

The related taxing measures are :—The Apple and Pear Tax Act 1938 and the Apple and Pear Tax Assessment Act 1938.

8. **Wheat Industry Assistance Act 1938.**—This legislation, which came into operation in December, 1938, supplements legislation of a uniform type passed by all the State Parliaments, and is designed to enable the operation of a home consumption price scheme for the wheat industry on an Australian basis.

The legislation is based on a home consumption price of 5s. 2d. a bushel, free on rail, Williamstown, equivalent to 4s. 8d. at country sidings. When the price of wheat falls below that level the returns of growers will be supplemented by payments from a fund established from the proceeds of a flour tax which varies inversely with the price of wheat. When the export price rises above that level provision is made for a tax on wheat sold, the proceeds of which are to be applied to ensure that the cost of wheat grieved for home consumption shall not exceed 5s. 2d. per bushel.

Out of the general fund a sum not exceeding £500,000 per year will be reserved during the first five years for special purposes including the transfer of producers growing wheat on marginal lands to other areas where they will be able to engage in mixed farming or to enable them to increase the size of their holdings to make wheat-growing worth while.

A Wheat Stabilization Advisory Committee has been established to determine the appropriate times for a variation in the rate of tax which will be fixed on the basis of a rigid formula.

The State legislation undertakes to ensure that prices charged to consumers are reasonable and the Commonwealth legislation contains provision that no State shall be entitled to receive payments where that undertaking is not carried out.

With the acquisition of wheat by the Commonwealth Government after the outbreak of war and the payment direct to them by the Wheat Board, the provision for payment of flour tax to growers was varied by the Wheat Industry (War-time Control) Act, 1939. Flour tax proceeds under this Act are paid into the Commonwealth Bank for repayment of advances made and in this way are incorporated with the receipts of the wheat pools.

9. **Export Guarantee Act.**—For a considerable time this Act has not been invoked directly to provide for assistance in the marketing of primary products. The Dried Fruits Advances Act, disbursements under which were made for the appropriation pursuant to the Export Guarantee Act, has ceased to operate. The Board of Trade, which was formed to advise and recommend on expenditure proposed under the Act, has not functioned for some years. The only recent expenditure under the Act has been in respect of special oversea trade publicity, but since 1st July, 1934, expenditure under that heading has been made the subject of a separate appropriation. The total assistance granted under the Act during its period of operation amounted to £670,574 which included substantial payments on account of both the Dried Fruits Advances Act and oversea trade publicity. Although the Export Guarantee Act has not been repealed, it is not proposed that any further payments shall be made under it.

§ 15. War-time Marketing of Primary Products.

1. **General.**—Prior to the outbreak of the 1939–45 War an understanding had been reached by the Governments of the United Kingdom and the Commonwealth which enabled exports from Australia to proceed normally even before any contracts for the sale of commodities had been concluded.

On the outbreak of hostilities, the existence of Statutory Boards for the meat, dairy produce and fruit industries facilitated war-time organization. The experience already gained in marketing control enabled the Commonwealth Government to proceed quickly with the formation of committees and/or boards in those industries where Statutory Boards or organizations had not been established previously, namely, the Central Wool

Committee, the Australian Wheat Board, the Australian Barley Board, the Apple and Pear Marketing Committee, the Australian Hide and Leather Industries Board, the Shipping Control Board, and a Committee to supervise the export of eggs.

In addition to the organizations established in respect of these commodities, a Shipping Control Board was set up to control coastal shipping should the need arise for close supervision and control of cargo movements in interstate trade. At a later stage, a Shipping Committee was established to control and supervise oversea shipping to and from Australia in conjunction with the Ministry of Shipping in the United Kingdom. For details of war-time control of shipping see p. 121, § 7, Chapter V.—Transport and Communication.

Prior to the outbreak of war, a survey was made of refrigerated and cold storage space in Australia. Thus the handling of refrigerated produce up to the time of shipment was not only facilitated, but the survey was also of material assistance in connexion with the arrangements made subsequently for the transport of commodities to the United Kingdom.

