

BROADCAST BY THE PRIME MINISTER, THE RT. HON. R.G. MENZIES
OVER NATIONAL STATIONS AT 7.15 p.m. TUESDAY,
21ST NOVEMBER, 1961

RURAL POLICY

I have been at pains to point out, in various speeches, the great importance of expanding our production and export of manufactured and processed goods, so as to strengthen our balance of payments position and reduce the risks of special or emergency measures, designed to reduce imports at times when export income falls.

But two things still remain true. The first is that for many years to come our major exports, supporting our international solvency, will be of primary products. The second is that no true and responsible national policy will disregard the necessity of encouraging the productivity, efficiency, and economic soundness of our rural industries.

It is of these industries that I now wish to speak.

We have three great tasks affecting our rural industries -

1. To help cheapen production
2. To increase the quantity of production
3. To protect and expand our markets.

In a short broadcast, I can say just a few sentences about each.

1. COSTS. These always have a tendency to be pushed up by competitive wages and the cost level in the cities. But the tendency can be resisted by scientific research (like that done in C.S.I.R.O.) and extension services. When we look back at the work done by the wheat-breeders, from Farrer on; at the work of the researchers into the nature and application of fertilisers; at the transformation of hundreds of thousands of acres of almost useless land by the trace-element discoveries; at what myxomatosis has done to put down the rabbit and put up wool production; we realise that the best and most enduring answer to rising costs is increasing efficiency. As a Government, we have never lost sight of this, and have done much to assist it. We will continue to do so. When our opponents were in office in 1949, the vote for C.S.I.R.O. was £1.7m. This year it is £8.6m. Over the last 10 years, largely because of great scientific investigation into soil deficiencies and animal nutrition, the area of scientifically improved pastures in Australia has increased from 20m. acres to 32m. acres. I again remind you that of all the Members of the House of Representatives who represent and understand country electorates, over three-quarters sit in or behind my own Government. They are not likely to overlook the vital importance of Australian primary production.
2. INCREASED PRODUCTION. What I have already said has a direct bearing upon production. But we believe that increased production of primary products is directly related to maintaining a stable rural population enjoying proper standards of living. Our financial and taxation policies have for many years been directed to this end, and with advantage. I just have time to mention two particular matters which will interest you particularly at this time.

My own government introduced a special provision for a depreciation allowance (for taxation purposes) of 20% per annum on moneys laid out on farm employees' housing. When this legislation ends in June 1962, we will renew it for a further period of five years. We want to see the complete end of those old days when, because of inadequate housing, it was difficult to attract and retain competent farm labour.

Again, in the Banking Legislation of 1959, we gave a special position and charter to the Commonwealth Development Bank. This does not compete with the ordinary Trading Banks for what I will call ordinary banking business. It was established (and I now speak of rural finance) to encourage rural development by dealing with cases in which ordinary bank finance would not commonly be available. Take an example - A farmer wants to improve his property and increase his production. His personal security is good; he is a competent and responsible man. But his cash resources are small; he wants a long-term borrowing which does not fit into the overdraft system; his actual assets are not adequate to provide a normal overdraft security. Financial accommodation for such a man is essential. For such cases, the Commonwealth Development Bank was created, and furnished with a limited amount of capital. In our recent Budget we provided it with an additional £5m. of capital. In future, we will take steps to examine its work and review its capital position so that it may have adequate funds for its non-competitive but very special and important functions.

3. MARKETS. You know that both here and abroad we are working hard on the problems presented to Australia by the negotiations for the entry of Great Britain into the European Common Market. As you know, if Great Britain were to accede to the Treaty of Rome unconditionally (which I don't for one moment think she will) we would lose our preferential entry for many of our primary exports into the British Market, while similar products from Europe, which now pay duty, would enter Great Britain duty-free. The British Government has agreed to do its best to protect the Commonwealth interests. We, in our turn, will bend every effort towards protecting our vital export trade. As my own Ministers have great experience and not a little influence, we hope to be able to achieve satisfactory results. We have been at particular pains to establish one most important point. It is this. We cannot take our primary exports as a whole and feel pleased if we preserve a certain percentage of trade over-all. For the truth is that, in a large continent like ours, many individual industries have a special local significance, and are not to be lumped in with the mass. Let me illustrate, by a single example, what I mean. In Australia, dried vine fruits are produced in limited irrigated areas. Whole communities largely depend upon them. Their prosperity, indeed their very existence, would be directly affected if they lost the British market. Larger and more widespread industries, with more widespread markets could, though wounded, survive. I want to make it clear that we will fight the battles of all. We are a young and growing nation, and we must therefore have bigger and better markets. In our negotiations, no Australian industry is to be regarded as expendable. NO rural industry, great or small, will be let down by us.

The negotiations are of historic importance. I feel sure that you will wish them to be in the hands of people of experience, close knowledge, and seasoned judgment.

We are a joint and united Government, containing Ministers from both the Liberal Party and the Country Party. We have worked in complete harmony. Our policies are, by our common consent, joint policies. Undistracted by internal feuds, personal differences, with no need to reconcile factions, we have been able to present a common front to the problems of the nation.

In rural matters, we have worked in close consultation with representative bodies. Our record in stabilisation and extension schemes is clear.

Are you going to vote for our opponents, who can claim none of these things?
