

EMBARGO: 9.00 P.M.

SPEECH BY THE PRIME MINISTER, THE HON. E.G. WHITLAM, Q.C., M.P.,  
TO THE AUSTRALIAN FARMERS' FEDERATION  
CANBERRA, TUESDAY 29 OCTOBER 1974

---

I RECALL WITH GREAT PLEASURE THE RECEPTION YOU GAVE ME A YEAR AGO WHEN I ADDRESSED YOUR FEDERATION HERE IN THIS CITY. YOU SHOWED YOURSELVES THEN - AS YOU HAVE ALWAYS DONE IN YOUR NEGOTIATIONS WITH THE GOVERNMENT AND IN YOUR PRE-BUDGET SUBMISSIONS TO THE CABINET - TO BE RECEPTIVE, RESPONSIBLE AND REASONABLE. SINCE I LAST SPOKE TO YOU OUR ECONOMIC PROBLEMS HAVE INCREASED AND THE DIFFICULTIES FACED BY FARMERS HAVE INCREASED. I ACKNOWLEDGE THOSE FACTS FRANKLY AT THE OUTSET. I MAKE NO APOLOGY, HOWEVER, FOR THE GOVERNMENT'S RURAL POLICIES. I INTEND TO SHOW YOU THAT OUR POLICIES ARE NOT ONLY SOUND BUT GENEROUS, AND THAT IF WE ARE TRULY DETERMINED TO IMPROVE THE PROSPECTS OF OUR RURAL INDUSTRIES THERE IS NO RATIONAL ALTERNATIVE TO THEM. I AM NOT HERE TO OFFER YOU SOFT SOAP OR HOLD OUT PROSPECTS OF MAGICAL SOLUTIONS, ANY MORE THAN I AM PREPARED TO DO SO FOR OTHER SECTIONS OF THE COMMUNITY. I WANT TO TELL YOU AS CLEARLY AND FULLY AS I CAN WHAT WE HAVE DONE FOR YOUR INDUSTRIES AND WHAT WE HOPE TO DO. I WANT TO CONVINCED YOU THAT THE AUSTRALIAN GOVERNMENT HAS YOUR INTERESTS TRULY AT HEART, AND THAT YOUR FUTURE - GIVEN GOODWILL AND GOOD SENSE - IS A BRIGHT ONE.

.../2

IT IS TEMPTING FOR FARMERS IN TIMES OF ECONOMIC DIFFICULTY TO SEEK A SCAPEGOAT FOR THEIR PROBLEMS. IT IS PARTICULARLY TEMPTING TO MAKE THE LABOR GOVERNMENT THE SCAPEGOAT AND IMAGINE THAT ALL YOUR TROUBLES CAN BE LAID AT THE GOVERNMENT'S DOOR. YOU WOULD BE VERY FOOLISH TO ADOPT THAT ATTITUDE. I HAVE TOO MUCH RESPECT FOR YOUR INTELLIGENCE AND YOUR REALISM AS MEN OF THE LAND TO IMAGINE THAT YOU WILL FALL FOR THE LINE, SEDULOUSLY FOSTERED BY OUR OPPONENTS, THAT LABOR IS AN ANTI-RURAL PARTY. WE HAVE HEARD THESE SLOGANS BEFORE. I HAVE ANSWERED THEM BEFORE. I AM TIRED OF THEM AND I AM PREPARED TO BET THAT YOU ARE PRETTY TIRED OF THEM YOURSELVES. THEY SOLVE NOTHING. THE DIFFICULTIES FACED BY OUR RURAL INDUSTRIES ARE OF TWO BROAD KINDS. THERE ARE THOSE CONCERNED WITH CHANGING INTERNATIONAL MARKETS, WORLD PRICES AND CLIMATIC AND SEASONAL FLUCTUATIONS. NO GOVERNMENT CAN DO MUCH ABOUT THESE DIFFICULTIES OTHER THAN RELIEVE HARDSHIP AS BEST IT CAN - THOUGH ON THE QUESTION OF OVERSEAS MARKETS WE HAVE A PARTICULARLY FINE RECORD AND I SHALL DEAL WITH IT LATER. THE SECOND KIND OF PROBLEM YOU FACE HAS TO DO WITH THE GENERAL ECONOMIC CONDITION OF THE NATION. TO A LARGE EXTENT THE PROBLEMS FACED BY RURAL INDUSTRIES ARE THOSE FACED BY THE ENTIRE COMMUNITY. YOU ARE NOT ALONE. INFLATION TOUCHES ALL OF US AND BEATING INFLATION IS A TASK FOR ALL OF US. IT ALSO HAPPENS TO BE A PROBLEM FOR EVERY DEVELOPED COUNTRY IN THE WORLD.

IT IS IN NO WAY HELPFUL TO PRETEND THAT FARMERS CAN ISOLATE THEMSELVES FROM THE REST OF THE COMMUNITY OR FROM THE REST OF THE WORLD, OR THAT THEIR DIFFICULTIES CAN BE CURED WITH A LITTLE EXTRA MONEY OR A LITTLE EXTRA LIP-SERVICE FROM A GOVERNMENT OF ANOTHER COLOUR. ANYONE WHO TRIES TO SELL YOU THAT LINE IS UNDERRATING YOUR GOOD SENSE. ANYONE WHO BELIEVES IT IS DOING HIMSELF AND THE FARMERS OF THIS COUNTRY A DISSERVICE.

