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MEDIA RELEASE

Speech by the Acting Prime Minister and Minister for Trade and Resources, the Rt. Hon. J.D. Anthony, M.P., at the Official Opening of the 6th Macquarie Merino Field Days, Warren, N.S.W., Saturday, 9th February, 1980

I am pleased to be with you here this evening at the Sixth Macquarie Merino Field Days. First of all, I commend the organisers of the Field Days for the interesting and varied programme which has been arranged over these two days, and for the enormous amount of work they have put into the preparation.

The Macquarie Merino Field Days are one of the most important events in the annual calendar of the Australian wool industry. The Warren/Trangie district is one of the major high quality sheep-breeding areas in Australia, and it includes some of the most famous studs that have helped build this great industry. I am also heartened to see that more recently-established studs are participating in the field days, and helping to continue the high standard of breeding which has characterised this area for so many years.

Days such as these provide an important and necessary opportunity for woolgrowers to examine sheep from some of the most important merino studs in Australia. They also provide an opportunity for an examination of the latest developments in sheep equipment and technology.

The Government is very conscious of the importance of maintaining a strong and efficient Australian sheep and wool industry. The wool industry alone contributes more than 10 per cent of Australia's total export earnings, and it is expected that wool export earnings in 1979/80 will top a record \$1,700 million. The Bureau of Agricultural Economics has forecast that auction prices for wool in 1979/80 will on average be 11 - 14 per cent higher than those of last season. The buoyant conditions for wool prices are now being reflected in higher returns for stud sheep and I understand that at the recent Adelaide and Perth ram sales, prices were about 15 per cent up on last year. I am hopeful that on the trends so far, the sheep and wool industry will have a very good year in 1980.

Although the outlook for the industry is buoyant, there are immediate problems which have to be overcome. The Government fully shares the industry's concern at the continuation of the present strike by the Storemen and Packers Union, which has stopped movement of wool from stores throughout the country. This dispute is currently before the Conciliation and Arbitration Commission and the continuation of the strike is not helping to achieve settlement of the issue.

As we have said so many times before, the procedures of the Arbitration System should be allowed to work without the economically damaging effect of strikes.

A problem of fundamental concern to all Australians at present is the instability which has been introduced into the world political and economic situation by the Soviet invasion of Afghanistan. The Australian Government has condemned this invasion as totally without justification and a violation of acceptable international standards of conduct. The Government takes the view that the Soviet Government must be shown that the free world will not tolerate continued Soviet expansionism.

It is essential that any measures which Australia and other free nations decide to take to influence the Soviet Union's attitudes make a real impact. That's why Australian Government strongly holds the view that the Olympic Games should not be held in Moscow. An Olympic Games in Moscow will be a massive propaganda victory for the Soviet system and will be seen by them as an endorsement of Russia's policies and actions. We hope that a large number of free world nations will decide to stay away from Moscow.

With regard to trade, the Government is co-operating with other major grain-exporting nations to ensure that the United States decision to significantly restrict its sales of feed grains to Russia is not prejudiced by increased sales by other exporters. At the same time, the Government does not support the concept of a food embargo on the Soviet Union, and we are continuing to ship existing wheat and coarse grain contracts. Trade in other important agricultural areas, including wool, is being continued on a normal basis.

There has been some speculation that the Soviet Government may seek to discriminate against Australia in future purchases of wool because of our strong stand against their foreign policies.

There has been no evidence to date that the Soviet Government intends to take any such action, and I expect that they would have difficulty in obtaining the necessary quantities and grades of wool from other supplying countries. A halt to normal trading contacts with the Soviet Union would be a major step, which could only succeed if the major free world trading nations decided that co-ordinated action of such magnitude was warranted. No such decision has been taken.

We have agreed with the United States not to make up the shortfall caused by the U.S. refusal to fill a contract for feed grain for the Soviet Union. We have agreed to operate with the U.S., the EEC and Canada to make this move effective.

We have placed what is for the moment an interim ban on the export of strategic minerals to the Soviet Union - materials which could materially aid the Soviet war effort. It is an interim ban until we are able to examine the matter more fully.

There have been calls from some quarters for an extension of such trade bans to include wool. I have strenuously resisted these calls, as has the Government, and for good reason.

The point that must be considered is that ineffective sanctions against the Soviet Union are obviously pointless.

In the case of wool, I simply do not believe it would be possible to ensure that no wool sold by Australia would end up in Soviet hands. To ban wool exports to the Soviet Union would be an empty gesture, and a gesture which could well result in us slicing off a nose to spite a face.

We have moved for sanctions with grains, where we should not sabotage the successful United States efforts, and with strategic minerals, where we are dealing with materials directly vital to Soviet war efforts.

In all cases, our efforts have been directed at achieving maximum impact on the Soviet Union.

The question troubling many people is basically this - are we not asking our athletes to carry most of the burden of our protest over the Soviet invasion of Afghanistan.

I have said clearly, several times, that I and all members of the Government fully realise just what we are asking our athletes to sacrifice.

The Government did not call for a boycott of the Moscow Games without deep thought, and without realising what it would mean to young Australians who had been training for years to compete for their nation at the Olympics.

Taking all these things into account, the Government could still not escape the fact that an Olympic boycott is the single most telling blow the free world can strike to demonstrate its opposition to Soviet expansionism.

There is not the slightest doubt that if the athletes of the free world attend the Moscow Games, the Russians will see this - and broadcast it to the world - as an acceptance of their actions in Afghanistan and a triumph for their foreign policy.

A boycott of the Moscow Games by a significant group of countries cannot be hidden from the Russian people, and the Soviet Union's captive states.

It will be a tremendous blow to Russian prestige, and will bring home to the Russians far more sharply than anything else the world's concern over Afghanistan and the implications of the situation there.

Of course our athletes would be extremely disappointed.

For them it would be a real sacrifice.

But, as hard as it might seem, I believe we simply have to face up to the fundamental questions in this issue.

Where do you draw the line? How far do you let the Russians go? How much bloodshed must there be before people are prepared to stand up and be counted?

Are gold medals, as important and significant as they are, more important than people's lives, their freedom, and peace and security?

These are the questions people have to ask themselves, and answer.

The Government will continue its strong opposition to the continued Soviet presence in Afghanistan. The Prime Minister will be reporting on Tuesday on the results of his important discussions with the President of the United States and other major free world leaders. His report will provide a basis for co-ordinating the steps which Australia must take to strengthen collective security in the Indian Ocean region.

I have no doubt that these are critical days for the maintenance of democracy. The Australian Government believes that it is only through strong, co-ordinated action by free world Governments that the Soviet Union will come to see that its aggressive expansionary policies will not succeed. I hope that all Australians will unite in supporting the Government's stand on this vital issue.

It is with great pleasure that I declare this Sixth Macquarie Merino Field Days open.