2. Wool.—The Government of the United Kingdom arranged with the Commonwealth Government to acquire the Australian wool clip for the duration of the war and one full wool season after the cessation of hostilities.

The arrangement embraced all wool, wool tops, noils and waste, not required for use by Australian manufacturers.

The principal conditions of the arrangement were :—

- (i) The United Kingdom Government to pay 10½d. (Stg.) equivalent to 13.4375d. (Aust.) per lb. flat rate price for the wool in store at the oversea port of shipment.
- (ii) The United Kingdom Government to pay up to ¾d. (Stg.) equivalent to ¾d. (Aust.) per lb. to cover all costs from store at port of oversea shipment to ship.
- (iii) The United Kingdom Government to pay to the Commonwealth Government 50 per cent. of the profits derived from wool sold for use outside the United Kingdom, such sales to be at the order and disposition of the United Kingdom Government.
- (iv) In May of each year the arrangement to be subject to review at the instance of either Government.

In May, 1942, the flat rate price payable by the United Kingdom Government was reviewed at the instance of the Commonwealth Government. The United Kingdom Government agreed to an increase of 15 per cent. in the flat rate price, thus bringing such price to 15.453125d. (Aust.) per lb.

In Australia the scheme was administered by the Central Wool Committee (with subordinate State Committees) which controlled the receipt of the wool into store, its appraisal and shipment overseas. The Central Wool Committee cabled to the United Kingdom Government the appraised value of the wool comprised in each round of appraisements and the United Kingdom Government made the necessary funds available to the Committee. These were paid to the respective growers within fourteen days of appraisal, less a percentage retained by the Central Wool Committee to enable each grower's return to be adjusted in conformity with the flat rate price paid by the United Kingdom Government. During the first season (1939-40) of operation of the scheme the amount so retained was 10 per cent. but for the 1940-41 and subsequent clips up to and including the 1943-44 clip only 5 per cent. was retained. For the season 1944-45 it was not considered necessary to retain any amount.

During the 1939-40 season the issue price of wool for Australian manufacturers was the "appraised price". From 1st July, 1940 (1940-41 season) the issue price was fixed by the Central Wool Committee at the "appraised price", plus cost of delivery plus 7½ per cent., and for the 1941-42 season the surcharge of 7½ per cent. was increased to 15 per cent.

From 1st July, 1942 onward the price to manufacturers was fixed by the Central Wool Committee according to a determination notified to it by the Commonwealth Prices Commissioner, who determined that the surcharge should be 10 per cent.

Reference to the scheme for the disposal, concurrently with future clips, of stocks of Dominion-grown wool which have accumulated during the 1939-45 War will be found in § 5 (8) of Chapter XIX. "Pastoral Production".

3. *Meat.*—From 1st October, 1939 to 30th September, 1940, the United Kingdom Government agreed to purchase f.o.b. 240,000 tons of beef, mutton, lamb, veal and pork, and to use its best endeavours to lift any additional quantities available for export. The contract embodied a long range of prices for various cuts, pieces and offals. The returns to Australian producers were satisfactory and were higher than those received during the previous season. Under the contract 90 per cent. was paid on shipment and 10 per cent. within 28 days of arrival, or in the case of a steamer being lost, the estimated due date of arrival.

The contract was renewed for the year 1st October, 1940 to 30th September, 1941, and covered beef, veal, mutton, lamb, porker pork and offals and baconer pork. Under this contract certain classes of meat were not accepted and there were slight variations in some prices.

Arrangements were made with the United Kingdom Government for the disposal of a larger proportion of Australia's meat surplus in the form of canned meats. Although this resulted in producers receiving lower prices for their total marketed product, it was possible to maintain the stability of the industry in the face of a drastic reduction in the amount of refrigerated shipping space available.

During 1942, mainly owing to shipping difficulties, there was considerable doubt whether the United Kingdom could lift all meat available, but early in 1943 the shipping position became easier, and the United Kingdom asked for as much meat as Australia could supply. However, owing to the greatly increased demands for meat for the Australian and Allied Services, which became apparent early in 1943, the "surplus" available for export was less than during pre-war years despite efforts to increase production and the increased production which resulted.

