

EMBARGO: 8.30 PM

SPEECH BY THE PRIME MINISTER, MR E. G. WHITLAM, Q.C. M.P.,  
TO THE NATIONAL RURAL PRESS CLUB DINNER, AT THE LAKESIDE  
INTERNATIONAL HOTEL, CANBERRA  
4 JULY 1974

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ON THE 14 DECEMBER LAST YEAR I WROTE TO DR STUART HARRIS AND ESTABLISHED A WORKING GROUP ON RURAL POLICY IN AUSTRALIA. IN THAT LETTER I SAID:

"I ENVISAGE THAT YOUR GREEN PAPER WILL BE PUBLISHED WITH THE AUTHORITY OF THE AUSTRALIAN GOVERNMENT BUT WITHOUT FORMAL APPROVAL. IN THAT FORM I HOPE IT WILL PROVIDE A BASIS FOR WIDESPREAD DIALOGUE IN THE PARLIAMENT, IN RURAL ORGANISATIONS AND IN THE COMMUNITY GENERALLY."

THE DIALOGUE TO WHICH I THEN REFERRED HAS NOW BEGUN. I AM GRATEFUL, MR CHAIRMAN FOR THE OPPORTUNITY YOUR INVITATION HAS GIVEN ME TO PARTICIPATE IN THAT DIALOGUE.

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AN IMPORTANT OPPORTUNITY FOR MEANINGFUL DIALOGUE HAS BEEN CREATED BY SENATOR KEN WRIEDT, WHO WILL NOW MORE APPROPRIATELY BE KNOWN AS THE MINISTER FOR AGRICULTURE. HIS INITIATIVE TO IMPROVE COMMUNICATIONS BETWEEN THE AUSTRALIAN GOVERNMENT AND THE FARMING COMMUNITY WAS THE CONVENING OF THE RURAL FORUM, THE FIRST OCCASION ON WHICH ANY GOVERNMENT HAS INVITED ALL MULTI-PURPOSE FARMING ORGANISATIONS TO DISCUSS THE PROBLEMS OF THE INDUSTRY WITH GOVERNMENT. THIS FORUM WILL NOW BE AN ANNUAL EVENT. I AM PLEASED THE SECOND MEETING TO BE HELD TOMORROW HAS BEFORE IT SO WIDE-RANGING AND CONSTRUCTIVE A DOCUMENT AS THE GREEN PAPER ON RURAL POLICY.

FEW OF MY MINISTERIAL APPOINTMENTS HAVE GIVEN ME AS MUCH REAL SATISFACTION AS THAT OF SENATOR KEN WRIEDT. HIS SINCERITY, ABILITY AND COMMITMENT HAVE RECEIVED CONGRATULATIONS FROM MANY QUARTERS. I UNDERSTAND THAT HE NOW KNOWS THE DIFFERENCE BETWEEN A CORRIEDALE AND A MERINO! INDEED, WHEN IT COMES TO HAVING AN EFFECTIVE MINISTER, I BELIEVE - TO COIN A PHRASE - YOU HAVE NEVER HAD IT SO GOOD.

THE GREEN PAPER WHICH WILL BE DISCUSSED AT THE RURAL FORUM TOMORROW IS THE FIRST COMPREHENSIVE ASSESSMENT OF AUSTRALIAN RURAL POLICY FOR OVER 20 YEARS. I BELIEVE THAT ALL OF US WHETHER IN GOVERNMENT OR IN RURAL INDUSTRY, ARE INDEBTED TO THE MEMBERS OF THIS WORKING GROUP AND WILL REMAIN SO INDEBTED FOR MANY YEARS TO COME. THE REPORT IS INDEED A SENSITIVE AND INTELLIGENT DISCUSSION OF THE PROBLEMS FACED BY RURAL INDUSTRIES AND OF THE PRINCIPLES WHICH SHOULD GUIDE GOVERNMENT ACTION IN MEETING THOSE PROBLEMS. BEARING IN MIND THE VERY SHORT TIME IN WHICH THIS REPORT WAS WRITTEN THE JOB DONE BY THE PEOPLE INVOLVED IS TRULY QUITE EXTRAORDINARY.

