Last week the Government introduced legislation to provide finance for the Australian Wool Corporation. The Opposition parties supported the legislation although it had misgivings about some aspects of it.

The legislation is necessary to support the marketing activities. It provides government loans up to $150,000,000 at bank interest of 11½%. It represents a high but typical rate of interest under present conditions. The wool industry, however, has no choice but to accept what the government is prepared to do.

Because of the credit squeeze funds were just not available from normal banking sources, and growers themselves will be hard-pressed to find the 5% levy which the government has demanded.

One of the real tragedies is that in circumstances like the present when overseas demand for wool is very slack, the quantity of wool sold does not vary very much within certain quite wide price limits.

Buyers are concerned, however, that if they do buy at a certain price, their competitors won't be able to buy cheaper at a later date. That is the value of the floor price, but because of that circumstance, I would guarantee that if the floor had been kept at 300 cents a kilo clean, the commission would not have had to buy a single extra kilo of wool.

We should recall how the price was forced down from the 300 cents to 250 cents. Last July there was an attack on the corporation by the Minister for Northern Development and by the member for Eden-Monaro Mr Wham. In effect that caused overseas buyers to believe (which was not true) that the price had been kept up for political reasons and they therefore tended to withdraw from the market. It was after that that sales were suspended for a time and later the government supported prices at 250 cents.

In case anyone thinks 250 cents a pound clean sixty four's is a generous price, they ought to translate it into old-fashioned terms. With costs and charges off it is equal to about 42 cents a pound greasy. On present day costs with present day inflation that is not a very generous price.

Nobody should think that this money is a gift from the government to wool growers. It is lent against the security of the clip. If there are losses the grower contribution pays the loss and the rate of interest is exorbitant. There was no alternative for the industry and so the Opposition accepted the legislation. I am, however, glad the principle of floor price has been accepted.
Economic Conditions

Many people are concerned about the economic condition of this country. Mr Whitlam is overseas, Dr Cairns seems to charter an independant course, sometimes supporting, sometimes not, decisions of the government. He says the credit squeeze will be eased, that interest rates should come down, but nothing is done about it.

He says the Government action on the super-phosphate bounty was wrong but won't do anything about it. Who is Dr Cairns kidding?

This government is going to be judged by its performance and that performance is starting to hurt tens and hundreds of thousands of Australians through inflation, uncertainty, loss of jobs. I only wish the government could make some sensible decisions. If it began to get the economy back on an even keel, began to establish security, the government would get credit for it.

I would be glad if that could happen because under present circumstances too many are going to be hurt.

Dr Cairns

Dr Cairns has been in the chair during Mr Whitlam's absence. His performance has not really impressed observers and commentators despite the lack of concern Mr Whitlam seems to show for Australia's current economic difficulties.

I would believe that a brief term as Acting Prime Minister has in fact, consolidated Mr Whitlam's hold over his party. Mr Whitlam might have been more astute than his critics gave him credit for. He may have realised that Dr Cairns would speak too much, would himself seek to woo too many people and thus lead himself into more contradictions than could be found in the thoughts of Chairman Mao Tse Tung.