PRESS STATEMENT

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GOVERNMENT AID TO PRIMARY PRODUCERS

I have sometimes heard it said that the Government has not given adequate consideration to primary producers. This sort of attitude becomes prevalent particularly when primary producers are facing difficulties of one kind or another.

However, I would deny emphatically the argument that primary producers have not received sufficient attention from the Government over the last ten years. Every member of the Government and every member of the Government Parties is very well aware that Australia's future prosperity, Australia's rate of development depends entirely on the overseas credits and overseas funds which primary producers of all kinds earn for Australia. It is no secret that 80% of overseas export earnings are won by our primary industries, and it is also no secret that the great bulk of these overseas earnings are spent by secondary industries in their orders for capital equipment or raw materials of one kind or another that cannot be supplied inside Australia. Secondary industry is utterly dependent upon the overseas credits that primary industries earned. Australia's future development, the general level of prosperity, the maintenance of full employment, are all dependent upon the overseas credits earned by primary producers. No one would deny this.

Since it has, at times, been argued that primary producers have been left too much to fend for themselves I would review very briefly what has been done over the last ten years to try and help primary producers.

One of the first things the Government did when it came into Office many years ago was to introduce special depreciation allowances for primary producers. These special depreciation allowances encouraged people to put income back into the development of their properties, especially in the high wool price years, and this has led to greatly expanded production. It is worth noting that other sections of Australian industry have, in later years, all been asking for similar special depreciation allowances and so far the Government has felt it would not be justified in giving these special allowances to any one
but primary producers.

Much more recently the Government established the Development Bank which has been established to assist small undertakings. People who, for one reason or another, would not be able to get funds from normal Trading Bank sources, if they are of good character, and if they have a sound project to put forward for the development of their farms, can make an approach to the Development Bank for funds. It may well be that the Development Bank hasn't got all the funds available that it needs, but it is a marked step in the right direction to make developmental capital available to primary industries producers who could not otherwise get developmental funds.

These are, perhaps, two of the most spectacular things which the Government has done to assist primary producers, but there are many others which have been of a continuing nature and which have assisted our position. Only this year import licensing was lifted in an attempt to try to prevent local manufacturers raising prices; the restrictions were lifted with the position of primary producers chiefly in mind.

Furthermore, the Minister for Trade has been doing a great deal to expand our trade opportunities through trade agreements and through expansion of the Trade Commissioners' service. There are now 63 Trade Commissioners where there were only 40 in 1949/50.

The principle duties of the Trade Commissioners is to investigate market prospects; to give advice on selling methods; to arrange contacts between buyers and sellers; to report on economic conditions in overseas countries and to give general advice and commercial assistance to people wishing to sell abroad. Dairy produce, flour, wheat, fruit, coal, radio equipment, railway sleepers and wool tops are some of the items in which Australian exports to various markets have expanded through the activities of the Trade Commissioners' services.

More spectacular than the Trade Commissioners' services is the Trade Agreements which have been signed, and the most important of these is the Japanese Trade Agreement. Primary producers
will remember that when this Agreement was first signed Japan bought £100m worth of goods from us annually, while we bought £10m to £15m worth of goods from them. This sort of position clearly could not continue since Japan was, at that time, suffering severe Balance of Payments difficulties. In that Treaty Australia removed the special discrimination against Japanese goods and placed that country on the same footing as all other countries. It is not always realised that the Trade Agreement did not give Japan special favour, all it did was remove the discrimination which had formerly been held against it, but as a result of that agreement, the Japanese have been able to maintain their activity in wool market and, at the same time, they have shown an interest in and have purchased other commodities which they would probably have done without.

The significance of this Treaty can be shown from the fact that Japan is at the present time our largest single purchaser of wool.

Although this is the most spectacular Trade Agreement other Agreements have been signed with Germany, Ceylon, Malaya and modifications were made in the United Kingdom Trade Agreement in 1957 which was greatly to Australia’s advantage.

Next week I will deal with research arrangements that the Government has introduced over the last few years. I will also try to show how primary producers could at times make it much easier for the Government to be of assistance when help is required.