The surrender of Japan has brought a long and unhappy chapter in our history to a close. It has also opened a new chapter, one full of hope and promise, for the last day of the war was also the first day of peace. If victory in battle should have given us cause for rejoicing, it has also given us cause for reflection, for thoughtful people everywhere are aware that victory itself does not guarantee prosperity and plenty; it has only given us at last the opportunity to bend our will and our skill to the new task of working for it. If the foundations of peace are to be firm they must be laid firmly. Whatever is done now will leave its mark for years to come; therefore it will be necessary to keep the mistakes made now down to the inevitable minimum. Nor can we delay too long in starting on this job of working for prosperity and peace. VE Day automatically became the last day for having the plan ready. If the job is not put into hand soon we may find ourselves swept along in the current of events on a course not of our own choosing, and not to our advantage. We may allow ourselves a respite, but it must be brief and it must be used for a careful stock-taking of our position.

A Time for Stock-taking.

These observations are particularly pertinent in agriculture. Not only is agriculture a central pillar of the Australian economic structure, it is also one that is exposed to uncontrollable external pressures. Where then does Australian agriculture stand, what does it want of the future, and what is the framework within which it will be permitted to shape its own fate?

Uppermost in the minds of farmers will be the thought that the end of the war means the end of many of their war-time troubles. For instance, it is now possible to look forward to an end of manpower shortages; many young men will be coming back to the farms which they left at the time of the nation's crisis, and many of those who have been carrying on, under difficulties, and perhaps far beyond the time when they would normally have retired, will now at least get relief. Farmers can now look forward also to a gradual easing of their difficulties in obtaining so many of the materials essential to their farm operations, such as fertiliser, spare parts for machinery, petrol and tyres, wire netting and paint and many other items. It means also that they will soon be eased of some of the oppressive burdens of taxation.

But this is far from being the whole picture. The end of the war will also mean that some of their former worries, which
disappeared during the war years, will return as soon as the world settles down to peace-time patterns again. Chief among these was the growing difficulty of finding a market for the whole of our export surplus at a price giving a satisfactory margin over production costs. Allied to this was the need to experiment with marketing arrangements which would permit an averaging of the lower export prices and the higher home consumption prices fairly over the whole output of certain commodities. This in turn brought with it the development of government control over production. There were other troubles, too. There was the constant struggle to ward off the encroachment of rising production costs and the resultant growth of indebtedness to financial institutions. There was also the persistent drift to the cities, carrying with it a nagging suspicion that the city population was able to enjoy many more of the fruits of life, and furthermore do this at the farmer's expense.

Would agriculture, then, be content to drift back into its pre-war troubles? Can it afford to ignore the lessons which have been learnt during the war? Could it indeed go back to its pre-war state even if it wanted to? Has not the world around us changed so much that such a course is no longer possible? These are important questions and that is why agriculture must take careful stock of itself, and, if it has not yet done so, give serious thought right now to where it wants to go and how it can go about getting there.

There is little doubt that, at heart, farmers were already uneasy before the war and that most of them would be most unhappy to see a return to pre-war conditions. They can remember, most of them, that growing market difficulties, the resultant instability of prices and the growth of domestic and international control schemes, were all very disturbing realities. The lack of security which they engendered was enervating and was responsible for depressing the general status of agriculture. Farmers were already beginning to realise that the government intervention they had already tasted consisted really of stop-gap measures which would have to be replaced eventually by some more permanent solution of their troubles. Obviously, agriculture does not want to go back, and there is no reason why it should, if only it is able to set its course where it wants to go.

War-Time Changes.

But, indeed, agriculture cannot go back, even if it wished, for there have been changes during the war, changes of two main kinds, which have come to stay. First, there are the changes in agriculture itself - in its methods and outlook, and second, there have been far-reaching changes in its environment, in the aspirations and attitudes of the people of the world in general.
The changes in agriculture itself may be mentioned briefly. They spring mainly from the way in which agriculture adapted itself to war-time shortages, and though they were mainly improvisations, they have taught new and more efficient methods of production. Outstanding have been the lessons which farmers have learnt of the benefits of mechanisation, two notable examples being the milking machine and the State-financed farm mechanisation schemes. Will any of the many thousands of dairy farmers who have installed milking machines during the war ever go back to hand-milking? How many farmers, who have learnt the usefulness of growing their own fodder crops through hiring a tractor for cultivation, will ever find themselves without fodder crops in the future? There have also been benefits on the side of agricultural organisation. Many farmers through the efforts of War Agricultural Committees have learnt the value of co-operation in the harvesting and carting of crops. Producers of vegetables, pigmeats and a number of other commodities have learnt at first hand, too, the benefits that arise from systems of contract production and price guarantees.

