

SUGAR AGREEMENT.

No. 21 of 1940.

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 29th May, 1940.]

[Date of commencement, 26th June, 1940.]

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

1. This Act may be cited as the *Sugar Agreement Act 1940*.

Short title.

2.—(1.) Section four of the *Sugar Agreement Act 1935* is repealed as on and from the date of commencement of this Act.

Repeal.

(2.) So much of the *Sugar Agreement Act 1935* as is not repealed by the last preceding sub-section is repealed as on and from the first day of September, One thousand nine hundred and forty-one.

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.

Approval of agreement.

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

Prohibition of importation of sugar.

(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 1901-1936*, and the provisions of that Act relating to prohibited imports shall apply to any sugar so imported into the Commonwealth.

THE SCHEDULE.

SUGAR AGREEMENT, 1941-1946

Section 8.

AGREEMENT made this Eighteenth day of April One thousand nine hundred and forty BETWEEN THE RIGHT HONORABLE ROBERT GORDON MENZIES 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 FRANK ARTHUR COOPER Treasurer of the State of Queensland and herein acting for and on behalf of and with intent to bind the Government of the

THE SCHEDULE—continued.

State of Queensland (hereinafter referred to as the Queensland 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 :

- Commencement.** 1. (a) THAT this Agreement shall have no force or effect unless and until it is approved by the Parliament of the Commonwealth.
- (b) THAT subject to sub-clause (a) of this clause this Agreement (except sub-clause (b) of Clause 5 thereof) shall come into operation on the first day of September One thousand nine hundred and forty-one and sub-clause (b) of Clause 5 of this Agreement shall come into operation on the first day of September One thousand nine hundred and forty.
- Completion of Sugar Agreement 1936-1941.** 2. (a) THAT upon this Agreement (except sub-clause (b) of Clause 5 thereof) coming into operation the persons composing the Fruit Industry Sugar Concession Committee appointed under Clause 7 of the Sugar Agreement 1936-1941 being the agreement of which a copy is set out in the Schedule to the *Sugar Agreement Act* 1935 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 1936-1941.
- (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 1936-1941.
- Acquisition of raw sugar.** 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 1941-1942, 1942-1943, 1943-1944, 1944-1945 and 1945-1946, 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 consumption in his mill district.
- Purchase 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 1941-1942, 1942-1943, 1943-1944, 1944-1945 and 1945-1946.
- Prices of sugar.** 5. (a) THAT the Queensland Government shall during the period commencing on the first day of September One thousand nine hundred and forty-one and ending on the thirty-first day of August One thousand nine hundred and forty-six (in this Agreement referred to as the "agreed period")—
- (i) make sugar and other sugar products the product of the raw sugar manufactured during the seasons of 1941-1942, 1942-1943, 1943-1944, 1944-1945 and 1945-1946, available for sale and delivery in Sydney, Melbourne, Brisbane, Adelaide, Perth, Fremantle, Hobart and Launceston respectively; and
- (ii) make such sugar and other sugar products available to purchasers at Darwin on a c.i.f. basis ex Sydney or Brisbane less an allowance equivalent to the sum of the following amounts, namely, the amount of the cost of landing such sugar and other sugar products at a Darwin wharf and the amount of the lowest possible cost of conveying them to the Commonwealth Railway Provision Store at Darwin or to any other place of equal distance by rail or road from the Darwin wharf, whichever cost of conveyance is the less;
- 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—
- 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.

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 to manufacturers for definite orders at reasonable notice for
net cash .. £29.8.0 per ton.

Price to other purchasers for not less than half-ton lots for definite
orders at reasonable notice for net cash .. £30.0.0 per ton.

(b) WHOLESALE DISCOUNT :

Wholesale
discount.

The prices for all the above products other than mill-white sugar and
first quality mill sugar (except the prices to manufacturers) shall
on and after the first day of September One thousand nine hundred
and forty be subject to a discount of two per centum payable
monthly to any person firm or corporation who or which in the
opinion of the Queensland Sugar Board—

- (i) provides reasonable credit facilities for retailers on a compre-
hensive range of groceries ;
- (ii) keeps reasonable stocks of such groceries for resale to
retailers ; and
- (iii) buys not less than £1,500 worth per calendar month of sugar
and other sugar products as aforesaid.

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—

Mill-white
sugar supplies.

- (a) 5,000 tons during the season of 1941-1942 ; and
- (b) such quantity during each of the seasons of 1942-1943, 1943-1944, 1944-1945
and 1945-1946, 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.

7. THAT the Queensland Government on behalf of the Australian cane-sugar
industry shall during the agreed period assist the Australian manufactured fruits
industry by creating a fund by an annual contribution of Two hundred and sixteen
thousand pounds payable in equal monthly instalments to the Fruit Industry Sugar
Concession Committee (hereinafter referred to as the "Committee"), and the
Committee shall be responsible for the due application of the said fund in the manner
and subject to the conditions specified in this clause, that is to say :—

Concessions to
manufactured
fruits industry.

- (a) the Committee shall defray out of the said fund its administrative expenses,
including members' fees, staff salaries, travelling allowances and expenses
of its members and staff, and its costs of office rent, printing, office
requisites, investigation work and other expenses ;
- (b) the Committee shall, subject to paragraph (c) of this clause, and in such
manner and subject to such other conditions as it thinks fit, pay to
manufacturers who pay for Australian fresh fruit purchased and used in
fruit products manufactured in the Commonwealth of Australia during
the agreed period not less than 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 during the agreed period in such fruit
products ;
- (c) the rebate referred to in paragraph (b) of this clause shall be paid only in
respect of the Australian refined cane-sugar used by the manufacturers
in completely-processed fruit products which, in the opinion of the
Committee, have been made entirely with Australian materials where
available and are substantially composed of Australian fruit, fruit pulp,
fruit juices, or pure fruit essences ;
- (d) the Committee shall, in respect of the Australian refined cane-sugar contents
of fruit products manufactured from Australian fruit and 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 determined from time to time by the Export Sugar Committee
in accordance with Clauses 13 to 17 (both inclusive) of this Agreement ;

PROVIDED that the Committee shall not be liable to pay such rebate
unless a claim therefor by the exporter is lodged with the Collector of
Customs in the State of export within six months after the date on which
the manufactured fruit products have been exported ;

THE SCHEDULE—continued.