THE OBJECTIVE OF THE GOVERNMENT IN REQUESTING A GREEN PAPER INDICATES OUR GENERAL APPROACH TO THE MAKING OF DECISIONS IN THE RURAL SECTOR AND INDEED FOR OTHER INDUSTRIES. IT SHOWS THE WAY A LABOR GOVERNMENT WILL MAKE DECISIONS - AFTER FULL PUBLIC ENQUIRY AND FREE PUBLIC DEBATE. WE HAVE ESTABLISHED THE INDUSTRIES ASSISTANCE COMMISSION, WHICH IS THE FIRST INDEPENDENT BODY TO INQUIRE INTO, ASSESS AND REPORT UPON ALL REQUESTS FOR ASSISTANCE. AS YOU WOULD BE AWARE, THE REPORTS OF THE COMMISSION ARE NOW GENERALLY PUBLISHED BEFORE THE GOVERNMENT MAKES ITS DECISION SO THAT MEANINGFUL PUBLIC DEBATE CAN OCCUR.

PERHAPS EVEN MORE THAN OTHER SECTORS I BELIEVE THAT THE IMAGE OF RURAL INDUSTRIES HAS SUFFERED BY THE ARROGANT ATTITUDES OF SOME POLITICANS, AND, IF I MAY BE PERMITTED A SOMEWHAT PARTISAN NOTE, OF ONE PARTICULAR POLITICAL PARTY. THEY OFTEN MAKE THE ASSUMPTION THAT RURAL INDUSTRIES HAVE A RIGHT TO RECEIVE ASSISTANCE WITHOUT PUBLIC INQUIRY AND JUSTIFICATION. THE PROCESS OF DECISION-MAKING OF THE LABOR GOVERNMENT - EXEMPLIFIED IN THE NEW ROLE OF THE INDUSTRIES ASSISTANCE COMMISSION AND IN THE PUBLICATION OF THIS GREEN PAPER - WILL ASSIST IN BREAKING DOWN THE BELIEF - OFTEN THE MISCONCEPTION - OF MANY URBAN RESIDENTS THAT RURAL INDUSTRIES RECEIVE UNFAIR PRIVILEGES AT THE TAXPAYERS' EXPENSE.

THE AUSTRALIAN PEOPLE ARE CAPABLE OF JUDGING WHETHER OR NOT A GOOD CASE FOR ASSISTANCE HAS BEEN PRESENTED AND AS TAXPAYERS THEY HAVE A RIGHT TO RECEIVE IT. THE REPRESENTATIVES OF RURAL INDUSTRIES HAVE IN THE PAST UNDERESTIMATED THE IMPORTANCE OF EDUCATING THE AUSTRALIAN PEOPLE ABOUT THEIR PROBLEMS AND OF CONVINCING THEM WHENEVER REQUESTS FOR ASSISTANCE ARE MADE. THE PUBLICATION OF THIS GREEN PAPER WILL GO A LONG WAY IN EDUCATING THE BROADER PUBLIC, INCLUDING ECONOMISTS, ABOUT SOME OF THE SPECIAL PROBLEMS FACING RURAL INDUSTRY, PROBLEMS WHICH INVOLVE GOVERNMENT POLICY.

WHILST I WOULD NOT PURPORT TO SUMMARISE THE GREEN PAPER ITSELF I WOULD LIKE TO HIGHLIGHT SOME ASPECTS OF THE REPORT WHICH I BELIEVE TO BE OF PARTICULAR SIGNIFICANCE. FIRST IS THE MANNER IN WHICH THE REPORT EMPHASISES THAT A NATIONAL RURAL POLICY IS AN INTEGRAL PART OF A NATIONAL ECONOMIC POLICY AND THAT IT MUST BE JUDGED IN TERMS OF ITS CONTRIBUTION TO NATIONAL ECONOMIC AND SOCIAL OBJECTIVES. MANY OF THE REPORT'S MORE SPECIFIC COMMENTS ARE IN FACT CONCERNED WITH THESE BROADER NATIONAL OBJECTIVES. MUCH OF ITS VALUE DERIVES FROM ITS ASSESSMENT OF PARTICULAR PROBLEMS AND PROPOSALS MEASURED BY THE STANDARD OF NATIONAL GOALS OF EFFICIENCY, OF WELFARE AND OF EQUALITY.

