



A MODEST MEMBER

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Oh I'm popular, but am I right?

Since old Eccles unloaded his arguments about wheat stabilisation on me, I have had a very worrying time.

For years I have regarded the wheat stabilisation scheme as "a good thing" and I know from personal experience that farmers are not making money and desperately looking for something profitable to turn to.

Also I know that the Government is being urged to do something.

And just at this time, Eccles has to come along and pour cold water on the very scheme that everyone regards as sacrosanct.

So I took him aside and told him a thing or two. I said that it was all right for him in his ivory tower to talk pure economic theory, but we didn't live in that kind of world.

"After all, look at these tariffs that you are always grizzling about. Don't they inflate farmers' costs? If it's good enough for manufacturers to be subsidised, why not my farmers?"

Then I went on to complain about wages always going up and up, again under a system which is, after all, the responsibility of the Government.

"And look at inflation," I said. "Every time the Government has a deficit Budget, doesn't that inflate farmers' costs?"

"If other sections of the economy are getting helped and getting helped in a way that hurts farmers, why shouldn't farmers get helped also?"

That quietened the old boy a bit. He admitted that most of what I said was right (and this is more than he usually does).

But then he went on to say that, if the Government would tackle these three root causes of the problem, then he would agree that this was an excellent way to help farmers — and to help the general health of the economy at the same time.

But I could tell that he wasn't really hopeful, because to do any of these three things would take more courage than he expected of the Government, which always seems to want to be popular.

He went on to say that although the farmers' case for justice and equity with other sectors of the economy was undeniable, the trouble was that most of the help given to farmers was given in such a way that it ended up by doing the farmer more harm than good.

He then told me about a cartoon in *Punch* which showed a patient being rushed to hospital after a motor accident and saying to the orderly, "Well, I was in the right, anyway." But he was still going to hospital.

He went on to give some grim illustrations of help given in the wrong way.

Besides wheat stabilisation, he mentioned dairy, tobacco and cotton and I'm certain he would have mentioned others, if I'd given him time.

He thinks that all subsidies on the outputs of exporting industry are dangerous and if help must be given, it should be given in the form of subsidy to inputs, for example, "super" subsidies, probate concessions, etc.

He ended up his lecture saying that an unwise subsidy on the outputs of any exporting industry is, in the long term, the kiss of death for the industry.

He then challenged me to think of one that had worked well. I will try to do this one day.

But I am beginning to see my way a bit clearer.

The trouble is that most of the things that Eccles wants me to urge the Government to do will be unpopular, and Governments, I find, are like me, they often would rather be popular than right.