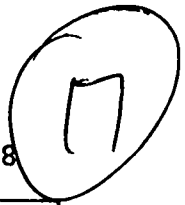




MR CARMODY

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PRIME MINISTER

FOR PRESS

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ELECTORATE TALK

There is now a better understanding amongst most Australians of the difficulties facing many primary producers.

In many cases prices have stayed at low levels while costs have risen sharply over the last five years. Thus it has become necessary for the Commonwealth Government to give greater assistance to primary industry. The present Government has taken positive action to assist primary producers.

In the wool industry, the Government has substantially increased the reserve price and at the same time established that price for a minimum of two years, thus giving a long term stability to the industry that it has not had for many years. Particularly as a result of that, and as a result of the live sheep export to the Middle East, prices of sheep are also much higher than they have been for a long while.

For dairy farmers we introduced substantial underwriting to enable higher interim payments to be made. We reintroduced the superphosphate bounty on a reliable basis and we have maintained the nitrogen fertiliser bounty for an important and significant industry.

A number of measures have been introduced to assist the cattle industry. We abolished the Meat Export Levy. We have introduced a rural adjustment scheme with improved provisions, and assistance for farm build-up, debt reconstruction and rehabilitation, and assistance will also be provided for farm improvements, carry-on finance and household support.

In the first Budget, we introduced the Income Equalisation Deposit Scheme. I believe it is one of the most far reaching reforms for rural producers, and has provided substantial assistance to farmers, helping them to cope with the problem of fluctuating incomes. It is interesting to note that this scheme was condemned outright by Labor.

In the last Budget, the Government announced that it would set up a National Rural Bank. It will be a statutory body established by legislation which will be introduced this session. The Treasurer and Minister for Primary Industry are now working on precise details as to how the Bank will operate. The Bank will make sure that farmers get better access to finance and on terms which meet their special needs. It will work alongside existing trading banks.

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Most of Australia's rural industries rely heavily on export sales. Some 90% of wool clip, 75% sugar, 65% wheat and 55% beef and veal products are exported. In these circumstances, our agriculture is highly vulnerable to fluctuations in world markets, and the protectionist policies adopted by some importing countries. We have been endeavouring in every possible way to secure improved access to overseas markets for our primary products. For instance, we have worked hard to protect the beef market in Japan.

The total Japanese imports of beef from all countries in 1973 was at a peak 127,000 tonnes - Australia's share of that market was around 80%. In February 1974, Japan closed their market to beef. This uncertainty of 1974 - early 1975 was clearly unsatisfactory for Australian producers. That market has now been reopened and from June 1976-June 1977 Japan imported 85,000 tonnes.

In Kuala Lumpur recently I talked with the Japanese Prime Minister Mr. Fukuda, and agreed that officials from both countries should meet to try to establish a greater certainty and stability for the market of Australian producers. I am pleased that the first round of these talks will take place in Tokyo later this month.

The Labor Government not only temporarily lost access to the Japanese market, they virtually lost access to the markets in the European Community.

Now, for the first time, an Australian Government has taken the question of the European Community seriously.

The EEC, with 260 million people, 40% of the world's trade and the wealthiest grouping of countries the world has seen, greatly inhibits access by agriculture exporting countries. And this is why I have appointed John Howard as Minister for Special Trade Negotiations to deal with European Trade. He will be leaving shortly on his first round of talks with the European Community.

There has been some trade success in other areas. The sale earlier this year of 3 million tonnes of wheat to China is the largest ever negotiated. Australia has made further inroads into Middle East markets for lamb and the volume of cheese sold to Japan has continued to increase.

In this coming week, the Treasurer will announce major improvements to the tax averaging schemes for farmers.

The Government is implementing aspects of an IAC Report relating to averaging for farmers. The Government has decided that the present ceiling of \$16,000 on tax averaging should be abolished. There will be no ceiling for farmers in the future. At the same time, we are making substantial changes in tax averaging that will greatly assist primary industry. The Treasurer will announce details during the course of this week.

Further, the Government will examine other proposals designed to relieve the difficulties of the beef industry. Once decisions are taken, there will be no delay in their announcement.

The Australian community needs to understand that those who depend entirely on beef for a living are in a very difficult position.

I am convinced however that in the long term there are good prospects for the beef industry. I am also convinced that sufficient assistance should be given to industry to carry on through the present difficulty.

The present Government has a solid record of assistance to the farmer. I do not want to dwell on the past, but Labor established the Coombs task force that destroyed the fabric of support that had been built over many years. Further, it abolished the super-phosphate subsidy. It greatly put up costs through inflation. It sought to reduce the reserve price of wool. It had no understanding or sympathy for the farming community.

Compare that record with our record of proposals to assist the wool, dairy and beef industries.

In the next few days, further substantial measures will be announced to help the beef industry.

Compare their record with the establishment of the Income Equalisation Deposits, the establishment of the National Rural Bank and the provision of the averaging for income tax, together with measures for the beef industry, which will be introduced this week.