ONE SUCH CONSIDERATION WHICH THE WORKING GROUP IDENTIFIES IS THE INTERESTS OF CONSUMERS. THE REPORT NOTES "THE POSITION OF THE CONSUMER IS PROPERLY BEING GIVEN GREATER CONSIDERATION THAN IN THE PAST". THIS PERSPECTIVE WILL ENHANCE THE VALUE OF THIS REPORT IN PROMOTING A WIDER UNDERSTANDING OF RURAL POLICIES. THE WORKING GROUP CORRECTLY NOTES THAT THE QUITE ABSURD RESTRICTIONS UPON MARGARINE HAVE ADVERSELY AFFECTED "THE IMAGE" OF ALL RURAL PRODUCERS. MANY URBAN RESIDENTS WHO ARE AWARE OF THESE RESTRICTIONS WOULD REGARD THEM AS TYPICAL RATHER THAN AS THE ABERRATION THEY IN FACT ARE. IF IN OUR DELIBERATIONS WE CONTINUE TO TAKE INTO ACCOUNT THE INTERESTS OF CONSUMERS, AS THE REPORT RECOMMENDS, THEN I BELIEVE WE WILL ENSURE THE BROAD ACCEPTABILITY OF THE DECISIONS WHICH WE MAKE.

THE GREEN PAPER CORRECTLY IDENTIFIES THE MARKET AS THE MOST EFFECTIVE METHOD OF ALLOCATING PRODUCTIVE SOURCES IN THE AGRICULTURAL SECTOR. IT ALSO RECOGNISES HOWEVER, THAT THE GOVERNMENT HAS A PROPER ROLE TO INTERVENE IN THE OPERATION OF THE MARKET, PARTLY TO IMPROVE THE MANNER IN WHICH THE MARKET OPERATES AND PARTLY TO COMPENSATE FOR ITS, AT TIMES, HARSH CONSEQUENCES. IN MANY OF THE GOVERNMENT'S DECISIONS I BELIEVE IT IS TRUE THAT WE HAVE ACCEPTED THE PRIMACY OF THE MARKET TO A GREATER EXTENT THAN SOME THOUGHT - OR FEARED - POSSIBLE. IT IS USEFUL TO HAVE THE BASIC PRINCIPLE EMPHASISED IN THE MANNER THAT IT HAS BEEN BY THE WORKING GROUP.

I WOULD NOW LIKE TO DISCUSS SOME OF THE PRINCIPLES OUTLINED IN THE REPORT.

ONE OF THE OUTSTANDING ANALYSES IN THIS DOCUMENT IS THE DISCUSSION OF UNCERTAINTY AND INSTABILITY IN RURAL INDUSTRY. THE RESEARCH UNDERTAKEN FOR THE WORKING GROUP SHOWS THAT FLUCTUATIONS IN BOTH PRICE AND OUTPUT ARE TYPICALLY GREATER FOR AGRICULTURE THAN FOR OTHER INDUSTRIES. A SURVEY CONDUCTED FOR THE WORKING GROUP BY THE COMMISSIONER FOR TAXATION SHOWED THAT OVER 40 PER CENT HAD FLUCTUATIONS OF 50 PER CENT OR MORE IN THEIR YEAR-TO-YEAR INCOMES COMPARED WITH NO MORE THAN 23 PER CENT FOR OTHER BUSINESS AND 1/ PER CENT FOR WAGE EARNERS.

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IN CASE SOME OF YOU MAY BELIEVE THAT THIS IS A NEW REVELATION FOR ME MAY I QUOTE FROM A SPEECH I DELIVERED AT A DINNER FOR THE AUSTRALIAN FARMERS' FEDERATION IN OCTOBER OF LAST YEAR. I SAID THEN, "THE CHIEF CHARACTERISTIC OF YOUR INDUSTRY, WHATEVER GOVERNMENT IS IN POWER, IS ITS VULNERABILITY. MORE THAN ANY OTHER SECTOR OF THE ECONOMY YOU ARE SUBJECT TO UNPREDICTABLE AND IMPONDERABLE CIRCUMSTANCES. YOU ARE AT THE MERCY OF THE SEASONS, AT THE MERCY OF WORLD CURRENCY RELIGNMENTS, OF FLUCTUATING INTERNATIONAL MARKETS, GLUTS AND SHORTAGES.". THE DETAILED TREATMENT OF THIS MOST SIGNIFICANT ASPECT OF RURAL INDUSTRY PRESENTED IN THE GREEN PAPER WILL SURELY PROVE TO BE ONE OF THE MOST SIGNIFICANT PRACTICAL MATTERS FLOWING FROM OUR CONSIDERATION OF THE REPORT. I AM SURE THAT IT WILL BE A FEATURE OF YOUR DISCUSSIONS TOMORROW.