During the later months of 1943, the Commonwealth Government took steps to restrict the quantity of meat available to civilians in an endeavour to increase the quantity of meat available for export. When this action was taken, it became necessary for the Commonwealth Government to purchase mutton for export at prices more closely related to local prices.

In January, 1944, in order to ensure an equitable distribution of available supplies to civilians, coupon rationing of meat was introduced.

The United Kingdom Government was prepared to take all suitable meat which could be shipped during 1944. Owing to the heavy demands for meat for the defence forces based in Australia, the export programme for 1944, despite a high level of production and civilian meat rationing was, however, still lower than during the immediate pre-war years.

As in 1943, the programme for export to the United Kingdom during 1944 covered frozen and canned meats, dehydrated mutton and offals, the greatest demand being for frozen meat.

An agreement was completed between the Government of the United Kingdom and the Commonwealth Government for the long-term purchase of the exportable surplus of Australian meat for the period 1st October, 1944 to the 30th September, 1948.

The agreement covers all classes of meats, including sundries in the fresh, frozen, and canned forms, for the currency of the agreement with the exception of pigmeats, quantities of which were determined only until the expiry of the second year of the contract, namely 30th September, 1946. Quantities for this particular class of meat for the two succeeding years of the contract will be arranged by negotiation between the two Governments.

Prices were determined for all classes and cuts of meat for the first two years of the contract which provided that they could be reviewed at the instigation of either Government before the 30th September, 1946, in respect of each of the two final years of the agreement.

The Government of the United Kingdom agreed to reimburse the Commonwealth Government the cost of storage and interest incurred in connexion with the purchase and storage of such meat after it had been in store 28 days.

The arrangement also provides for ample opportunity to be given to the meat industry of Australia to re-engage in the chilled beef trade with the United Kingdom when the shipping position makes that possible.

A further interesting feature is that the Government of the United Kingdom will consult with the Commonwealth Government regarding the steps necessary to ensure a mutually agreeable distribution of Australian meat in the United Kingdom, and also, when the present scheme of control is withdrawn or modified, will confer with the Commonwealth Government as to the ways and means of securing an orderly resumption of private trading.

The prices determined under the long term purchase arrangement operated until 30th September, 1946, and approximated those which were being paid by the Commonwealth Government under its Meat Purchase Plan. As from 1st October, 1946, rises in prices operated for the new contract year. These rises have been passed on to the producers.

4. Butter.—At the outbreak of war in September, 1939, a contract was arranged between the Governments of the Commonwealth and the United Kingdom whereby the latter undertook to purchase Australia's surplus butter and cheese. The following table indicates the periods covered, target figures, actual exports, and prices per cwt. f.o.b. Australian currency for the various grades of butter, including whey butter.

The conditions of sale provided for payment of 90 per cent. on shipment, and the balance 28 days after arrival or due date of arrival.

For the year 1941-42, second, pastry and all whey butters were excluded; moreover the butter target was reduced to 57,000 tons to permit of diversion to cheese production at the request of the United Kingdom Government.

Prices were increased as from 1st July, 1942, by amounts shown in the table. Also second grade butter was re-included, and the Ministry sought 10,000 tons of dry butterfat at the following prices per cwt. f.o.b. Australian currency:—Grade 1, 195s. 7½d.; Grade 2, 181s. 3d. Actually 2,203 tons of dry butterfat were exported during that period.

Pastry and whey butters were re-included as from 1st July, 1943.

While the 1943-44 prices were the same as those applying for 1942-43, the United Kingdom Government agreed additionally to reimburse the Commonwealth Government to the extent of subsidy paid on butter and cheese exported on Ministry account during the year ended 31st March, 1944.

Early in 1945 an agreement was completed between the United Kingdom and Australian Governments covering the sale to the former of Australia's surplus butter and cheese for the four years from 1st July, 1944. The prices fixed for butter are those shown for 1944-45 in the following table. These prices applied up to 30th June, 1946, and shall also apply up to 30th June, 1948 unless either Government shall require reconsideration of such prices and conditions on substantial grounds prior to 1st May preceding the commencement of the season to which the prices shall apply.