THE LONG-TERM PROBLEMS OF THE RURAL INDUSTRIES ARE DEEP AND COMPLEX LIKE THOSE OF ALL OTHER INDUSTRIES. THEY HAVE TO DO WITH A GENERAL AND PERVADING CRISIS IN THE WESTERN DEMOCRACIES. THEY HAVE TO DO WITH THE LONG-TERM EFFICIENCY OF OUR INDUSTRIES, THE USE WE MAKE OF OUR MANPOWER AND RESOURCES, THE CONDITIONS OF OUR CITIES AND TOWNS AND TRANSPORT, THE PROBLEMS OF MARKETS, INTERNATIONAL TRADE AND CURRENCY FLUCTUATIONS. I ASK YOU TO FACE THESE FACTS WITH ME. IF YOU PREFER TO BLAME EVERYTHING ON THE GOVERNMENT, IF YOU IMAGINE THAT THE GOVERNMENT CAN SOLVE YOUR PROBLEMS MERELY BY A CHANGE OF HEART, IF YOU PREFER TO LIVE IN A WORLD OF FANTASY AND COUNTRY PARTY SLOGANS THERE IS LITTLE MY GOVERNMENT OR ANY OTHER GOVERNMENT CAN DO FOR YOU. IT IS TIME FOR MORE CO-OPERATION, MORE GOODWILL AND, IF I MAY SAY SO, A LOT MORE REALISM FROM THE FARMING COMMUNITY. I DO NOT BRUSH ASIDE YOUR PROBLEMS AND I DO NOT DENY YOUR RIGHT TO PROTEST IF YOU BELIEVE YOU HAVE GENUINE GRIEVANCES. I DO SAY THAT FARMERS WHO DEMONSTRATE AGAINST THIS GOVERNMENT SHOULD EXAMINE THE RECORD FAIRLY AND LOOK AT THE FACTS ABOUT THEIR DIFFICULTIES AND WHAT THE GOVERNMENT HAS DONE TO HELP THEM.

.../4

I AM HAPPY TO LET THE FACTS SPEAK FOR THEMSELVES. I HOPE YOU WILL BE HAPPY TO LISTEN TO THEM.

I PUT IT TO YOU THAT NO GOVERNMENT HAS DONE MORE FOR THE FARMERS THAN MINE. NOT JUST FOR THE MAN ON THE LAND BUT FOR THE WHOLE RURAL COMMUNITY, FOR THE 3,000,000 AND MORE AUSTRALIANS - 24% OF OUR PEOPLE - WHO LIVE IN COUNTRY TOWNS. AND NOT JUST IN TERMS OF CASH BENEFITS AND SPENDING BUT IN THE DIFFICULT, CREATIVE, TESTING BUSINESS OF SEEKING LONG-TERM SOLUTIONS AND DEVELOPING THE INSTITUTIONS AND POLICIES NEEDED TO SECURE A BETTER LIFE FOR FARMERS AND THEIR FAMILIES.

LET ME GIVE YOU SOME FIGURES FIRST OF ALL. MONEY ISN'T EVERYTHING BUT THE FIGURES SPEAK LOUD AND CLEAR. IN OUR LAST BUDGET, OUTLAYS ON RURAL ASSISTANCE TOTALLED \$488 MILLION - \$158 MILLION MORE THAN LAST YEAR. THERE WAS A NET INCREASE IN OUR PAYMENTS TO AGRICULTURE OF \$88 MILLION OVER THE BUDGET IN 1973-74. THAT IS HARDLY THE SORT OF BUDGET ONE WOULD EXPECT FROM AN ANTI-RURAL PARTY. I AM AFRAID WE HEAR ALL TOO LITTLE FROM THE FARMERS AND THEIR SELF-PROCLAIMED ALLIES ABOUT THE CREDIT SIDE OF LABOR'S LEDGER - THE \$56 MILLION WE ARE SPENDING ON AN ANIMAL HEALTH LABORATORY, THE \$28 MILLION WE ARE SPENDING ON A DAIRY RESTRUCTURING SCHEME, THE \$40 MILLION WE ARE SPENDING IN INCREASED FIRST ADVANCE PAYMENTS FOR WHEAT, THE \$45 MILLION WE ARE SPENDING ON THE NATURAL DISASTER RELIEF FUND, MOST OF WHICH WILL GO TO PEOPLE IN COUNTRY AREAS. THESE ARE JUST A FEW EXAMPLES.

