THE LEADER OF THE OPPOSITION

There have been two important changes in the nature of the economy since that great economist John Maynard Keynes made his contributions to theories of employment and government expenditure.

The first is to do with the strength of the trade union movement, and the second change is to do with attitudes by governments towards spending taxpayers' money.

Over the last 30 years since Keynes wrote his general theory, politicians have come to believe that it is a good thing for them to buy votes with other people's money.

Keynesian economics in the 1930's established that it was acknowledged and respectable for governments to spend more money in a year than they collected in a year, in the interests of creating employment.

While Keynes was writing in the circumstances of the depression, that view had validity. In the years after the Second World War, the prospect of inadequate demand was still a matter for public concern.

During these years, the social and economic theories of John Maynard Keynes were widely practised, with beneficial effect. They contributed greatly to the value and richness of our society.

But politicians still had some inhibitions about spending too much of other people's money. Recurring balance of payments crises, and moderation in the trade union movement, maintained adequate restraint, keeping inflation to reasonable levels and keeping unemployment to a minimum.

However, today the same trade union leadership no longer seems to be fearful of large-scale and continuing unemployment, while national governments are losing the art of restraint.

As a result, governments now act as if their resources are without limit, and as if they can spend and spend and spend, while pressures continue for what even the Prime Minister calls excessive wage demands.

Some people have in their expectations from government lost their perspective. They believe that they can ask, and that the government will provide.

But we must understand that in asking governments we are asking our neighbours and our friends for part of their earnings.

What the government pretends it can provide, must come from the pockets of every Australian.

Unless governments and people again learn to practise restraint, and unless we can cast off the selfishness and greed which the government has encouraged for its own political advantage over the past years, there will be little hope for us as a nation and none for our social and economic structure.
The Government and the Farmer

The man on the land suffers in two ways from the present Government. Like every Australian he suffers from inflation, now running at 16 and 17 per cent, and likely to rise to 20 per cent later this year and perhaps even to approach 30 per cent.

Secondly, he suffers under a government which has tended to ignore the rural sector, and which is formed by a party, which basically believes that they pick up votes in the cities by kicking people who live in the country town and on farms.

Returns have been falling in nearly every rural sector. The sheep industry is in a state of great difficulty, the beef industry is in a state of crisis and the dairy industry has the general problem of falling returns.

It is the Liberal and Country parties which have positive programmes to enable the farmer to face the uncertainties of seasons and markets in these times of inflation.

We will establish a rural bank, hopefully in conjunction with trading banks and insurance companies, but if that were not possible we would establish such a bank in any case, as nearly every other advanced country has done.

We would propose that funds be available for the purchase of land for up to 30 or 35 years, and that funds also be made available for the purchase of producers' equipment, so that people don't have to buy their tractors and their combines on hire purchase terms.

We also have new proposals for income stabilisation which would enable people to pay funds into a stabilisation fund in good years for withdrawal in later years.

We would maintain the superphosphate bounty for an assured three years, and also ask the Industries Assistance Commission to review the overall position.

If support is to be given to the farming communities, as we believe in certain circumstances it must be, we greatly prefer support on inputs, leaving the farmers free to make their own decisions about their products, rather than having a government subsidy on end products, which gives a government much greater control over the nature and direction of production.

Canberra, 18 April 1975