THE REPORT DISCUSSES THE ROLE OF GOVERNMENT IN PROVIDING PROTECTIVE SERVICES FOR THE INDUSTRY SUCH AS QUARANTINE, RESEARCH AND EXTENSION AND IN IMPROVING THE BARGAINING POWER OF INDIVIDUAL PRODUCERS THROUGH MARKETING SCHEMES AND THE PROMOTION OF CO-OPERATIVES. FURTHER, THE REPORT CORRECTLY IDENTIFIES THE SPECIAL ROLE A GOVERNMENT HAS IN ASSISTING OUR AGRICULTURAL INDUSTRIES TO ADJUST TO ECONOMIC CHANGES. WE HAVE RECENTLY RECOGNISED THE PROBLEMS OF STRUCTURAL ADJUSTMENT IN OTHER INDUSTRIES AS REQUIRING COMPREHENSIVE GOVERNMENT ATTENTION AND HAVE MADE SPECIAL PROVISION FOR COUNTRY TOWNS WHICH DEPEND TO A SIGNIFICANT EXTENT ON A SINGLE FIRM. THE COMMENTS IN THE GREEN PAPER WILL ASSIST US IN THE FURTHER DEVELOPMENT OF RURAL RECONSTRUCTION PROGRAMS.

ONE SECTION OF THE REPORT HAS RECEIVED RELATIVELY LITTLE ATTENTION TO DATE. IT IS THE CHAPTER CONCERNING THE WELFARE OF RURAL PEOPLE. THE WORKING GROUP ACKNOWLEDGES THE BREVITY OF ITS EXAMINATION OF THE PROVISION OF COMMUNITY SERVICES IN RURAL AREAS. THE REPORT ASSISTS US IN MOVING AWAY FROM WHAT MIGHT BE TERMED AN INCOMES MENTALITY. SO MANY OF THE NEEDS OF OUR CITIZENS AND THE PROVISION OF ADEQUATE SERVICES MUST DEPEND ON BROAD COMMUNITY ACTION AND THAT MEANS GOVERNMENT ACTION. THE CONCERN OF THE WORKING GROUP TO EXPAND THE SCOPE AND VARIETY OF OPPORTUNITIES FOR PEOPLE WHO CHOOSE TO LIVE IN RURAL AREAS WILL AFFECT THE GOVERNMENT'S CONSIDERATION OF THE MORE DETAILED REPORTS WE SHALL RECEIVE ON POVERTY, EDUCATION, HEALTH AND THE PROVISION OF WELFARE SERVICES. I TRUST THIS ASPECT OF THE REPORT WILL NOT BE LOST IN YOUR CONSIDERATION OF WHAT SOME WOULD REGARD AS THE MORE PRACTICAL ASPECTS OF RURAL POLICY.

IT WOULD BE REMISS OF ME NOT TO MAKE SOME COMMENT ON THE RELATIONSHIP BETWEEN THE GREEN PAPER AND THE MANY DECISIONS WE HAVE ALREADY TAKEN IN RELATION TO RURAL POLICY. PERHAPS I SHOULD BEGIN BY ACCEPTING THE COMMENTS IN THE GREEN PAPER ON THE DIFFICULTY OF COMMUNICATION WITH PEOPLE IN RURAL AREAS. THIS DIFFICULTY IS OF COURSE ACCENTUATED IN THE HEAT OF AN ELECTION CAMPAIGN. I NOW COME TO SPEAK TO YOU AT THE ONLY TIME WHEN A POLITICIAN CAN AFFORD TO BE BIPARTISAN - IMMEDIATELY AFTER AN ELECTION. I BELIEVE THAT MUCH OF THE CRITICISM AND INDEED VILIFICATION OF THE GOVERNMENT HAS BEEN UNWARRANTED. MUCH HAS BEEN POLITICALLY MOTIVATED AND I HAVE BEEN IN POLITICS TOO LONG NOT TO ACCEPT THAT AS PART OF THE GAME. NEVERTHELESS THE PUBLICATION OF THIS GREEN PAPER ENABLES US TO PLACE THE GOVERNMENT'S PAST DECISIONS IN THEIR PROPER PERSPECTIVE.