IN THE CONTEXT OF CASH BENEFITS PERHAPS I SHOULD DEAL PROMPTLY WITH ONE PARTICULAR AND NOTORIOUS GRIEVANCE OF THE RURAL COMMUNITY. TO LISTEN TO THE COUNTRY PARTY ANYONE WOULD IMAGINE THAT ALL THE TROUBLES OF THE RURAL SECTOR WERE DUE TO OUR DECISION TO ABOLISH THE SUPERPHOSPHATE BOUNTY. WE DECIDED TO END THIS SUBSIDY BECAUSE THE ORIGINAL REASONS FOR INTRODUCING IT - REASONS WHICH ALONE WOULD JUSTIFY A MEASURE OF THIS KIND AT THE TAXPAYERS' EXPENSE - NO LONGER EXIST. IT WAS INTRODUCED WHEN THE PARAMOUNT NEED OF THE AUSTRALIAN GOVERNMENT WAS TO ENCOURAGE RURAL PRODUCTION TO EARN FOREIGN EXCHANGE. THERE IS NO LONGER SUCH A NEED. THE ABOLITION OF THE BOUNTY - MOST OF WHICH WENT TO THE WEALTHIEST FARMERS WHO NEED IT LEAST - WILL SAVE ABOUT \$56 MILLION. THAT IS APPROXIMATELY THE COST OF OUR PROPOSED ANIMAL HEALTH LABORATORY. THE BENEFITS TO RURAL PRODUCERS FROM THAT LABORATORY WILL BE INFINITELY GREATER THAN THE BENEFIT FROM THE SUPERPHOSPHATE BOUNTY. SO HERE IS AN EXAMPLE OF THE MORE RATIONAL USE OF RESOURCES. AS YOU KNOW, WE HAVE REMOVED A NUMBER OF OTHER RURAL SUBSIDIES WHICH WE CONSIDERED WASTEFUL OR SELF-DEFEATING. THE SUPERPHOSPHATE BOUNTY IS THE ONLY ONE OF THESE SUBSIDIES WHICH THE LIBERAL-COUNTRY PARTIES HAVE SPECIFICALLY PROMISED TO RESTORE AND IF THERE HAD NOT BEEN AN ELECTION LAST MAY I DOUBT IF THEY WOULD HAVE PROMISED EVEN THAT. SO WHENEVER YOU ARE TEMPTED TO BLAME A LABOR GOVERNMENT FOR DECISIONS THAT YOU FEEL TO BE AGAINST YOUR INTERESTS, LOOK CAREFULLY TO SEE WHETHER OUR OPPONENTS WOULD ACT ANY DIFFERENTLY.

I WANT TO DEAL WITH THE BROAD ASPECTS OF OUR PROGRAM AS THEY AFFECT COUNTRY DWELLERS - NOT JUST FARMERS. IT SHOULD NOT BE FORGOTTEN THAT EVERYTHING THIS GOVERNMENT HAS DONE FOR CITY PEOPLE IT HAS DONE FOR COUNTRY PEOPLE AS WELL. IT IS CENTRAL TO OUR PHILOSOPHY THAT THE OPPORTUNITIES AVAILABLE TO AUSTRALIANS FOR A BETTER LIFE SHOULD BE AVAILABLE EQUALLY TO ALL AUSTRALIANS - WHEREVER THEY LIVE. OUR ACHIEVEMENTS IN EDUCATION, HEALTH CARE AND SOCIAL WELFARE, TO TAKE JUST THREE EXAMPLES, ARE NOT BENEFITS FOR CITY PEOPLE ALONE. IN MANY WAYS THEY ARE OF GREATER IMPORTANCE TO COUNTRY PEOPLE. MY COLLEAGUE SENATOR WRIEDT MADE THE POINT THE OTHER DAY THAT ONLY 4% OF AUSTRALIAN FARMERS HAD HAD A TERTIARY EDUCATION. THAT REGRETTABLE FACT HAS A LOT TO DO WITH THE LIMITED EDUCATIONAL OPPORTUNITIES AVAILABLE IN THE COUNTRY. CHILDREN IN RURAL AREAS HAVE SUFFERED FROM THEIR ISOLATION. WE ARE THE FIRST GOVERNMENT TO TACKLE THIS PROBLEM. ONE WAY OF SPENDING FUNDS ON EDUCATION IS TO CONCENTRATE ON PROGRAMS FOR ISOLATED CHILDREN IN RURAL AREAS. THAT IS WHAT WE ARE DOING. I KNOW WHICH COURSE IS MORE IMPORTANT IN THE LONG RUN. LET US FACE THESE FACTS SQUARELY - IF ONLY FOR THE SAKE OF OUR CHILDREN.

THE LAST LIBERAL BUDGET PROVIDED \$2½ MILLION FOR SPECIAL ASSISTANCE FOR ISOLATED CHILDREN. THIS YEAR WE HAVE BUDGETED FOR \$11½ MILLION. THE LAST LIBERAL BUDGET GAVE \$6 MILLION FOR RURAL UNIVERSITIES. WE ARE SPENDING \$21 MILLION THIS YEAR. FOR COLLEGES OF ADVANCED EDUCATION IN THE RURAL SECTOR, IT WAS \$12 MILLION IN THE LAST LIBERAL BUDGET; IT IS \$47 MILLION IN OUR BUDGET.

