

OF BREAD AND EGGS*Revised**11-5-84*

What with Mr. Hawke's assumption of the middle ground, his dollar float and brave talk about restructuring industry, lots are being said about the decline of socialism. Whatever its fate in the rest of Australia socialism is alive and well in Queensland. To prove it I have "A bill to provide for control of the marketing of bread in certain respects throughout the State and for other purposes" - short title Bread Act 1983 - and I have a paper by the chairman of the Central Queensland Egg Marketing Board, Mr. K.D. Small.

These days not even a member of Labor's mad left could defend either with a straight face and without ridicule but in Queensland's National Party circles they raise neither wrath nor laughter. Not that Mr. Small is so conspicuous among other States' egg producers themselves, who, though they would mostly object to socialisation of their farms, can appreciate the advantages of captive markets and high prices. *while getting egg producers under the present law* Ironically, only Mr. Wran's egg regulators seem to have instructions to introduce freer enterprise to egg marketing. This is very confusing for a simple soul who, when he made speeches about the evils of socialism, hoped his audience would leave the Labor Party in droves.

The ultimate socialist objective is said to be socialisation of the means of production, distribution and exchange, but no Labor government would be brave enough to introduce legislation such as the Queensland Bread Act 1983 or to again regulate an industry as completely as eggs. Times have changed and except in Queensland there is less faith in the efficacy of bureaucratic control of production, distribution and exchange. Neither in other less socialist States would big government risk treating consumers with such complete contempt.

Nothing I can say could be as eloquent as Mr. Small is himself: "Orderly marketing as it applies to the egg industry has been subject to virtual assault.....The central theme of the (6) reports was, that the current orderly marketing system had worked excessively to the benefit of producers and to the detriment of consumers. It was the level of protection afforded the egg industry was

excessive and that the orderly marketing system had led to artificially inflated prices for eggs.....", and quoting from the Bureau of Agricultural Economics, ".... the marketing system has been associated with significant social costs. The system also imposes a significant cost on consumers, and income transfers from consumers are increasingly being captured by a small number of producers with large flocks."

He then goes on to say, " To ignore the implied threats contained in this statement, with respect to egg prices, quotas and a general freeing up of the industry would be sheer folly.... the Australian Egg Marketing Council ... is responding in a manner that will give the present orderly marketing set up a fighting chance of survival, albeit in a different framework."

Some more of Mr. Small's pearls: "If the current marketing arrangements are to survive, producer, government and all those connected with the industry should cease paying lip service to Demand-Supply Management and bring the system into active operation no matter how difficult or unpopular this may be." and,

"In Queensland, the government is represented on the Egg Boards by a deputy for the Director of Marketing. All other Board Members are producers.... I have never felt there was a great deal of benefit to be gained by having consumer representation on the Boards." and,

" The days of producing for an export market are, as we all know, a thing of the past." and,

" Unfortunately Section 92 of the Australian Constitution prevents State Boards from co-operating completely to stamp out the interstate trader who is blatantly avoiding his responsibilities to Orderly Marketing....However, the minimization of distances eggs can travel without being regraded (legislation that some States have adopted) goes a long way towards destroying the profitability of the interstate trader."

I thank Mr. Small for being so very frank.

Queensland's Bread Bill is even worse. This time the Hon. N.J.Turner, Queensland's Primary Industry Minister, speaks for the protected vested interests. The following excerpts from his second reading speech explain the measure.

"The Bill.... is designed to provide the Bread Industry Committee with effective powers for the implementation and enforcement in the public interest of orderly marketing arrangements for bread. The charter of the committee will be to ensure the development of an orderly and efficient system of production, distribution and sale of bread." How very like the socialist touchstone - production, distribution and exchange. Mr. Turner too should be praised for frankness.

" It is now proposed that a zoning and franchise system be implemented to provide protection for country bakeries in those areas considered appropriate. The bill provides that the governor in council may, upon the recommendation of the Minister after the consideration by the committee, declare any part or parts of the State to be a zone. Once a zone is declared, only bakeries which hold a franchise for that zone will be allowed to sell bread in that zone.... It will be an offence for any person without a franchise for a particular zone to sell bread in that zone. The penalty for such offence will be a set penalty of \$5000 plus an extra \$200 for each day of the offence.... The Bill will also enable the Bread Industry Committee to enforce the code of trading practices.... to cover such matters as minimum wholesale prices, returns of bread, forms of inducement.... maximum discounts."

The Bread Act shows how personal liberty is tied to economic liberty.

The Minister is to be given authority over what Queenslanders may eat and over their livelihoods. Neither the 'code' nor the 'zones' are specified in the Act but are to be declared by the Governor in Council, which in practice is to say the Minister. Socialism, which assumes responsibility for the myriad details of life, is in practice incompatible with a thoroughgoing respect for the rule of law, but it demands wide powers to enforce arbitrary laws.

To prevent smuggling between the zones, bread inspectors are to be given powers of seizure, search and entry plus the power to demand of any housewife, on pain of penalty of \$1000, where and for what consideration she purchased her daily bread.

Deep in the still of night bread trucks may creep up the back roads, perhaps back loading with eggs; running the gauntlet of the inspectors; supplying the housewife with her victuals. It is a setting for a great romantic novel - a Lorna Doone - but I'll bet Joh socialises the film rights.