

FOR PRESS.

(Statement by the Minister for Trade, Mr. John McEwen, M.P.)

Mr. McEwen said today that he had a sympathetic understanding of the serious problem revealed in President Kennedy's message to the United States Congress proposing curtailment of the production of food and other agricultural products. The President indicated that this curtailment would need to be either through an arbitrary reduction in production or, indirectly, through reduced governmental price supports.

Mr. McEwen said that the United States dilemma was the production of many commodities, through from wheat to cotton, much in excess of the home demand and in excess of commercial export opportunities. This has come about through governmental price support.

Not only was this a financial problem for the United States Administration, but the great surpluses remaining unsold represented a serious factor overlying international commercial trade in these commodities.

Mr. McEwen said that, while understanding the United States dilemma, he thought it would be a matter of even greater concern if the richer, highly developed countries had to deliberately curtail agricultural production when so many in underdeveloped countries had insufficient food or clothing.

Mr. McEwen said he believed the Western World could make a vital contribution to the needs of great masses of people in underdeveloped countries by making foodstuffs and some other essential commodities available on less than commercial terms to the hungry people and the needy nations. This would be a factor in sustaining political stability and offsetting the blandishments of Communist countries in the underdeveloped countries.

Mr. McEwen said he had always advocated a solution of commodity problems on a world-wide basis. In cases where

surpluses in the wealthy agricultural countries went side by side with need in underdeveloped countries, it should be possible to make a further significant contribution towards meeting this need, while farmers still received overall a satisfactory price for their produce.

Mr. McEwen said that he believed that this could be achieved if farmers received a more realistic price for what they sold for consumption within the areas of high living standards. If in such countries, ranging from Australia, Argentina, United States, France and the United Kingdom, which are all great food producers, the Governments were relieved of the great burden of price support of their farmers, these Governments could devote the same funds towards supply of food and materials at less than commercial prices.

Further, he believed that if farmers in these producing countries received, for what they exported to Europe and the United States and high living standard countries, the same price as was received by their local producers for the same products - the exporting farmers could, and he believed would be prepared to sell to underdeveloped countries at something less than the price received from high standard of living countries.

Such an arrangement would establish a most enduring basis of help for the needy people, and overall, be in the interests of the farmers. The whole Western World would gain a moral and diplomatic uplift and the costs would be more equitably borne among the Western Powers than had been the case in recent years.

Mr. McEwen said that he thought the greatest opportunity to examine such thinking could come about when the special meeting of certain G.A.T.T. countries, including Australia, occurred in Geneva in a couple of weeks' time to consider grains, particularly wheat, on the initiative of a French proposal.

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