IF WE TAKE SOCIAL SECURITY PAYMENTS WE FIND THAT \$880 MILLION - OR 46% OF OUR TOTAL EXPENDITURE THROUGHOUT AUSTRALIA - GOES TO RURAL AREAS. OUR REGIONAL EMPLOYMENT DEVELOPMENT SCHEME, OUR NATIONAL ROADS AND HIGHWAYS PROGRAMS, OUR PLANS FOR CHILD CARE, OUR SPECIAL ASSISTANCE TO INDUSTRIES IN COUNTRY CITIES AND TOWNS AFFECTED BY UNEMPLOYMENT - THESE ARE ALL MEASURES OF PARTICULAR BENEFIT TO COUNTRY PEOPLE. OUR TAX CUTS FOR PEOPLE ON INCOMES BELOW \$10,000 A YEAR WILL ASSIST MANY FARMERS. SO WILL OUR PROPOSAL TO ALLOW MORTGAGE INTEREST PAYMENTS AS A TAX DEDUCTION. SO WILL OUR RECENT DEVALUATION. SO WILL OUR LOWER TARIFFS. SO WILL OUR ABOLITION OF RADIO AND TELEVISION LICENCE FEES. ALL THIS SHOULD BE OBVIOUS, BUT TOO OFTEN THESE THINGS ARE FORGOTTEN.

WE ARE ACUTELY CONSCIOUS OF FLUCTUATIONS IN FARMERS' INCOMES. THESE FLUCTUATIONS CAUSE HARDSHIP AND UNCERTAINTY FOR MANY RURAL PRODUCERS. IN ADDITION TO THE PARTICULAR GOVERNMENT MEASURES I HAVE DESCRIBED, WHICH WILL RAISE LIVING STANDARDS IN ALL RURAL AREAS, WE ARE DETERMINED TO DO WHAT WE CAN ABOUT INDIVIDUAL INCOME FLUCTUATIONS. I HAVE TODAY ASKED THE INDUSTRIES ASSISTANCE COMMISSION TO REPORT TO THE GOVERNMENT ON WHAT ASSISTANCE MAY BE NEEDED TO REDUCE THESE FLUCTUATIONS. THE INQUIRY WILL BE DETAILED AND COMPREHENSIVE AND I AM CONFIDENT THAT CONSIDERABLE BENEFITS WILL FLOW FROM IT TO THE WHOLE FARMING COMMUNITY. WHEN I SPOKE TO YOU LAST YEAR I TOLD YOU THAT WE SAW THE I.A.C. AS THE GREAT INSTRUMENT FOR RATIONALISING AND, WHERE NECESSARY, AUGMENTING OUR ASSISTANCE TO RURAL INDUSTRIES. SINCE THEN WE HAVE REFERRED MANY RURAL MATTERS TO THE I.A.C. FOR INQUIRY AND REPORT. IT WILL HELP YOU IF I LIST THEM BRIEFLY: SUPERPHOSPHATE MANUFACTURING, MUSHROOMS, APPLES AND PEARS, DRIED VINE FRUITS, BOVINE BRUCELLOSIS, AND TUBERCULOSIS SLAUGHTER COMPENSATION SCHEMES, RURAL PROMOTION, RURAL RESEARCH, RURAL RECONSTRUCTION, DAIRYING, NEW LAND FARMS IN WESTERN AUSTRALIA, NITROGENOUS FERTILIZER SUBSIDY. THUS YOU WILL SEE THE STRENGTH AND SCOPE OF OUR EFFORTS TO IMPROVE THE PROSPECTS OF OUR RURAL INDUSTRIES.

I SHALL DEAL BRIEFLY WITH OUR ACHIEVEMENTS IN FOUR INDUSTRIES OF GREAT IMPORTANCE.



THE OUTLOOK FOR THE WOOL INDUSTRY - DESPITE FALLING PRICES - IS MORE SECURE TODAY AS A RESULT OF LABOR'S POLICIES. IN DECEMBER 1972 WE INHERITED MR. ANTHONY'S FLEXIBLE RESERVE PRICE SCHEME. NOW THE LABOR GOVERNMENT HAS DECIDED THAT THE WOOL INDUSTRY SHOULD BE PROTECTED BY A FLOOR PRICE. IT HAS BEEN FIXED AT THE EQUIVALENT OF 250 CENTS A KILO CLEAN FOR THE FULL 1974-75 SEASON. IN EFFECT, AUSTRALIA'S CUSTOMERS NOW KNOW THAT DURING THE CURRENT SEASON THEY WILL NOT BE ABLE TO BUY WOOL BELOW THAT PRICE. THIS WILL GIVE THEM CONFIDENCE IN THE AUCTION ROOM. THEY WILL KNOW THAT THE VALUE OF THEIR STOCKS WILL NOT FALL DRASTICALLY AND THAT COMPETITORS WILL PAY THE SAME BASIC PRICE FOR WOOL SUPPLIES AS THEY WILL. THE WOOLGROWER WILL HAVE GREATER CONFIDENCE IN THE INDUSTRY KNOWING THAT A FLOOR HAS BEEN PLACED UNDER THE MARKET.

IN ADDITION TO THE FLOOR PRICE MECHANISM, THE AUSTRALIAN WOOL CORPORATION HAS BEEN AUTHORISED TO CONTINUE TO OPERATE A FLEXIBLE RESERVE PRICE SCHEME WHEN MARKET VALUES ARE ABOVE 250 CENTS A KILO. IN OTHER WORDS, IF THE MARKET RATE IS ABOVE 250 CENTS AND A SLUMP SETS IN, THE DECLINE WILL BE SOFTENED WITH THE PRICE FALLING GRADUALLY UNTIL THE FIXED FLOOR IS REACHED.