- (e) the Committee may, in such manner and subject to such conditions as it thinks fit, apply such moneys as may remain in the said fund after payments have been made in accordance with paragraphs (a) to (d) of this clause for—
- (i) the promotion of the use and sale of Australian manufactured fruit products in the Commonwealth of Australia or overseas ; or
 - (ii) scientific or industrial research for the purpose of increasing the yield per acre of Australian fresh marketable fruits required for Australian manufactured fruit products ;
- (f) the Committee may from time to time invest any moneys not required for the time being for any payments under this clause in securities of, or guaranteed by, the Government of the Commonwealth of Australia or of a State or may lodge such moneys on fixed deposit with the Commonwealth Bank of Australia and the interest derived from such investments shall form part of the said fund ;
- (g) 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 canning fruits ;
 - The growers of non-canning fruits ;
 - The co-operative and State manufacturers of fruit products ; and
 - The proprietary manufacturers of fruit products ;
- and the representatives of the Commonwealth Government and the Queensland Sugar Board shall be Chairman and Deputy Chairman respectively 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 ;
- (h) 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 Deputy Chairman, or in the absence of both, the person appointed by the Committee to act as Chairman, may exercise a casting vote as well as a deliberative vote ;
- (i) the Chairman of the Committee shall, in respect of each year ending on the thirty-first day of August, and not later than the thirty-first day of the following October, furnish to the Minister for presentation to the Parliament of the Commonwealth of Australia, a report of the Committee's work including a statement of the Committee's receipts and expenditure under this Agreement certified by the Auditor-General of the Commonwealth.
8. THAT the Queensland Government shall in respect of the Australian cane-sugar contents of all manufactured goods (except Australian 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 determined from time to time by the Export Sugar Committee in accordance with Clauses 13 to 17 (both inclusive) of this Agreement.
- PROVIDED that the Queensland Government shall not be liable to pay such rebate unless a claim therefor by the exporter is lodged with the Collector of Customs in the State of export within six months after the date on which the manufactured goods have been exported.
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—
- (a) in relation to mill quotas and farm peaks ; and
 - (b) under the " Regulation of Sugar Cane Prices Acts 1915 to 1939 " in relation to the assignment of lands ;
- as is necessary effectively to control the total production of raw cane-sugar and for that purpose may amend those quotas, peaks or Acts, or adopt any other measure which it thinks fit.

Constitution of
Fruit Industry
Sugar
Concessions
Committee.

Annual report.

Export sugar
rebate on
other than
fruit products.

Loss on
exports of
surplus sugar.

Control of
production.

THE SCHEDULE—continued.

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.

Hobart sugar depot.

12. THAT the Commonwealth Government shall subject to compliance by the Queensland Government with Clauses 3 to 11 (both inclusive) of this Agreement continue to prohibit the importation of sugar until the thirty-first day of August One thousand nine hundred and forty-six except—

Prohibition of importation of sugar.

- (a) any foreign sugar that the Commonwealth Government may after consultation with the Queensland Government consider to be necessary to meet any shortage of sugar in Australia ;
- (b) any kind of foreign sugar of a quality not available in Australia that may be required for special manufacturing purposes ;
- (c) any foreign sugar that is temporarily landed in Australia for export to a destination outside Australia ;
- (d) small quantities of foreign sugar that may be required for scientific research or experimental purposes ; and
- (e) any Australian sugar that has been returned to Australia.

13. THAT the rebates referred to in paragraph (d) of Clause 7, and in Clause 8 of this Agreement shall be determined in respect of each month of the agreed period on the bases set forth in Clauses 16 and 17 of this Agreement by an Export Sugar Committee appointed by the Minister and composed of—

Export Sugar Committee.

- (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.

14. THAT the Export Sugar Committee may, in such manner and subject to such conditions as it thinks fit, grant to exporters of manufactured goods containing Australian cane-sugar options whereunder such exporters may elect to accept for periods not exceeding twelve months the rate of rebate declared by the Committee in respect of any month.

Sugar rebate options.

15. THAT the Export Sugar Committee shall prescribe the form in which claims for rebate may be made by exporters in respect of the Australian cane-sugar contents of any manufactured goods exported from Australia.

Sugar rebate claims.

16. 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.

Export parity for refined sugar.

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 FURTHER 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.

17. 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 the case may be), 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.

Export parity for mill-white and raw sugar.

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.

THE SCHEDULE—*continued*.

Determination
of wages and
conditions of
employment.

18. 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 rates of 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 rates of 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 Prime Minister of the Commonwealth of Australia and the Treasurer 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 ROBERT
GORDON MENZIES the Prime Minister of
the Commonwealth of Australia for and
on behalf of the Government of the said
Commonwealth in the presence of— } ROBERT G. MENZIES.
A. R. TOWNSEND.

SIGNED by THE HONORABLE FRANK ARTHUR
COOPER Treasurer of the State of Queens-
land for and on behalf of the Government
of the said State in the presence of— } FRANK A. COOPER.
G. W. WATSON.