



PRIME MINISTER

FOR MEDIA

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ELECTORATE TALK

The decision to be made by voting Australians on October 18 will be a decision of great significance for the rural community. Significant progress has been made in the last five years and today Australian farmers and pastoralists face the future with greater optimism than they have for a long time.

Herds are being re-built. The area planted to grain is increasing rapidly. The cotton and rice industries are expanding. The fruit and dairy industries have gone through a successful and difficult period of adjustment, while the sugar cane industry has decided on a significant production increase.

The recovery has been sustained despite widespread current drought conditions. Confidence and morale have been restored amongst the rural community. What a contrast this is to the picture six years ago when farmers everywhere faced ruin.

The man on the land knows he has to rely on his own enterprise and initiative for many things. He is accustomed to income fluctuations as prices rise and fall in a way which no other section of the Australian community has to face. Bushfires, droughts and floods and the vicissitudes of the marketplace are challenges which he expects and accepts. What he does not expect is Government incompetence. What he does not accept are Government policies towards the rural industry which are unsympathetic or even hostile.

Between 1972 and 1975, a Labor Party Government in Australia stripped away those measures which previous Governments had designed to help the farmer survive bad seasons or falling markets. At the same time, because of the incompetence of the Australian Labor Party Government, farm costs began to rise rapidly. By 1974-75, these costs were rising at an annual rate of 30 per cent. The man on the land was caught in a squeeze between these soaring costs of production and falling prices as Australia lost important markets overseas without even a protest from the Labor Government.

His plight was also that of the whole nation. Because of this squeeze on farmers, great Australian assets were run down. The sheep flock and the national cattle herd both fell. Farmers put off investment decisions. They cut back on farm maintenance. Their properties were run down.

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All this happened during a time of reasonable seasonal conditions, because an irresponsible Government had caused raging inflation and then dumped the farmer when the prices of his products were turning down on world markets. The Australian Labor Party, with its hostility towards rural Australia, used the Coombs Report to take away the network of support which farmers so much need.

Over the last five years that position has been transformed. The Government gave immediate priority in 1976 to new rural policies. These policies were aimed at assisting adjustment, facilitating market access, increasing the availability of long-term credit, reducing the level of uncertainty, and increasing substantially the profitability of Australian farms. These policies have been successful.

The Government established a Primary Industry Bank which has made loans to 3,500 farmers totalling more than \$250 million. Rural adjustment schemes were expanded in co-operation with the States. Last year, because of severe drought, taxation concessions were introduced to encourage primary producers to increase farm investment in fodder conservation. This year, there were generous - and much needed - concessions for water conservation and farm based irrigation programmes.

Tax averaging works to assist farmers in contrast to the old scheme which penalised farmers and pastoralists when incomes were falling. Income equalisation deposits, which now carry an interest of 7 per cent, also help producers smooth out fluctuations in their income. The petroleum freight equalisation scheme was brought back, at a current annual cost of over \$120 million, to help in eliminating the freight differential between city and country marketing.

Bounties were restored to producers for superphosphate fertiliser. Marketing arrangements for wheat and for the fruit industries were improved. The wool floor price, which Labor tried to reduce to 200 cents, is now at a record level of 365 cents. Small country airline operators are being assisted and the new satellite will greatly assist in rural communications in many different ways. An inquiry into the adequacy of tax allowances for people in remote areas, for zone allowances, has recently been announced by the Treasurer.

A drive was launched to regain the markets which Labor lost. Successful negotiations have taken place with Japan and with the United States, and some concessions have even been won in the closed markets in Europe.

Above all, keeping inflation down below that of major competitors and trading countries overseas, restores the competitive position of Australian primary producers, enabling farmers to take full advantage of reasonable seasons which have lifted rural exports to record levels.

The gross value of rural production for the average of the three years ended 1980-81 is expected to be over 100 per cent higher than the average for the three years ended in 1974-75.

Rural exports have increased substantially over the past three years rising from \$4.3 billion in 1975-76 to \$8.6 billion in 1978-80.

Wheat became Australia's largest export industry in 1979. In 1979 also, the rural workforce increased by almost 16,000 - the first increase in more than 30 years. Once more producers are investing in the future.

The Chairman of the Wheat Board recently said that if the current rate of development in the Australian wheat industry continues, a doubling of Australia's wheat crop during the next decade is a likely prospect, and world demand is there for it to be sold profitably.

There is big investment taking place in cotton in NSW and Queensland, as well as coarse grains in tropical Western Australia. The Northern Territory Government is looking at the possibility of establishing a large agricultural industry, in co-operation with the Commonwealth. The Commonwealth and Queensland Governments have decided to fund the massive Burdekin Dam in northern Queensland.

These are exciting developments. Yet they could be dashed by wrong and hostile policies, as they were dashed once before.

A resurgence of inflation, a knuckling under to short-sighted trade union demands against the export of sheep, new taxes on capital gains and on resources, the inevitable re-imposition of death duties, fuel policies which threaten the security of oil supplies to Australia, could once more plunge Australia back into depression and destroy the work of the last five years.

I am confident that Australians will keep to the path of commonsense, growth, responsibility and prosperity for Australia's rural communities.