ON THE EVE OF THE BUDGET, THE GOVERNMENT DECIDED TO PROVIDE DIRECT LOANS TO THE AUSTRALIAN WOOL CORPORATION FOR ITS FLOOR PRICE OPERATIONS WHEN THE BANKS ARE UNABLE TO MAKE FUNDS AVAILABLE. IN EFFECT, THE LABOR GOVERNMENT IS NOW PROVIDING ITS OWN FUNDS TO SUPPORT THE WOOL MARKET AND NOT JUST GUARANTEEING LOANS FROM THE BANKING SYSTEM. .../10

WE HAVE ALREADY INTRODUCED LEGISLATION TO PROVIDE \$150 MILLION TO SUPPORT THE FLOOR PRICE.

WE HAVE HELPED WHEATGROWERS IN POSITIVE AND CONSTRUCTIVE WAYS. ONE OF THE FIRST ACTS OF THE GOVERNMENT WAS TO RECOGNISE THE VALIDITY OF 'WHEATGROWERS' CASE FOR AN INCREASED FIRST ADVANCE PAYMENT, PARTICULARLY AT A TIME WHEN STOCKS WERE AT AN ALL-TIME LOW. FOR THE FIRST TIME IN FIFTEEN YEARS, THE FIRST ADVANCE WAS INCREASED BY A SPECIAL INCENTIVE PAYMENT OF 10 CENTS A BUSHEL. AT THE SAME TIME, THE GOVERNMENT AGREED TO APPLY THE INCREASED FIRST ADVANCE TO A RECORD DELIVERY QUOTA OF 514 MILLION BUSHELS FOR 1973-74.

WE ALSO INTRODUCED AN ADDITIONAL FLOATING POOL OF 20 MILLION BUSHELS FOR STATES WHICH EXCEEDED THEIR QUOTA. FOR THE 1974-75 CROP, THE GOVERNMENT HAS ACCEPTED THE RECOMMENDATION OF THE AUSTRALIAN WHEATGROWERS' FEDERATION THAT THE BASE QUOTA SHOULD REMAIN AT 514 MILLION BUSHELS. THE FLOATING POOL HAS BEEN INCREASED TO 74 MILLION BUSHELS. THE FIRST ADVANCE PAYMENT OF \$1.20 PER BUSHEL WILL APPLY. IN ADDITION, AFTER NEGOTIATIONS BETWEEN THE WHEATGROWERS' FEDERATION AND THE GOVERNMENT, A NEW FIVE-YEAR STABILISATION PLAN FOR THE WHEAT INDUSTRY HAS BEEN FORMULATED. I EXPECT THAT WE SHALL BE MAKING A FURTHER ANNOUNCEMENT THAT WILL ENCOURAGE WHEATGROWERS LATER THIS WEEK.

THE GOVERNMENT HAS SHOWN ITS CONCERN FOR THE MEAT INDUSTRY. DESPITE STRONG PRESSURES FOR RESTRICTIONS ON THE EXPORT OF MEAT, WE REFUSED TO INTERFERE WITH THE NORMAL MARKET FORCES WHICH DETERMINE THE QUANTITIES OF MEAT RETAINED FOR THE DOMESTIC MARKET OR SENT FOR EXPORT. THIS DECISION WAS TAKEN IN THE BELIEF THAT IT WAS IN THE BEST LONG-TERM INTERESTS OF BOTH PRODUCER AND CONSUMER. THE PROVISION OF OVER \$1 MILLION TO COMPENSATE OWNERS OF REACTOR LIVESTOCK HAS ENABLED THE TUBERCULOSIS ERADICATION CAMPAIGN TO BE ACCELERATED. IN ADDITION TO OUR PROPOSED ANIMAL HEALTH LABORATORY, THE GOVERNMENT WILL ESTABLISH A BUREAU OF ANIMAL HEALTH WITHIN THE DEPARTMENT OF AGRICULTURE. MR R.W. GEE HAS ALREADY BEEN APPOINTED DIRECTOR OF THE BUREAU. IT IS ALSO PROPOSED TO SET UP A NATIONAL ANIMAL HEALTH ADVISORY COUNCIL ALONG THE LINES OF THE NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL. THERE IS A REAL NEED TO INTRODUCE A SINGLE MEAT INSPECTION SERVICE TO ELIMINATE THE DUPLICATION AND INEFFICIENCY THAT ARISES FROM THE PRESENT SYSTEM OF BOTH AUSTRALIAN AND STATE GOVERNMENTS PROVIDING MEAT INSPECTION. DISCUSSIONS ARE BEING HELD WITH THE STATES TO TRY TO REACH AGREEMENT ON A SINGLE SERVICE TO COVER ALL MEAT PREPARED IN AUSTRALIA FOR LOCAL OR OVERSEAS CONSUMPTION.

WE ARE BUILDING A STRONG, EFFICIENT AND COMPETITIVE SUGAR INDUSTRY. THE GOVERNMENT HAS ALREADY ANNOUNCED THAT IT WILL CONTINUE THE NITROGENOUS FERTILISER SUBSIDY AFTER DECEMBER 31 THIS YEAR TO ASSIST SPECIALISED REGIONAL GROWTH AND TO ENSURE CONTINUED LOCAL FERTILISER PRODUCTION. WE WANT TO ENSURE THAT AUSTRALIA IS NOT AT THE MERCY OF OVERSEAS SUPPLIERS OF FERTILIZER. THE GOVERNMENT RECOGNISES THE IMPORTANCE OF THIS ASSISTANCE TO SUGAR PRODUCERS AND THE HORTICULTURAL INDUSTRIES IN IRRIGATION AREAS WHERE THERE IS A NEED TO MAINTAIN A HIGH LEVEL OF SOIL FERTILITY.