THE WORKING GROUP MAKES FREQUENT REFERENCE TO CONCESSIONS AND SUBSIDIES WHICH ARE OF GREATEST ADVANTAGE TO THE MORE WEALTHY PRIMARY PRODUCERS. MANY OF THE GOVERNMENT'S DECISIONS WHICH HAVE BEEN MOST SEVERELY CRITICISED RELATED TO CONCESSIONS AND SUBSIDIES OF THIS NATURE. THEY HAD BEEN INTRODUCED AT A TIME WHEN THE PREOCCUPATION OF THE AUSTRALIAN GOVERNMENT WAS TO INCREASE PRODUCTION TO EARN FOREIGN EXCHANGE. THAT TIME HAS PASSED. THIS DOES NOT MEAN THAT WE IGNORE THE VITAL IMPORTANCE OF ECONOMICALLY HEALTHY AND EFFICIENT INDUSTRIES, INDUSTRIES WHICH DESPITE ALL THE ATTENTION GIVEN TO MINERAL DEVELOPMENT STILL PROVIDE OVER HALF OF OUR EXPORTS. IT SIMPLY MEANS THAT IT NO LONGER PAYS US AS A NATION TO DEVELOP FARMS MORE RAPIDLY THAN IT WOULD PAY YOU YOURSELVES TO DEVELOP THEM. POLICIES OF THIS KIND ONLY EXACERBATE THE PROBLEMS OF MATCHING SUPPLY AND DEMAND.

I AM ACUTELY CONSCIOUS OF THE FACT THAT MANY OF THE GOVERNMENT'S POSITIVE POLICIES DO NOT HAVE THE SAME OBVIOUS IMPACT ON THE FARMER AS HAS THE WITHDRAWAL OF SOME CONCESSIONS. ONE EXAMPLE IS OUR DECISION TO ESTABLISH AN ANIMAL HEALTH LABORATORY TO PROTECT OUR LIVESTOCK INDUSTRY FROM FOOT AND MOUTH AND OTHER EXOTIC DISEASES. IT WILL COST \$56 MILLION - APPROXIMATELY THE ANNUAL COST OF THE SUPERPHOSPHATE BOUNTY - YET THE BENEFITS TO RURAL PRODUCERS WILL BE INFINITELY GREATER. THEY MAY NOT BE REFLECTED IN TERMS OF MONEY IN THE POCKET, BUT THE INTRODUCTION OF THE DISEASES WHICH THE LABORATORY IS DESIGNED TO PREVENT WOULD WIPE OUT \$2,000 MILLION IN EXPORT TRADE OVERNIGHT.

ANOTHER CLEAR EXAMPLE OF THE WAY THE GOVERNMENT'S POLICIES HAVE ASSISTED PRIMARY PRODUCERS INDIRECTLY IS THE TARIFF CUT. THE VALUE OF THIS IS HIGHLIGHTED BY THE GREEN PAPER'S ADOPTION OF A TARIFF COMPENSATION ARGUMENT FOR RURAL CONCESSIONS. I NOTE WITH SOME PLEASURE THE EXTREMELY FAVOURABLE COMMENTS MADE BY THE WORKING GROUP ON THE GOVERNMENT'S EXCHANGE RATE AND TARIFF POLICIES. THE VALUE OF THE TARIFF CUT IS LESS TANGIBLE, LESS IMMEDIATE AND LESS DIRECT THAN THE CONCESSIONS WHICH WE HAVE REMOVED. I SUPPOSE THAT WE ALL COME TO BELIEVE THAT WE DESERVE WHAT WE ARE USED TO RECEIVING. CIRCUMSTANCES CHANGE AND PRIORITIES CHANGE; A GOVERNMENT IS NOT BEING "ANTI-RURAL" IF IT RECOGNISES THAT.

