



A MODEST MEMBER

The Australian Financial Review, 20 February 1970

There's no satisfying Farmer Fred

There is only one word to describe adequately the attitude of farmers in my rural electorate, and that is that they are "sour."

I do the best I can when at meetings and talk about the boom on the stock exchange and the 7 per cent annual growth of the Gross National Product.

I am not sure what I am talking about when I refer to the G.N.P., but it is part of the jargon that I have picked up from Eccles, the economist, and it sounds rather good, I think.

But it doesn't seem to help me as I hoped.

The other night, after I had finished a polished (for me) exposition about the booming economy, Fred the farmer got to his feet in the back of the hall and in a loud, slow voice said that he was sick of this kind of talk.

"The economy may be booming in the cities but it isn't on the farm and that's where I live," he growled.

He then went on to say that I was their member and they wanted me to do something about it, and to stop making stupid statements.

When he sat down, he was loudly applauded and I gathered the distinct impression that my constituents expected me to do something.

So I hurried over to Canberra and told Eccles of my determination to press for subsidies on all agricultural products and asked him how I should go about it.

At the mention of the word "subsidy" Eccles went grey about the gills.

When he recovered he asked me querulously whether I wanted to see the Government do to other industries what it had done to dairying.

I have known for some time that the dairying industry is in a mess, but I also know that the industry asked for the subsidy so I thought it must be a good thing.

But Eccles went on to explain that because of the subsidy the dairy industry was producing more and more butter which it had more and more difficulty in selling.

He didn't claim that the industry was inefficient but he did claim that it was encouraged, by subsidy, to continue to produce butter which no one wanted.

"And if that's helping the industry," he squeaked, "then I don't know what 'help' means."

I said that I was sure that the Government was on the right lines by offering \$5 million a year to bring about consolidation of dairy holdings.

Eccles, for once, conceded this, but pointed out that the industry was receiving assistance at the rate of \$100 million a year by industry subsidy, devaluation compensation and domestic price arrangements.

This had the effect of keeping people in the industry and, with \$100 million a year keeping them in, it was hardly surprising that the industry hadn't embraced with open arms the \$5 million a year to get out.

He then went on to talk about margarine and said that the restrictions on margarine were offensive to him, as an economist, but he understood the political motivation of the restrictions when a lot of the vegetable oils from which margarine is made were imported.

"But in a very few years," he prophesied, "Australia will be producing more vegetable oils than we can use when the good wheat farmers bring their plant and know-how to bear on safflower and linseed.

"There has been no pressure to do this until now, but with wheat production so drastically limited, there will be a big swing to these two crops. And how you will be able to justify margarine quotas then, I don't know."

He then went on to say that the subsidy props under the industry would then break and there would be an awful mess which would be the result of the government subsidising the industry and so insulating it from the demand.

"And now I expect you want to do the same for wool," he growled.

But wool must wait until next week.