cost of foreign raw sugar :—

- (i) Australian refinery costs ; and
- (ii) Refinery processing loss.

Export Parity
for mill-white
and raw Sugar.

15. THAT the Australian equivalent of the world's sugar parity price in respect of Australian mill-white or raw cane-sugar contained in manufactured goods exported during the agreed period shall be the lowest c.i.f. and e. cost in Australia (exclusive of Australian duties of Customs and other Australian taxes) of foreign mill-white or raw sugar, as may be determined by the Committee, brought to terms of equality with the grade of the Australian mill-white or raw cane-sugar contents of such manufactured goods PROVIDED THAT the foreign sugar submitted for the purpose of price comparison would be reasonably obtainable in Australia under normal trading and shipping conditions and that allowance shall be made for deterioration of such sugar in transit.

Determination
of wages and
conditions of
employment.

16. THAT the employees engaged in the Australian cane-sugar industry and in such sections of the Australian fruit industry as receive benefits under Clause 7 of this Agreement shall be entitled to have their wages and conditions of employment determined by Conciliation or Arbitration if not settled by agreement and in the case of any employees or section of employees who are now or who may subsequently be excluded from the jurisdiction or control of any Conciliation or Arbitration authority the Commonwealth Government shall on the application of any industrial organization bona fide representative of such employees establish for the purpose of determining what wages and conditions of employment for such employees are fair and reasonable a tribunal or tribunals consisting of—

- (a) a representative of employers engaged in the cane-sugar industry or the fruit industry as the case may be ;
- (b) a representative of employees engaged in the cane-sugar industry or the fruit industry as the case may be ; and
- (c) a person who shall act as Chairman and who shall be appointed by the Minister on the joint nomination of the representatives of employers and employees or if the representatives of employers and employees fail to make a joint nomination of a Chairman within twenty days after being called upon by the Minister so to do a person appointed as Chairman by the Governor-General or the person for the time being administering the Commonwealth Government acting with the advice of the Federal Executive Council

IN WITNESS whereof the Acting Prime Minister of the Commonwealth of Australia and the Premier of the State of Queensland have for and on behalf of their respective Governments hereunto set their hands the day and year first abovementioned.

SIGNED by THE RIGHT HONORABLE
EARLE CHRISTMAS GRAFTON PAGE
the Acting Prime Minister of the
Commonwealth of Australia for
and on behalf of the Government
of the said Commonwealth in the
presence of—

EARLE PAGE

A R TOWNSEND

SIGNED by THE HONORABLE WILLIAM
FORGAN SMITH the Premier of the
State of Queensland for and on
behalf of the Government of the
said State in the presence of—

W. FORGAN SMITH

G. W. WATSON