



A MODEST MEMBER

The Australian Financial Review, 2 January 1970

Down at the silos — wheat quotas for sale?

I wish Parliament was sitting. If it was, then I wouldn't keep running into angry wheat farmers.

The harvest is fresh in their minds and they don't like me much, although fortunately they haven't got much time to tell me this.

The place to avoid is the queue at the silo. These people have got both the time and the inclination to talk to me, and some of the things they say aren't very nice.

The word "quota" crops up pretty frequently. I have to tell them that no one likes quotas overmuch, but they had to choose between limiting production by Government regulation (quotas) or by lowering the price. When I say this, it quietens them.

Some of them say that the Government is to blame because we encouraged them to grow too much wheat.

My reply to that is: the only reason they have been growing more and more wheat is that they were making good money from it, even if they were selling it below "the cost of production," and that is all the encouragement they needed.

This sounds pretty convincing, but I don't suppose it is quite true. After all, the Government agreed to the stabilisation scheme which kept the price artificially high in recent years. This was the encouragement we gave them.

We didn't urge them "to grow more wheat," we just encouraged them by paying them to do it.

So I suppose we are to blame in a way, although, goodness knows, the wheat farmer organisations demanded that we "encourage" them in this way.

Really, I must stop thinking like this. It is all Eccles' fault. Why doesn't he pick on some of the other members? They haven't got any doubt about anything.

And I suppose I was right about quotas. They had to be introduced. But Eccles says that they won't work, not for long.

When I asked him why, he said that quotas were fixed on the previous history of the farm.

I said, "Surely that is the fairest way?"

He said economists weren't interested in what was fair, it was what was right that mattered. He then went on to point out that the reason that we grow the cheapest wheat in the world was that the industry changed to meet the challenges of the times.

I told him to get down out of his ivory tower and talk in language I could understand.

So he did that. He pointed out that wheat farming was always shifting its location.

When settlement started, we farmed closer to the sea. When railways came, we shifted further out. When super came, we tackled poorer land. When land clearing became cheaper, we shifted again. When tractors came, we tended to farm different country. When tractors became bigger, farming changed again.

“And anything that stops the industry changing to meet changing circumstances is the kiss of death to an industry. And that’s what quotas will do if they are not continually changed.”

I don’t like this. We have got into enough hot water fixing quotas for the year without doing it again each year. I had hoped we could adjust them without altering the relationship of one quota to another.

I wish Eccles would go away. He just makes me miserable.

Eccles suggests that we make wheat quotas saleable. I know I have a farmer near me who grows wheat only because he has a quota. This is because he now finds he is more of a stockman than a wheat farmer.

No doubt other farmers near him would like some of his quota. Why not let them buy it? Wheat would then tend to be grown by those best at it.

It sounds a good idea, but I suppose it is too simple.