
STATEMENT CONCERNING EXPORT INDUSTRIES UNDER THREAT BY THE
HON. MALCOLM FRASER, LIBERAL PARTY SPOKESMAN FOR THE PRIMARY INDUSTRY.

Rural industries are going to be in for a difficult and hard time in negotiating with the Government. The two members who knew something of rural affairs, Dr Patterson and Mr Grassby, have been given no responsibility for rural affairs. The Prime Minister was not even prepared to have one of them as Acting Minister while Senator Wriedt is overseas. Senator Cavanagh, whose knowledge of the problems is no greater than Senator Wriedt's when he first began, is acting.

A number of decisions have been taken without adequate consultation with Primary Industry leaders. This is one of the matters that gives most cause for concern. * I have heard of no rural organisation that wants a referendum on the merino embargo. The Government is determined to have one, despite the unanimous advice of the Executive of the Australian Wool Industry Conference. It is determined to have one because the organisation which controls Labour Party members has said it must.

* Without consultation rural reconstruction funds were cut in half and an attempt was made to increase the interest rate - an attempt which was thwarted by the States.

* Rural industries which have lost up to $200,000,000 have been virtually ignored in revaluation compensation, despite the fact that Mr. Crean before Christmas said that the Government would keep to the principles and practices of the previous Government. It was not long after that that Senator Wreidt made it plain that our practices had been thrown out of the window.

* We now come to the incredible situation in which revaluation compensation was announced on 11th April, for secondary industries where they are significant exporters, but not to primary industries.

* We have had an Electoral Bill introduced which I believe the Senate will reject, which was opposed by the Liberal Party and the Country Party in the House of Representatives. This Bill will move up to ten seats from large country areas where members have great
problems of distance interviewing their electors in the remote areas, to the metropolitan areas. The Labor Government's legislation will mean that there will be less voters in seats in the developing metropolitan areas than there would be in electorates like Kennedy or Wannon or Kalgoorlie. It's a ludicrous situation and one designed to perpetuate Labor rule. The object is to destroy the country voice in Parliament. It's only the first step, because we have been served notice that if they ever regain Government, first past the post voting will be introduced with disastrous results for small parties and for all anti-socialist forces.

* Before the elections we were told by the Labor Party that they would provide $500,000,000 at 3% interest to primary producers. That promise has been overlooked. Instead they cut rural reconstruction funds in half.

* What they have done with wool research and promotion funds for the International Wool Secretariat represents an enormous change from the previous Government's policies. The decisions announced recently have indicated a 70% increase for the grower contribution and a one third reduction in the Government contribution.

* The Minister for Primary Industry has made it quite plain that the Government is not bound by our previous policies and that Government sponsored research for all rural industries is being reviewed. It would be more correct to say that it is under threat.

* One of the matters that must give general cause for concern is the fact that most of these changes have been taken without the intimate and close consultation that used to prevail between the previous Government and Primary Industry organisations. Primary Producers now know that whatever advice they offer will not be able to prevail against the doctrinaire views of the governors of the Labor Party.

* The Labor Party has made many promises. With a budget deficit approaching $1,000,000 they are going to have more than a little difficulty in fulfilling those promises.

* Mr. Whitlam has appointed a Demolition Squad to advise him on areas of government spending that could be pruned and altered.
This team headed by Dr. Coombs will be looking to cut funds in the Rural Industry Areas. It is a task force that primary industry organisations will need to watch with concern.

* All this means in the Queensland context that Mr. Hayden has run over Dr. Patterson completely and absolutely. In his own Party Dr. Patterson is politically dead. I regret this because he had some understanding of primary industry matters, but on the issues which concern this Labor Government Dr. Patterson has no influence and can point to no decision that would be of any advantage to the rural industries.

* This is the background to a new situation that is developing. We are now threatened with Australia's meat trade being disrupted — not only by unions, but by arbitrary Government action. There are reports that the Government is considering measures that would arbitrarily curtail exports.

I am told that two proposals are under consideration — one a 30% export tax, or secondly a quota on exports. Either proposal would be quite disastrous. While it's true that meat prices have risen significantly in recent months, it's my understanding that meat prices now have about the same relation to the average wage as they had ten years ago. Australian householders have benefited from low meat prices in recent years because of drought and forced selling in many instances.

It should be noted that an average Australian works less time to buy lamb or beef than his counterpart in the United States, Canada, the United Kingdom, Sweden or France. The drought is now over, owners are restocking and there's a scarcity which always occurs after the breaking of a general Australia-wide drought. If the Government were to use these circumstances to provide an excuse for arbitrarily limiting exports, great damage would be done to the confidence of the meat industry and great damage would be done to our reputation as a reliable trading partner.

It is not always realised that our meat exporters undertake forward commitments. They sign firm contracts to deliver specific quantities and types of meat a long while ahead. If
their contracts were upset by arbitrary government action our reputation would be severely damaged. Markets that we have developed would be exploited by other producers.

If there was an arbitrary reduction of supplies to the United States under present circumstances, we would have precisely the situation in which the United States would be inclined to devote not tens, but hundreds of millions of dollars to the development of synthetic meats. She would do this for two reasons, to reduce her requirements for overseas funds, and secondly to reduce her dependence upon a country that had branded itself as an unreliable trading partner.

The meat industry faces a very serious situation indeed. Unfortunately the complete lack of sympathy and understanding that the Government has shown for rural matters can give us no cause to believe they will act in the interests of Australia in this matter. Arbitrary restrictions would also be consistent with their activities. The Government left wing or Communist dominated unions are demanding action, and it's consistent with the Government's philosophy to give in to that kind of demand.