THE FRUIT GROWING INDUSTRY HAS PROBABLY SUFFERED MORE THAN ANY OTHER RURAL INDUSTRY THROUGH RISING COSTS OF PRODUCTION, INCREASING FREIGHT RATES AND CONTRACTING MARKETS. TO ASSIST THE INDUSTRY THE GOVERNMENT MAINTAINED STABILISATION ARRANGEMENTS FOR EXPORTS IN THE 1973 SEASON THROUGH GOVERNMENT EXPENDITURE OF \$2.75 MILLION. IT ALSO MADE AVAILABLE IN THE 1973 SEASON ABOUT \$1.6 MILLION TO HELP THE INDUSTRY ADJUST TO OUR REVALUATION OF THE AUSTRALIAN DOLLAR. FOR THE 1974 EXPORT SEASON, APART FROM SUPPORT THROUGH STABILISATION, WE AGREED TO SUPPORT A TASMANIAN GOVERNMENT SCHEME FOR THE SHIPMENT OF APPLES TO EUROPE AND THE UNITED KINGDOM, WITH A FINANCIAL COMMITMENT OF \$2 MILLION. SIMILAR SCHEMES HAVE BEEN AGREED TO WITH THE QUEENSLAND AND WESTERN AUSTRALIAN GOVERNMENTS.

THEY HAVE BEEN DESIGNED TO GIVE THE INDUSTRY A BREATHING SPACE SO THAT NECESSARY RESTRUCTURING MEASURES CAN BE PUT INTO EFFECT. WE HAVE REPLACED THE APPLE AND PEAR BOARD WITH THE AUSTRALIAN APPLE AND PEAR CORPORATION, WHICH WILL BE A SMALLER AND MORE EFFICIENT BODY WITH POWER TO TRADE IN ITS OWN RIGHT IN FRESH FRUIT AND PROCESSED FRUIT PRODUCTS.

THERE IS ANOTHER BROAD THEME RUNNING THROUGH OUR POLICIES AND IT IS THE BASIS OF ALL RURAL PROSPERITY. THAT IS THE ENLARGEMENT OF MARKETS. OUR BASIC OBJECTIVE FOR RURAL EXPORTS IS TO PROVIDE A FIRM AND LASTING BASIS FOR INCREASED TRADE IN RURAL COMMODITIES. SINCE DECEMBER 1972 THE GOVERNMENT HAS CONCLUDED MANY TRADE AGREEMENTS OF GREAT IMPORTANCE TO YOU AS FARMERS. I AM PROUD OF THESE AGREEMENTS. I SHALL LIST THE MOST IMPORTANT OF THEM.

IN JULY 1973, WE SIGNED A TRADE AGREEMENT WITH CHINA IN WHICH THE CHINESE GOVERNMENT SUPPORTED THE PRINCIPLE OF LONG-TERM COMMODITY AGREEMENTS. AUSTRALIAN RURAL PRODUCTS MENTIONED IN THE AGREEMENT INCLUDE WHEAT AND OTHER GRAINS, SUGAR, WOOL, COTTON, TALLOW, HIDES AND SKINS, BREEDING ANIMALS, PAPER AND PULP. A LONG TERM CONTRACT WAS NEGOTIATED WITH CHINA FOR UP TO 4.7 MILLION TONNES OF WHEAT OVER A PERIOD OF THREE YEARS. AT CURRENT PRICES, THIS WOULD BE WORTH MORE THAN \$600 MILLION. CHINA HAS ALSO SHOWN INTEREST IN LONG-TERM AGREEMENTS FOR OTHER COMMODITIES, INCLUDING A SUGAR AGREEMENT WORTH \$50 MILLION A YEAR AT CURRENT PRICES.

AUSTRALIA RECOGNISED THE GERMAN DEMOCRATIC REPUBLIC ON 22 DECEMBER 1972, NEGOTIATIONS WERE SET IN TRAIN FOR A LONG-TERM TRADE AGREEMENT WHICH WAS SIGNED IN BERLIN ON 23 FEBRUARY THIS YEAR, EAST GERMANY HAS SHOWN INTEREST IN LONG TERM CONTRACTS FOR AUSTRALIAN PRODUCTS INCLUDING GRAINS AND WOOL.

A 1973 TRADE MISSION TO NORTH KOREA WAS FOLLOWED BY A SUBSTANTIAL SALE OF 100,000 TONNES OF WHEAT VALUED AT \$13 MILLION, THERE ARE POSSIBILITIES FOR FURTHER SALES OF WHEAT AND SUGAR ON A LONG-TERM BASIS.

THE PHILIPPINES IS ALSO INTERESTED IN LONG-TERM AGREEMENTS, DURING MY VISIT THIS YEAR THE PHILIPPINES GOVERNMENT EXPRESSED INTEREST IN IMPORTING CATTLE.

