



A MODEST FARMER

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Governments sometimes act like Ginger at the war

Last week I wrote about the Government's decision to have the final say in the export price of minerals.

I hinted then that it was hard for the ordinary citizen to understand what principles guided political parties, and what principles there are seem to be quickly sacrificed on the altar of political advantage.

But at least this decision applied in a muddled kind of way across the whole mining field and so did not apply to one particular mineral, let alone one particular company.

But the assistance being given to the Mt Lyell Mining Company in Tasmania is different because particular advantage is being given to a particular company.

I have been puzzling about which principles guided the Government in this case, and after reading the Parliamentary debates on November 7 I am even more confused.

When Ginger was asked in 1914 which arm of the services he preferred, he replied "the infantry," and his reason was that he feared that one day the retreat would be sounded and then he wouldn't want to be hindered by any plummy horse.

It seems that, in this Mt Lyell case, the Government is not being hindered by any old fashioned political principles.

Mining is always an uncertain occupation, but one thing is certain — once you start digging ore out of the ground, you inevitably come closer to the end of the life of the mine.

I know the feeling well; I have reached the stage of life when, as each day goes past, I mark it off metaphorically in my mind as one day nearer my inevitable end.

When Mt Lyell starting mining in Queenstown early this century they knew that the time would come when the better ores would be worked out and the mine would have to close.

This is the stage the company has now reached. So the company asked the Government for assistance, the Government asked the Industries Assistance Commission for advice and this body said that assistance was not justified.

The Government did not accept this and decided to subsidise the company to the amount of about \$1.6 million. Giving such a large amount of money to a particular company sets a serious precedent, so we must ask what principles guided the Government?

There clearly must be some, otherwise the Government would have to give its milk down to any person passing by who patted it.

Perhaps Mt Lyell got its hand-out because it was poor.

But how does the poverty plea square with the fact that Mt Lyell is a subsidiary of the large and powerful Consolidated Gold Fields Australia Ltd and this group does not seem to be actually withering on the vine? I quote from a report of their annual meeting:

Consolidated Gold Fields Australia Ltd is actively seeking areas for expansion of the group's activities. The CGFA chairman, Mr S. L. Segal, told shareholders at the annual meeting in Sydney today that the company was "very liquid" with cash resources of around \$20 million.

This placed CGFA in a position to expand its operations when opportunities presented themselves and which, said Mr Segal we are actively seeking.

So perhaps the justification wasn't poverty. Perhaps the Government expected the price of copper to rise enough to make the mine profitable again.

That may have been the Government's opinion but evidently CGFA did not think so or they would not be looking around for profitable areas of investment.

Perhaps the justification was that the company employs a lot of people. But if this is to be the basis for subsidisation, where does this kind of thinking end?

Does it mean the more labour intensive an industry is the more it will get assistance paid for, in the end, by the more profitable capital intensive industries?

This is the kind of thinking that justified the old butter bounty; there were a lot of dairy farmers so we encouraged them by subsidy to keep on dairying when they and the rest of us would have been better off if they had been encouraged to produce less butter rather than more.

Eccles says he thinks that Mt Lyell is getting its hand-out because it is located in Tasmania and so is entitled to a particular place in heaven. If that is so, I would like to hear WA members explaining the position to their constituents.

We are becoming increasingly cynical about the principles that political parties claim as their own. But, as I said last week, the miners are starting to look a bedraggled lot also.

Principles are funny things. You always have to pay a price for departing from them and the mining industry is paying this price too often.

Its much vaunted private enterprise principles are looking more moth-eaten each week.