

Published
26.7.85

DS139.D0

ON THE DRY SIDE ** FARMER MILITANCY ** John Hyde

National Farmers Federation President, Ian McLachlan, told the Canberra farmers rally, "There are black clouds of resentment hanging over the countryside." Farmers usually like black clouds. Can these black clouds be induced to water enduring national interests like the reduction of trade barriers and sounder macro economic management, or will the government try to dissipate them with arid handouts, which do little for agriculture, and further weaken the whole economy.

Agriculture, with mining, is bearing the brunt of the cost of highly inefficient discrimination in favour of high cost, uncompetitive industries. Even after all farmer subsidies are offset against the figure, tariffs and import quotas tax an average \$7000 from each farm at a time when farmer incomes are well below wages. However, the real case against the tariff is not that it is unfair to individuals who, knowing that they are going to be taxed by tariffs, choose to farm, but that these trade barriers are destroying Australia. That some of the same men and women who risked life and limb to defend Australian freedom should now support economic policies which make us weak and insecure can only be put down to ignorance.

Farmers should explain the community-wide cost of those policies which do farmers particular harm, but I am not sure that their new found militancy will remain directed toward only those policies which serve national interests. It is one thing - a good thing - to demand an across the board protection cut now, while such a cut is practical, before the devaluation costs work their way through the economy. It is quite another thing to demand tax breaks and subsidies which would do the same sort of damage to the economy as the tariffs do now.

Protection at present levels has been around some time and, except to the extent that there may be an anticipation that no nation could be so foolish for ever, it is built into the low price of Australian farm land. It has greatly reduced the volume of agricultural production, confining it to the paddocks and techniques with the highest potential margins. It has reduced the size of the agricultural industry and the numbers of people engaged in it, but those of us who farm, over our lifetimes, expect at least as high a return for our investment of time and capital as we could get elsewhere. The returns look low because they do not measure the tax breaks we once received, nor the pleasures of a lifestyle which encourages us to pay a premium for land.

Ian McLachlan argued for distortions to the tax system, but the rest of what he demanded was consistent with all of Australia's interest. He said, "Unlike our competitors in the US and Europe, we don't want to be subsidised to produce and subsidised to export. We are not after short term hand-outs from this or any other government. We haven't got them now [a false claim in the case of dairying and tobacco] and we don't want them in the future." Contrast the responsibility of those demands with the populism of Mr. Doug Anthony who in an ABC interview said, "We are competing against subsidised farmers in Europe; we must do the same." Mr Anthony must know that protection all round is protection for nobody. He must know that it is no answer to our economic malaise to allow agriculture too to live upon the lifeblood of other industries as the heavily protected motors, textiles, clothing and footwear industries feed, like leeches, on the blood of agriculture. He must know that the burden of agricultural subsidies would also rest on economically efficient industries, like mining, so that they too would demand subsidy.

Mass demonstrations are mindless appeals to emotion; they build resentment and tension, and the

demands made, are at least as often as not, wrong when viewed with hindsight. Farmers are not professional demonstrators and they have, with very few exceptions, worked within the law. They were betrayed by the McEwenite Country Party and a weak Liberal Party which had no idea of the meaning of 'liberal', which together burdened them with protection. They were and are still being betrayed by a Labor Party which encourages its darlings in the union movement to go outside the law to block legitimate exports, and which encourages a wage setting system that, as well as causing widespread unemployment, imposes costs on agriculture that deny it competitive edge in world markets.

McLachlin came close to threatening that farmers would behave in the same damaging and illegal manner as the meatworkers at Mudginberri works in the Northern Territory. There, a union is defying the Arbitration Commission and an injunction of the Federal Court, and refusing to pay fines imposed by the court. There, in flagrant denial of a basic human right, a union is preventing people who want to work from working, and of course that positive danger to human rights, the Human Rights Commission, has taken no action. The Minister, Mr Kerrin, who is most often a fair man, has protected the Government's 'little mates' by refusing to license new meat inspectors at the works. I don't believe the majority of farmers could yet be led to behave as those unionists are behaving and I'm sure McLachlin would not lead them to do so, but other farm leaders may not be so circumspect and in time farmers might. The majority of trade unionists are not naturally inclined to defy the law either, but fed on a diet of resentment and bullied by their leaders they do. Australia cannot afford another body of militant thugs and we have already seen Victorian dairy farmers damaging property.

Farmers have also betrayed themselves and been betrayed by their own leadership. The monopolistic marketing and handling systems which they themselves instituted are even more protected from competition than tariff protected industries. These behave like all monopolies, and these too live from farmers' lifeblood. Because farmers can do something about these more quickly than they are likely to reduce the tariff or civilise the unions, these should be high among their demands for reform.

It is vital now that farmers are not bought off with policies that might reasonably be regarded as income tax favouritism. Farmers' 'deep cloud of resentment' should be shared by every other Australian who understands what is being done to future prosperity and security and it is vital that everybody keeps his sights on the main objective of an efficient free society.