The United Kingdom will undertake responsibility for storage costs if unable to provide ships to lift butter and cheese from store after 90 days and will make advances against stored stock in this event.

The usual provisions relative to quality, packing etc. will continue to obtain but in regard to payment the United Kingdom will pay 97½ per cent. of the value on shipment and a further 2½ per cent. 60 days after the date of the last bill of lading in respect of butter and cheese carried by the vessel.

BUTTER.

Period.	Target.	Actual.	Prices per cwt. f.o.b. Australian Currency.													
			Tons.	Tons.	Choice.	1st.	2nd.	Pastry.	Whey, 1st.	Whey, 2nd.	Whey Pastry.					
					s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.					
20th November, 1939 to 30th June, 1940	75,000	66,882	} 137 2½	135 7½	131 1½	127 6	127 6	122 6	117 6							
1940-41	100,000	77,683														
1941-42	57,000	46,862														
1942-43	70,000	49,319								142 9½	141 3	136 9½	127 6	127 6	122 6	117 6
1943-44	55,000	41,717								142 9½	141 3	136 9½	133 1½	133 1½	128 1½	123 1½
1944-45	..	36,832								184 8½	183 1½	178 7½	175 0	175 0	170 0	165 0

(a) The United Kingdom Government asked for minimum of 55,000 tons. Australia indicated that it could supply maximum of 45,000 tons only.

The Dairy Produce Control Committee was appointed to manage the contracts for butter and cheese. The Committee works in close collaboration with the Australian Dairy Produce Board and the Commonwealth Dairy Produce Equalization Committee, Ltd., and has associated with it the State Advisory Committees.

Arrangements were made by the Committee for advances to be made in respect of butter and cheese held for shipment against the contracts and also for the insurance against war risk during such storage.

Early in 1941 the question of the adequacy of cold storage accommodation arose, and the Committee arranged for the provision of emergency cold stores at selected points, the cost being borne by the Government and the industry in equal shares.

5. **Cheese.**—The following table indicates the periods covered, target figures and prices per cwt. f.o.b. Australian currency for the various grades. Conditions for payment were on the same terms as for butter.

For the year 1941-42, the United Kingdom sought diversion from butter to cheese production, and undertook to purchase maximum quantities, with a minimum of 40,000 tons, at increased prices. Prices were increased further for the year 1942-43.

As in the case of butter the United Kingdom Government agreed to reimburse the Commonwealth Government for subsidy paid on cheese exports since 1st April, 1943.

The agreement referred to in the preceding paragraph relates to cheese also. The prices fixed are those shown for 1944-45 in the following table, which applied up to 30th June, 1946, and also for a further two years unless either Government shall require reconsideration of such prices and conditions on substantial grounds prior to 1st May preceding the commencement of the season to which the prices shall apply.

Conditions respecting payment and storage costs mentioned in the preceding paragraph apply also to cheese.

CHEESE.

Period.	Target.	Prices per cwt. f.o.b. Australian Currency.		
		Choicest, 1st.	2nd.	3rd.
		s. d.	s. d.	s. d.
20th November, 1939 to 30th June, 1940	Tons.			
1940-41	13,000	} 76 6½	74 0½	71 6½
1941-42	20,000			
1942-43	40,000	83 9	81 3	78 9
1943-44	10,000	} 87 6	85 0	82 6
1944-45	10,000			
1944-45	..	107 6	105 0	102 6

Although provision was made in the several contracts for the supply and purchase of stated quantities of cheese, the quantities shipped were less than stipulated. Service demands in India, Egypt and elsewhere accounted for the greater part of exports. There was also considerable increase in consumption in Australia, due, no doubt, to the rationing of butter.

The arrangements in relation to cheese were controlled by the Dairy Produce Control Committee (see par. 4 above).

When the United Kingdom authorities in 1941 desired greatly increased supplies of cheese, the Committee took action to convert butter-making establishments to cheese-making, the financial burden being distributed over the industry.

6. Eggs.—During the 1939-45 War contracts were negotiated between the Governments of the United Kingdom and Australia for the purchase of Australia's surplus eggs either in the shell or, when refrigerated space was not available, in powdered form. Following the outbreak of war in the Pacific in December, 1941, the Australian demand for eggs in shell and in powdered form exceeded production and consequently later contracts were less effective in meeting the requirements of the United Kingdom.