WE ARE NEGOTIATING A TRADE AGREEMENT WITH MALAYSIA, DURING MY VISIT THIS YEAR, MALAYSIA INDICATED INTEREST IN LONG TERM SUPPLIES OF SUGAR VALUED AT \$50 MILLION, WHEAT VALUED AT \$52 MILLION AND POSSIBLE RICE SALES VALUED AT \$3 MILLION.

AT THE AUSTRALIA-JAPAN MINISTERIAL COMMITTEE MEETING IN TOKYO LAST OCTOBER IT WAS AGREED TO INITIATE DISCUSSIONS ON THE SUPPLY OF AGRICULTURAL COMMODITIES TO JAPAN, INCLUDING GREATER AND MORE PREDICTABLE ACCESS FOR AUSTRALIAN EXPORTS TO THAT MARKET.

A TRADE AGREEMENT WAS CONCLUDED WITH THE U.S.S.R. LAST YEAR WHICH LISTED MEAT, DAIRY PRODUCTS, GRAINS, FRUIT, SUGAR, HONEY, WINE, OILSEEDS AND WOOL AS POTENTIAL EXPORTS,

THE LABOR GOVERNMENT IS MORE INVOLVED IN THE VITAL QUESTION OF MARKETING PRIMARY PRODUCTS THAN ANY PREVIOUS ADMINISTRATION. WE BELIEVE A GOVERNMENT'S ROLE IN AGRICULTURE EXTENDS BEYOND STABILISATION SCHEMES INTO THE FIELD OF HANDLING, TRANSPORTING AND SELLING THE PRODUCT,

IMPORTANT AS OUR MAJOR EXPORT MARKETS ARE, WE ARE CONSCIOUS OF THE NEED TO AVOID TOO MUCH DEPENDENCE ON ONE OR TWO MAJOR MARKETS FOR OUR PRIMARY PRODUCTS. TO FURTHER EXPAND MARKETS FOR AUSTRALIA'S PRIMARY PRODUCTS, THE GOVERNMENT WILL ESTABLISH AN OVERSEAS AGRICULTURAL MARKETING SERVICE. THE SERVICE WILL BE STAFFED BY EXPERIENCED MARKETING MEN IN KEY MARKETS OF THE WORLD AND SUPPORTED BY THE NECESSARY FACILITIES IN AUSTRALIA. ITS ROLE WILL BE TO IDENTIFY AND MEASURE MARKET OPPORTUNITIES, PROVIDE MARKET INTELLIGENCE AND UP-TO-DATE INFORMATION ON LOCAL MARKET CONDITIONS AND REGULATIONS, TO INVESTIGATE DISTRIBUTION CHANNELS, AND TO CO-ORDINATE PROMOTION PROGRAMS,

I COME TO A QUESTION OF PARTICULAR INTEREST TO THE SMALL FARMER - THE FUTURE OF CO-OPERATIVES,

SHORTLY AFTER HE BECAME MINISTER FOR PRIMARY INDUSTRY, KEN WRIEDT CALLED FOR A REPORT ON THE ROLE OF FARMER CO-OPERATIVES IN AUSTRALIAN AGRICULTURE. HE WAS TOLD THAT, WITH A FEW EXCEPTIONS, THE CO-OPERATIVES WERE UNDERCAPITALISED AND FACING MANAGEMENT PROBLEMS. GENERALLY SPEAKING, THE CO-OPERATIVES HAVE BEEN UNABLE TO COMPETE WITH FOREIGN-OWNED CORPORATIONS IN THE PROCESSING AND MARKETING OF AGRICULTURAL AND FOOD PRODUCTS. THE LABOR PARTY BELIEVES IN CO-OPERATIVES. WE BELIEVE THEY PROVIDE AN IDEAL FORM IN WHICH FARMERS CAN MAXIMISE THEIR RETURNS AND ADJUST THEIR PRODUCTION TO CHANGING CONSUMER NEEDS.

FOR THESE REASONS WE BEGAN DISCUSSIONS WITH THE CO-OPERATIVE MOVEMENT ON WAYS OF ASSISTING THEM. AS A RESULT THE CO-OPERATIVE FEDERATION OF AUSTRALIA HAS DECIDED TO ESTABLISH A SECRETARIAT IN CANBERRA AND THE GOVERNMENT HAS DECIDED TO ESTABLISH A FARMER CO-OPERATIVE SERVICE WITHIN THE DEPARTMENT OF AGRICULTURE. THE FIRST TASK OF BOTH GROUPS WILL BE TO CO-OPERATE IN A MAJOR STUDY OF THE AIMS AND OBJECTIVES OF FARMER CO-OPERATIVES IN AUSTRALIA.



THE STUDY WILL LOOK AT THE LAWS AFFECTING CO-OPERATIVES, THEIR INFORMATION AND FINANCIAL NEEDS, METHODS OF IMPROVING THEIR EFFICIENCY AND PROFITABILITY, THEIR MANAGEMENT TRAINING NEEDS AND OTHER MATTERS. THE GOVERNMENT SOUGHT TO HELP CO-OPERATIVES RAISE CAPITAL FOR NEW VENTURES BY EXPANDING THE POWER OF THE AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION TO ENABLE IT TO ASSIST CO-OPERATIVES, THIS INITIATIVE HAS BEEN TWICE BLOCKED BY THE LIBERAL/COUNTRY PARTIES IN THE SENATE,

WE REAFFIRM OUR SUPPORT FOR THE CO-OPERATIVE MOVEMENT. I GLADLY ACKNOWLEDGE THE PRESENCE TONIGHT OF MR. JOHN BEYTAGH, THE CHAIRMAN OF THE NEWLY FORMED AGRICULTURAL COMMITTEE OF THE CO-OPERATIVE FEDERATION OF AUSTRALIA.

