

CONFERENCE WITH FARMERS' ORGANISATIONS

Statement by the Prime Minister, Rt. Hon. R.G. Menzies

This morning the Prime Minister and several of his Cabinet colleagues met representatives of the National Farmers' Union of Australia and the Australian Primary Producers' Union. The National Farmers' Union was represented by Mr. A.F. Havard, President, Mr. L.H. Heaslip, Australian Wool & Meat Producers' Federation; Mr. J.P. Cass, Australian Wheatgrowers' Federation; Mr. C.S.J. Conroy, Australian Dairy Farmers' Federation; Mr. T. L. Bull, Australian Woolgrowers' & Graziers' Council; Mr. R.H. Belcher, Australian Cane Growers' Council; and Mr. A.S. Norquay, Secretary. The Australian Primary Producers' Union was represented by Mr. S. Donelan, President; and Messrs J. Heffernan and I.T. Serjeant.

The representatives of the National Farmers' Union told the Ministers present that the Government's economic measures in remedying boom conditions in 1960-61 had generally been appreciated by primary producers. While, naturally, a recovery to better employment levels was earnestly hoped for, the farming industries were somewhat apprehensive of the possibility of injudicious remedies re-introducing the unhealthy conditions from which the economy had escaped only with some difficulty.

The National Farmers' Union representatives reminded the Government that Australian export producers were unable to pass on rising production costs because their overseas markets faced world competition. However, more exporting was necessary in order to strengthen the balance of payments and finance imports necessary for the expanding economy.

The National Farmers' Union said that the economy would be strengthened by :

- (1) encouraging increased use of fertilisers by granting a subsidy
- (2) arranging for the supply of bank finance under more appropriate conditions, possibly a 10-year term
- (3) ensuring that Australian industries received protection only after reference to the Tariff Board and not by quantitative import restrictions
- (4) avoiding the possibility of costly errors by declining the use of anticipatory duties based on estimation, and
- (5) reducing the magnitude of transport costs by examining the possibility of securing a uniform general price and exploring the practicability of making special provision for capital charges on State railway systems. The National Farmers' Union said that only by implementing such a proposal could costs be reduced across a wide front
- (6) an inquiry by independent authorities into the question of what policies need to be pursued over the next ten years that will most closely achieve high living standards and full employment.

Representatives of the Australian Primary Producers' Union expressed agreement with the broad views put to Ministers by representatives of the National Farmers' Union. In particular, they stressed that a sound external economy is the first essential because internal prosperity and expansion depend mainly upon ability to export, and so to pay for all essentials for the maintenance of Australian industry and for development and expansion. They also stressed the need for a net inflow of oversea capital for long-term investment.

The Australian Primary Producers' Union also emphasised that Australia's ability to export is closely related to the level of internal production costs, transport charges, the maintenance of a sound domestic market and our continued willingness and ability to buy from countries which buy our exports.

The Australian Primary Producers' Union also recommended the reduction of those taxes which have a multiplier effect on costs throughout industry.

At the conclusion of the meeting Mr. Menzies said that this had been a most useful and valuable occasion. He told the representatives of both Unions that the suggestions they had proposed would be carefully considered.

CANB.FRA,
30th January, 1962.