In August, 1944, the United Kingdom Government agreed to purchase Australia's exportable surplus of eggs in shell up to the end of the 1945-46 season, and in respect of the 1946-47 season a quantity not exceeding one million cases (each 30 dozen) of eggs in shell, or equivalent dried egg powder. Towards the end of 1945 the United Kingdom Government agreed to eliminate the ceiling quantity of one million cases of eggs stipulated for 1946-47 and accept whatever quantity could be shipped as eggs in shell in that season.

The contract price in Australian currency, f.o.b. Australian ports, is 1s. 8d. per dozen, based upon a pack of 15 lb. per long hundred (ten dozens), with proportionate adjustment according to weight for 13½ and 17 lb. packs.

The United Kingdom Government made further contracts to purchase Australian egg pulp in the 1945-46 season, these contracts aggregating 14,000,000 lb. of pulp, the price being 1s. 5d. Australian currency per lb., f.o.b. Australian ports.

7. Sugar.—Arrangements were made by the Queensland Government for the sale to the British Ministry of Food of up to 100,000 tons of surplus production of raw sugar out of the 1943 and 1944 crops and 200,000 tons out of the 1945 crop. The prices fixed were £Stg. 14 5s. per ton for the 1943 crop, £Stg. 15 5s. for the 1944 crop, £Stg. 17 5s. for the 1945, and £Stg. 19 10s. for the 1946 crop c.i.f. United Kingdom ports, basis 96 degrees polarization. This price includes the existing British tariff preference of £3 15s. on Dominion sugar. It was arranged that shipments of sugar would be made to Empire and Allied consuming countries (including New Zealand and Canada) in accordance with the requirements of the Ministry of Food, as and when sugar and suitable freight were available.

8. Apples and Pears.—To meet the emergency conditions created in the apple and pear industry by the curtailment of exports following the outbreak of war, the Commonwealth Government promulgated the National Security (Apple and Pear Acquisition) Regulations to provide for the acquisition and orderly marketing of the Australian crop.

The Australian Apple and Pear Marketing Board was set up to administer the acquisition and marketing arrangements with the assistance of State Committees.

Under the scheme growers received guaranteed advances in accordance with varieties and grades in respect of all fruit acquired.

During the 1940, 1941 and 1942 seasons the acquisition applied to all States but for the 1943, 1944 and 1945 seasons the scheme operated in respect of the crops grown in Tasmania and Western Australia only.

The complete cessation of fresh fruit exports to the United Kingdom after 1940 placed the industry in a difficult position, but stability was maintained as a result of the emergency marketing arrangements.

In 1945, exports to the United Kingdom were resumed on a small scale as the result of a purchase by the British Ministry of Food of a limited quantity of Australian apples.

9. **Canned Fruits.**—The exportable surplus from the 1940 pack was subject to an arrangement between the Commonwealth and United Kingdom Governments under which the British Ministry of Food agreed to purchase canned apricots, peaches, and pears at prices fixed on an f.o.b. basis, Australian ports.

In 1941, further purchases were made by the British Ministry of Food for shipment to destinations other than the United Kingdom.

From 1942 onwards, the requirements of the Defence Services and other Governmental orders expanded rapidly and necessitated official control of disposals to ensure that these priority demands were fully met. Commercial shipments of canned fruits virtually ceased and the quantities available for civilian consumption were considerably below normal requirements. Approximately 70 per cent. of the 1945 pack was allocated to meet service and other Governmental demands.

10. **Dried Vine Fruits.**—During the six seasons from 1940 to 1945, annual contracts were entered into with the Government of the United Kingdom covering such quantities of currants, sultanas and lexias as were available each season for export to the United Kingdom. In the first two seasons prices were determined for fruit delivered into warehouse at United Kingdom ports. Subsequent purchases, however, were fixed on an f.o.b. basis, Australian ports.

From 1943 the disposal of the Australian crop as between service and civilian demands both in Australia and overseas, was subject to the allocations as determined by the Combined Food Board at Washington.

