



**PRIME MINISTER**

PRESS STATEMENT NO. 355  
29 October 1974

**INDUSTRIES ASSISTANCE COMMISSION  
REFERENCE ON RURAL INCOMES**

The Prime Minister announced today that he had sent a reference to the Industries Assistance Commission asking it to inquire into and report on the provision of assistance by the Australian Government to reduce fluctuations in the incomes of rural producers.

This matter was raised with the Minister for Agriculture, Senator Wriedt, by the National Rural Advisory Council on 25 October 1974. The Council requested that the Government give urgent consideration to the stabilisation of after-tax farm incomes. The Green Paper on Rural Policy had pointed out that instability resulted in a misallocation and under-utilisation of resources in agriculture, it acted as a disincentive to investment, and it discouraged lending to rural producers by financial institutions.

A principal recommendation of the first annual report of the IAC tabled today was that the question of assistance to reduce fluctuations in the incomes of rural producers should be referred to the Commission for inquiry and report.

The Prime Minister said that it was necessary for the Commission to consider the role which income stabilising measures might play in achieving the broad objective of improved efficiency in resource use. It would also be necessary to have regard to the need to co-ordinate the various specific assistance measures designed to meet the requirements of individual rural industries with general assistance measures having application to rural industries as a whole.

In considering measures for stabilising farmers' incomes regard will need to be had to instability arising from fluctuations in production, prices and returns as well as specific measures to stabilise after-tax incomes. This will necessitate consideration of all factors affecting farm income including input prices.

In recognising the importance to rural industries of stable incomes as a basis for confident and efficient planning the Prime Minister also pointed out that the effects of instability in primary production extended well beyond the farm gate. The Green Paper on Rural Policy recognised the recent

large swings which had occurred in the level of activity of such service industries as grain storage, abattoirs, fertilizer production and farm machinery.

Any measures which make a significant contribution to reducing the fluctuations in farm incomes will not only directly assist the farming community but will be of benefit to the Australian community as a whole.

CANBERRA. A.C.T.