**HIDE AND LEATHER INDUSTRIES ACT SUSPENSION BILL 1954**

**House of Assembly, 30 November 1954, page 1582**

Second reading

**Introduced by the Hon. A. W. CHRISTIAN** and read a first time.

Second reading.

The Hon. A. W. CHRISTIAN (Minister of Agriculture)—I move—

*That this Bill be now read a second time.*

It suspends the provisions of the Hide and Leather Industries Act, 1948, under which the Commonwealth-wide marketing scheme for hides has been conducted in recent years. The control of hides began and was carried on during the war under National Security Regulations. It depended partly on price control by the Commonwealth and when in 1948 the Commonwealth ceased to control prices the scheme was continued under joint legislation passed by the Commonwealth and all the States.

The basis of the scheme was that all hides produced in Australia became the property of the Hides and Leather Industries Board appointed by the Commonwealth. The board supplied the Australian home market with hides at the relatively low prices fixed by the price fixing authorities and the surplus hides were exported and sold at overseas prices. The total returns from all the sales were pooled. The Australian consumer of hides obtained his requirements at a low price compared with the overseas price. But as very substantial quantities of hides and leather goods were exported and sold at high prices the total returns from the pool were for a long time very satisfactory. However, the position has now changed. In 1951 the export price of heavy hides returned 10d. a pound while the equivalent, local price at that time was 7d. a pound. Since then the overseas price has been steadily reduced and the Australian price was increased by 50 per cent in 1952. By August last the difference between the Australian and overseas prices of cattle hides was only a few pence a pound, although there was still some appreciable difference between the overseas and local prices of yearling and calf skins. At this stage the

board after paying its own cost was barely able to return to the producers the local fixes price; and if the overseas price had continued to fall the board would have required financial assistance from the Commonwealth if the scheme was to continue. The Commonwealth refused to consider any such proposition.

Another reason why the scheme has been brought to an end is that an action challenging its legality has been brought in the High Court. Doubts about the validity of the scheme encouraged private trafficking in hide on a large scale and prevented the board from functioning satisfactorily. For these reasons the Commonwealth refused to continue the scheme after August last except for the purpose of winding it up. The Commonwealth Parliament has passed legislation which will eventually result in the operations of the board being entirely discontinued. In these circumstances there is no virtue in keeping in force State legislation enabling the board to acquire any more hides in South Australia. The Bill therefore provides that all those sections of the Act which confer on the board power to acquire any further hides will be deemed to have been suspended on August 16, 1954 When the board has finally wound up its business, it will be desirable to repeal the whole Act.

Mr. JENNINGS secured the of the debate.