

REPORT ON N.S.W. CATTLE STRIKE

FROM ABC'S "A.M."

Report

The Minister for Primary Industry, Mr. Sinclair has given a strong warning to meat buyers; pay the new meat levy rates or risk your licenses. This follows the decision by cattle producers this week to withhold their stock from the sales yards in protest against the meat buyers who want them, the producers, to pay the levy. Criticising the whole industry for the dispute, Mr. Sinclair also warned that the build-up in unsold beef could lead a slump in the market. He is speaking to Geoff Duncan.

Mr. Sinclair:

What I have said is that they ought to sell their stock on the terms and conditions of sale that applied before the 1st of July. They are terms and conditions which have operated satisfactorily for many years and of course, voluntarily, they can change those terms and conditions of sale. But I am saying that if they were to accept the threats that are being placed, against them by the meat buyers, that I would expect that prices might well collapse as a result of an inevitable over-supply of stock at the point when everybody starts selling stock again. There are a range of ways of selling cattle, sheep and so on. I would hope that they would all continue in the normal course.

Question

But if the meat buyers continue to impose the levy, do the producers have any other choice but to go outside the auction system?

Mr. Sinclair

It is not a matter of the meat buyers setting the terms and conditions of selling. If the meat buyers are not prepared to buy stock there are other meat buyers, there are other meat exporters. I have said in my statement, we are looking at the present terms and conditions of meat export licenses and at the restrictive trade practices legislation. By either means it might be possible to either change the character of the conditions so that if meat exporters do not comply with the terms and conditions of selling that have traditionally been opposed, that their licenses will not be allowed to operate.

Question

That's a fairly tough statement. Is that something that the Government would seriously consider?

Mr. Sinclair

I think that we've got to look at the effect on the Australian market. Meat industries had a diabolic time over the last few

Mr. Sinclair (continued)

years and it seems incredible that one section is prepared to hold the whole of the industry at threat and also the Australian consumer just so that they can make a point. There are two issues concerned; one is the concern about the extent of the rise of levy. I can understand and sympathise with that concern but I believe at least part of the cost needs to be borne by the whole industry and I don't think it is fair to ask the taxpayers to pay them all. But the second part is of course, the normal function of the marketplace. I believe it foolish for the industry to now completely disrupt that normal function of the market place simply to try and help one section who wants to pass the charge which they, in general, are legally obligated to pay, being the owners of the stock at the point of slaughter, onto everybody else.

Question

But given that the growers have refused to put their cattle forward and the buyers are insisting that they pay the levy, doesn't this amount to a vote of no confidence in the Government's decision to increase the levy?

Mr. Sinclair

I think what it does is show that there is a real concern amongst the buyers, at least amongst the sellers, the producers, about what is going to happen to the marketplace. Now the cattle industry knows that if it wants to export meat the United States Department of Agriculture lays down standards which we have to meet in order to get into that market. Now, if they wish to bypass that market, then there would be no reason to have the charge. What we have said is not that the whole charge has to be borne by the industry, but at least half of it should be.