Exports to Canada were also the subject of inter-Governmental arrangements covering the quantity allocated for that destination each season.

11. **Wheat and Flour.**—The Australian Wheat Board was established at the outbreak of war to control the handling and marketing of wheat. The price of wheat for local requirements is determined by the Board. Free movement of wheat within Australia has been stopped and deliveries of wheat must be made to licensed receivers who are the receiving and distributing agents of the Board and by whom sales are made to the usual retailers. The Board has an Australian Selling Committee in London which negotiates sales of wheat and flour in the United Kingdom, and other markets.

The Commonwealth acquired 1938-39 crop wheat still in Australia, and has acquired each subsequent crop. A Pool is created for each season, and payments are made to growers.

In 1940, a Wheat Industry Stabilization Plan was introduced under which wheat farms were registered, and growers licensed. For further details see Chapter XX. § 4 (2) Wheat.

12. **Barley.**—Following the outbreak of war in 1939, the Australian Barley Board, representative of the industry, was formed, and the Commonwealth Government acceded to its request to acquire the entire 1939-40 barley crop, which was placed under the control of the Board. A pool was established from which proceeds were distributed with appropriate margins for different grades of barley.

The Board is responsible for the marketing and storage of barley, and, like the Australian Wheat Board, has appointed its licensed receivers in all States to receive grain on its behalf and to act as agents for all local and oversea sales.

The Commonwealth decided not to acquire barley in the smaller producing States after 1941-42, but control was kept by the Board in South Australia and Victoria. Western Australia and Queensland then established State Barley Boards to control marketing in these States.

For further details of the operations of this Board see Chapter XX. § 7 (2) Barley.

13. **Potatoes.**—The Australian Potato Committee was set up under National Security (Potatoes) Regulations on 27th April, 1942, to ensure that adequate supplies of potatoes would be available in Australia to meet the needs of the Defence Forces and the civilian population during the war.

Planted acreages have been as follows :—

1940-41	Uncontrolled	122,990 acres
1941-42	"	"	"	"	99,324 "
1942-43	} Controlled by Australian Potato Committee	}	}	}	140,209 "
1943-44					192,075 "
1944-45					241,803 "

War-time control covered production of quantities needed for all purposes, the regulation of marketing and distribution to meet service and civilian needs, and the spreading of supplies over the season.

A guaranteed minimum price was assured for the first season, any excess of market return above the minimum going to growers. For later seasons there was a fixed contract price, allowing supplies to be directed according to needs rather than market prices.

Production was arranged through State Departments of Agriculture, which supervised controls of grading. Distribution was arranged through trade channels, which marketed the Commonwealth owned potatoes.

The Committee worked through an Executive Member, with State Deputies, assisted by Advisory Committees of State officers, growers and merchants.

Supplies from growers were controlled by delivery quotas to regulate the flow on to the market. Quotas for merchants to market applied when supplies were scarce.

The retail price was subsidized under the Price Stabilization policy, and was less than the growers' contract price.

The system gave favourable conditions for growers, and their organizations are moving for stabilization of the industry on similar lines in the post-war period.

14. **Hides and Leather.**—Late in 1939 it became necessary to introduce a scheme for the control of the marketing of hides and leather and suitable action was taken by Regulations under the National Security Act. The Australian Hide and Leather Industries Board was appointed to administer the scheme.

All cattle hides and yearling and calf skins were to be submitted for appraisalment in accordance with a Table of Limits prepared by the Board. On appraisalment they were acquired by the Board acting on behalf of the Commonwealth and thereupon became the property of the Commonwealth. The owners of the hides and skins immediately prior to acquisition received compensation at varying rates determined by the Minister from time to time. Hides and skins acquired by the Board are sold on behalf of the Commonwealth. Tanners' purchases of hides are regulated and exports of hides, skins and leather are controlled.

When the scheme commenced, hide export prices were much higher than the domestic appraised prices. About the middle of 1940, however, the oversea market for hides and skins collapsed. The scheme stood the strain of the reversed position. Appraisalment continued as before, the rates of compensation to hide owners were reduced by 25 per cent. for a time and the fund already built up by the Board acted as a cushion for the change-over period.