IT IS ALSO POSSIBLE NOW TO ASSESS THAT OTHER REPORT WHICH HAS RECEIVED SO MUCH ATTENTION IN RURAL AREAS, THE REPORT OF THE COOMBS TASK FORCE. THAT REPORT REPRESENTED A CLEARING OF THE DECKS TO MAKE ROOM FOR THE GOVERNMENT'S OWN PRIORITIES AND TO GET RID OF THE ACCUMULATED DEADWOOD OF YEARS OF AD HOC DECISION-MAKING. WHAT THE AUSTRALIAN GOVERNMENT SEEKS IS A NATIONAL RURAL POLICY BASED ON SUSTAINABLE PRINCIPLES, PRINCIPLES THAT ALL AUSTRALIANS CAN ACCEPT. THE GREEN PAPER PROVIDES US WITH SUCH A SET OF PRINCIPLES. ITS CONVENOR, DR STUART HARRIS, WAS, I SHOULD NOTE IN PASSING, A MEMBER OF THE COOMBS TASK FORCE. HE HAS PRODUCED A DOCUMENT WHICH I BELIEVE WILL PLACE AUSTRALIAN RURAL POLICY ON A MORE SOUND, MORE ACCEPTABLE AND MORE PERMANENT BASIS. THAT BASIS IS NOT INCONSISTENT WITH THE APPROACH ADOPTED BY THE EARLIER TASK FORCE OF WHICH HE WAS A MEMBER.

I SHOULD PERHAPS REFER TO TWO ITEMS UPON WHICH THE COOMBS TASK FORCE REPORTED BUT UPON WHICH THE GOVERNMENT DECIDED NOT TO ACT, DROUGHT BONDS AND THE AVERAGING PROVISIONS OF THE INCOME TAX LEGISLATION. THE GREEN PAPER REPEATS MANY OF THE CRITICISMS OF THE AVERAGING PROVISIONS. IT RECOGNISES, HOWEVER, AS THE GOVERNMENT DID, THAT THEY ARE AMONGST THE FEW EXISTING MEASURES DIRECTLY ALLEVIATING THE PROBLEM OF INCOME INSTABILITY FOR PRIMARY PRODUCERS, NOT A SUBSIDY BUT A RECOGNITION OF THE SPECIAL DIFFICULTIES OF RURAL PRODUCTION. THE GOVERNMENT WILL NOW CONSIDER THE RECOMMENDATIONS IN THE GREEN PAPER WHICH SEEK TO REFORM AND SYSTEMATISE OUR TREATMENT OF THIS PECULIAR CHARACTERISTIC OF YOUR INDUSTRY.

IN THIS RESPECT MAY I MAKE ONE ADDITIONAL RECOMMENDATION FOR DEBATE. THE GREEN PAPER NOTES THAT, GENERALLY SPEAKING, ALL RISK CROP INSURANCE IS NOT AVAILABLE IN AUSTRALIA. THE RECENT FLOODS IN SOME PARTS OF OUR COUNTRY HAVE EMPHASISED THIS GAP. AS YOU WOULD BE AWARE, WE INTEND TO ESTABLISH AN AUSTRALIAN GOVERNMENT INSURANCE OFFICE. PERHAPS YOU COULD CONSIDER IN YOUR DELIBERATIONS TOMORROW WHETHER THIS NEW INSTITUTION SHOULD ESTABLISH A FACILITY OF THE KIND DISCUSSED IN THE REPORT.

THE ARGUMENT IS OFTEN ADVANCED THAT PEOPLE IN RURAL AREAS SUFFER FROM SEVERE COST OF LIVING DISADVANTAGES FOR WHICH THEY SHOULD RECEIVE COMPENSATION. OUR POLICIES ON TELECOMMUNICATIONS CHARGES AND ON THE PETROLEUM PRICE SUBSIDY SCHEME HAVE BEEN CRITICISED FROM THIS POINT OF VIEW. I THEREFORE READ WITH PARTICULAR INTEREST THE COMMENTS ON THIS MATTER IN THE GREEN PAPER. THE WORKING GROUP STATES THAT THE ARGUMENT THAT PEOPLE IN RURAL AREAS SUFFER COST OF LIVING DISABILITIES IS NOT PROVEN. THEY HIGHLIGHT THE VALUE IN TERMS OF LIVING STANDARDS OF THE LOWER LAND PRICES AND THE SMALLER NEED FOR EXPENDITURE ON TRAVEL TO AND FROM WORK.