I SEE NO REASON WHY FARMERS SHOULD LACK CONFIDENCE IN THEIR FUTURE UNDER A VIGOROUS AND SYMPATHETIC GOVERNMENT. YOU CAN BE SURE THAT MORE THAN EVER, AS TIME GOES ON, THE WORLD WILL NEED AND DEMAND YOUR PRODUCTS. INITIALLY WE HAD TO TAKE SOME TOUGH DECISIONS, IN THE INTERESTS OF EFFICIENCY AND FAIRNESS. THE REMOVAL OF SOME TAX CONCESSIONS AND SUBSIDIES LAST YEAR WAS UNPOPULAR WITH THE FARMING COMMUNITY. WE DID NOT EXPECT TO BE POPULAR. I SIMPLY ASK YOU TO REMEMBER THAT THESE CONCESSIONS AND SUBSIDIES WERE NOT REALLY HELPING YOU. WE HAVE REPLACED THEM WITH MUCH MORE VALUABLE BENEFITS. YOUR LONG-TERM PROSPECTS ARE STRONGER IN CONSEQUENCE.

THERE IS EVERY REASON TO HOPE THAT THE WORST DAYS FOR AUSTRALIAN FARMERS ARE OVER. THE SEVERE RECESSION OF THE EARLY 70S NEED NOT HAPPEN AGAIN, PROVIDED WE ADOPT THE RIGHT POLICIES NOW AND FOR THE FUTURE. UNDER THE LABOR GOVERNMENT WE HAVE SEEN THE FIRST SIGNIFICANT POST-WAR FALL FOR MANY YEARS IN THE INDEBTEDNESS OF RURAL PRODUCERS. IN 1971 THE BUREAU OF AGRICULTURAL ECONOMICS REPORTED THAT 7,570 AUSTRALIAN FARMERS APPLIED FOR ASSISTANCE FROM THE RURAL RECONSTRUCTION BOARD. THIS YEAR THE FIGURE IS DOWN TO 523 APPLICATIONS. OUR POLICIES TO RAISE THE LIVING STANDARDS OF ALL AUSTRALIANS WILL ATTACK THE CRUCIAL PROBLEMS OF RURAL POVERTY. WE CANNOT IGNORE THE CHILLING FACTS SHOWN IN THE INTERIM REPORT OF THE COMMISSION OF INQUIRY INTO POVERTY THAT ONE IN FOUR FAMILIES IN COUNTRY TOWNS LIVE IN POVERTY OR NEAR-POVERTY.

THERE ARE MORE POOR FAMILIES IN AUSTRALIA'S COUNTRY TOWNS THAN THERE ARE IN SYDNEY AND MELBOURNE COMBINED. WE ARE DETERMINED TO MAKE COUNTRY PEOPLE EQUAL PARTNERS IN A STRONG AND PROSPEROUS AUSTRALIA. FARM INCOMES, DESPITE A RECENT DOWNTURN IN WOOL AND PRICES, WILL CONTINUE TO RISE. YOUR MARKETS WILL CONTINUE TO EXPAND. IN KEN WRIEDT YOU HAVE THE ABLEST, BEST INFORMED, MOST ACTIVE AND INTELLIGENT MINISTER EVER APPOINTED TO ADMINISTER PRIMARY INDUSTRY. IN OUR RECENT GREEN PAPER ON RURAL INDUSTRY YOU HAVE THE BEST AND MOST COMPREHENSIVE BASIS FOR INFORMED GOVERNMENT POLICIES ON RURAL INDUSTRY EVER DRAWN UP IN AUSTRALIA. IN OUR INDUSTRIES ASSISTANCE COMMISSION YOU HAVE THE MOST EXPERT AND EFFICIENT INSTRUMENT FOR GUARANTEEING THE STRENGTH AND STABILITY OF OUR RURAL INDUSTRIES EVER APPOINTED IN AUSTRALIA. ALL THESE THINGS PROVIDE FIRM GROUNDS FOR CONFIDENCE AND FAITH IN THE FUTURE. DO NOT BE TAKEN IN BY THE PROPAGANDA OF OUR OPPONENTS. OUR POLICIES ARE DESIGNED TO ENSURE THAT ALL POSSIBLE MARKETS ARE OBTAINED FOR OUR PRIMARY EXPORTS, THAT MARKETING SYSTEMS ARE EFFICIENT, THAT PRODUCTS GROWN ARE THOSE IN DEMAND, THAT OUR FARMERS INCREASE THEIR ALREADY HIGH LEVELS OF EFFICIENCY AND THAT ALL AUSTRALIANS IN RURAL AREAS ENJOY EDUCATIONAL, HEALTH, AND LIVING STANDARDS EQUAL TO ANY IN AUSTRALIA AND ANY IN THE WORLD.

\*\*\*\*\*