The export price position later improved and continued to improve to such an extent that, about the end of 1941, the healthy position of the Board's funds enabled compensation to be paid to the original owners of hides at the rate of 110 per cent. of the appraised prices. The rate of compensation has since varied from time to time according to the state of the Board's finances. The exceptionally heavy demand for hides for the production of leather necessary to manufacture large quantities of military boots resulted in a war-time demand by Australian tanners for hides, which exceeded Australian hide production. A special arrangement was entered into with the New Zealand Government for the purchase of New Zealand hides, and additional quantities were sought from other sources of supply. The exportation from Australia of sole leather suitable for the production of military boots has been prohibited for some years. The future of the control scheme is under consideration, which will have regard to the interests of all sections of the hide and leather industries.

15. **Rabbit Skins, and Hats.**—A marketing control scheme for rabbit skins was introduced under the National Security (Rabbit Skins) Regulations on 10th June, 1940. After the outbreak of war, rabbit skin prices rose sharply owing to the keen demand from overseas. In order that the prices of military and civilian hats in Australia might be kept at reasonable levels and that sufficient skins should be available to Australian hat manufacturers at prices which would enable them to produce hats at those price levels, a scheme of marketing control became necessary.

The Australian Rabbit Skins Board was appointed to administer the scheme. The basis of the scheme is the payment to hat manufacturers of compensation equivalent to the difference between appraised prices in a Table of Limits prepared by the Board, which are based on a Commonwealth Prices Commission determination, and ruling open market prices.

Funds for the payment of such compensation are provided by collections from a levy imposed on the export of rabbit skins under the Rabbit Skins Export Charges Act 1940. Since 1941 rabbit-skin prices have been extraordinarily high. The rate of export levy has fluctuated on a number of occasions according to the state of the Board's finances. In some periods the levy was entirely suspended, whilst the highest rate it has reached was 18d. per lb. The imposition of the levy was suspended in October, 1944, and during this period the Board operated on reserve funds. It was renewed in July, 1946, but in January, 1947, approval was given for its suspension for a period of three months. In order that compensation payments should be kept as low as possible, the quantities of rabbit skins which hat manufacturers may buy at appraised prices are closely regulated. Investigations into the operations of all Australian hat manufacturing establishments have enabled the Board to do this, although the position was complicated by the heavy demand for military fur felt hats. The future of the scheme in the post-war period is under consideration.

16. **Sheepskins.**—In April 1940, the United Kingdom Government agreed with the Commonwealth Government to acquire the "exportable surplus" of woolled sheepskins in Australia.

The "exportable surplus" is determined by competition at auction between Australian fellmongers and export packers licensed in terms of their pre-war trade in such product.

The price of the woolled skins is fixed by appraisalment under the Sheepskin Table of Limits, which takes into account the following factors:—

- (a) The wool content—the value of which is fixed in relation to the "scoured skin wool" section of the Wool Table of Limits;
- (b) the value of the pelt—which is reviewed quarterly; and
- (c) the cost of fellmongering the skins.

17. **Tobacco.**—The Australian Tobacco Board was constituted under National Security (Australian Tobacco Leaf) Regulations, promulgated on 9th May, 1941, for the purpose of facilitating and regulating the marketing of Australian-grown tobacco leaf. The Board consists of a Commonwealth Government representative as Chairman, five members representing the growers, two members representing tobacco manufacturers, and two members representing the brokers engaged in selling local leaf.

All Australian produced tobacco leaf must be submitted to the Board for appraisalment in accordance with the regulations. An Appraisal Committee, consisting of a broker's appraiser acting on behalf of the growers and a manufacturer's appraiser, together with a Government arbiter, determines the grade and value of the leaf in accordance with an approved table of limits. Appraisements are carried out each season at Brisbane, Melbourne and Perth.

§ 16. The National Safety Council of Australia.

The National Safety Council of Australia was founded in Melbourne in 1927 for the purpose of developing, mainly by means of education, safety on the road, at work and in the home, and its activities have developed in other directions wherever the