THE REAL DISABILITY LIES IN THE AREAS OF PUBLIC SERVICES. THE GOVERNMENT'S APPROACH HAS RECOGNISED THIS FACT. ONE OF OUR EARLIEST DECISIONS WAS TO ESTABLISH THE SPECIAL ALLOWANCES FOR ISOLATED CHILDREN. I DO NOT NEED TO REPEAT THE HIGH PRIORITY THAT THE GOVERNMENT ATTACHES TO EDUCATION. WE ARE DETERMINED TO SEE THAT INEQUALITIES IN OUR EDUCATIONAL SYSTEM ARE ABOLISHED INCLUDING INEQUALITIES WHICH ARISE FROM GEOGRAPHICAL CONSIDERATIONS.

THERE ARE, OF COURSE, OTHER PUBLIC SERVICES WHICH REQUIRE HEAVY SUBSIDIES. IT IS A BASIC QUESTION OF PRIORITIES TO DECIDE WHICH SHOULD BE SUBSIDISED. THE SUBSTANTIAL LOSSES ON RURAL PASSENGER SERVICES OF STATE RAILWAYS CAN IMPOSE INTOLERABLE BURDENS ON GOVERNMENT FINANCES. WE HAVE FACED DECISIONS ON SUCH PRIORITIES. THE RURAL CRITICS OF THE GOVERNMENT SHOULD KNOW THAT IT COSTS UP TO \$20,000 PER CONNECTION TO PROVIDE AUTOMATIC TELEPHONE SERVICES IN AREAS WITH LESS THAN 200 TELEPHONES, TEN TIMES MORE THAN IN THE CAPITAL CITIES. YET OUR MUCH CRITICISED DECISION TO INCREASE TELEPHONE RENTALS FOR NON-METROPOLITAN SUBSCRIBERS WILL REDUCE THE OPERATING LOSSES OF \$100 MILLION IN 1971-72 ON COUNTRY POSTAL AND TELECOMMUNICATION CHARGES BY ABOUT \$18 MILLION PER ANNUM. THIS DECISION SHOULD BE CONTRASTED WITH THE ISOLATED CHILDREN ALLOWANCES. WE ARE A GOVERNMENT COMMITTED TO IMPROVEMENTS IN HEALTH, EDUCATION AND WELFARE. THIS IS A MATTER OF PRIORITIES; IT IS NOT A MATTER OF ANTI-RURAL BIAS. PEOPLE MAY CRITICISE OUR PRIORITIES. THAT IS THEIR RIGHT. AS LONG AS THE DEBATE ABOUT OUR ATTITUDE TO RURAL COMMUNITIES IS CONDUCTED IN THOSE TERMS I WILL BE HAPPY TO PUT OUR CASE.

NOTHING HOWEVER, EXASPERATES ME MORE THAN THE BASELESS ACCUSATION THAT LABOR IS AN ANTI-RURAL PARTY OR THAT I AM PRIMARILY CONCERNED WITH THE CITIES. LABOR IS NEITHER AN URBAN NOR A RURAL PARTY. WE ARE A NATIONAL PARTY GUIDED BY NATIONAL CONSIDERATIONS. OF COURSE WE MUST BE CONCERNED WITH THE PLACES WHERE MOST AUSTRALIANS LIVE, PARTICULARLY AS THE GENERAL ISSUE OF THE CITIES HAD BEEN IGNORED IN AUSTRALIAN POLITICS UNTIL WE MADE IT AN ISSUE. THAT DOES NOT DETRACT FROM MY CONCERN, OR MY PARTY'S CONCERN, FOR THE PROBLEMS AND NEEDS OF RURAL COMMUNITIES.

NOW THAT THE ELECTION IS OVER, LET US STOP THESE BASELESS ACCUSATIONS. LET US RENEW THE DIALOGUE BETWEEN THE GOVERNMENT AND THE PEOPLE WHOM YOU REPRESENT. I COULD NOT THINK OF A MORE PROPER BASIS FOR THIS DIALOGUE THAN THE EXCELLENT GREEN PAPER WHICH YOU WILL DISCUSS TOMORROW.

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