But even more important are the environmental changes, the steps which the United Nations have already taken jointly towards a more liberal trade and agricultural policy being simply the outward signs of this new attitude. The keynote is international co-operation and has been highlighted in war in such important experiments as Lend-Lease and Mutual Aid. Plans for the future have already been freely discussed, and have been crystallised in the Resolutions of the United Nations Food Conference at Hot Springs and in the so-called Atlantic Charter. In brief, the express aims of international effort so far as they affect agriculture, are all in the direction of a removal of trade barriers, deliberate policies to raise nutrition standards the world over, stability of farm incomes, and full employment. How will the pursuit of these aims affect the Australian farmer?

Australia's Response to the New World Environment.

In looking into the future it is very important to distinguish the immediate post-war period from the more enduring conditions to follow. For some time yet, production in those countries of Europe and Asia previously occupied by the enemy will need to be supplemented by relief shipments of foodstuffs. For so long, the demand for food from the principal exporting countries like Australia will continue at the high emergency levels which have ruled during the war. But this period is likely to end soon and suddenly, and it will then be necessary to equate supply and demand at new levels, and at prices - not the distorted war-time price levels - which are satisfactory to both consumers and producers. In attempting to fit agriculture to this post-war pattern, then, we must look ahead and attempt to gauge the influence of those factors which promise to be important for a more permanent period.
Probably the most important single determinant of Australia's agricultural production is the state of overseas demand for our products. This is not only because it is a more variable factor than domestic demand, but also because production of most of our important primary products is high in proportion to our own requirements. Even if consumption standards in Australia were to rise substantially we would still have substantial export surpluses to dispose of. True, if the major aims of Hot Springs are realised, the demand for foodstuffs of most kinds all over the world would expand substantially, and Australia could expect to participate in the benefits. But this becomes a practical possibility only if two conditions are fulfilled. In the first place, countries whose standards of consumption are now low must adopt deliberate measures which will lead to increased food consumption of the right kind; this is a very important point, and it is principally the more expensive "protective" foods where the greatest expansion is being sought. Secondly, the means must be found for these foodstuffs to be paid for; neither the farmer as an individual, nor the nation as a whole could long afford to ship goods out of the country without corresponding payment being made, and this, too, at payable prices. Perhaps these conditions may be fulfilled at some time in the future, but it is hard to believe that they can be achieved on a grand scale before many years will have passed. Perhaps a third condition might be added if Australia is to benefit, and that is that it should not be possible for the whole demand to be satisfied from countries offering the goods at a cheaper price than Australia can afford to offer them.

Removal of Trade Barriers.

What would be the effect on Australia of the lowering of tariff walls throughout the world? Thought of in terms of a reduction in European duties on wheat or American duties on dairy products, and so on, Australia's market opportunities would be correspondingly broadened. But such a state of affairs is unlikely to arise without on the other hand a substantial modification of Empire preference. This latter is not an empty suggestion. The whole direction of trade discussions during the closing stages of the war has implied that Empire Preference would be an anomaly in a world of lowered trade walls; and indeed the negotiations which are already in progress following the cessation of Lend-Lease have heightened this possibility. In such a contingency what would happen to Australia's dried fruit and wine industries, for example? Would they be able to find an adequate market abroad in the face of production from other countries with lower production and shipping costs? It will be appreciated then that post-war patterns of trade may demand that Australian agriculture should make itself more flexible in meeting world demand.

Under these conditions Australian agriculture must be competitive in price with the production of other countries, and
this means that no opportunity must be lost to enhance its productive efficiency. But its competitive ability was already before the war being hampered by a tendency for production costs to increase. Indeed, production costs will probably continue to rise, as rural wage awards designed to equalise rural conditions of remuneration with those ruling in secondary industries, gain currency. Indeed, without such measures it is doubtful whether an effective labour force could in the future be maintained on Australian farms. Again, production costs will be increased indirectly through the provision of amenities in country areas, such as recreational facilities and better housing conditions.

In addition to the changes necessitated by these influences, the Commonwealth Government has already expressed its general intention of devising means of ensuring greater stability for farm incomes. It is also foreshadowed that a plan for dealing with rural problems as a whole will be considered when the Rural Reconstruction Commission has completed its work. It would be unwise to anticipate the Commission’s findings, but it already seems clear that many of their proposals will concern precisely that aim of stability, and will embrace price stabilisation schemes, organised marketing, crop insurance schemes, rural awards, provision of amenities, control of land values, and the like.

The Picture for the Future.

What then does this add up to for the individual farmer? Let us first look at two important examples of commodity arrangements which have already been reached at the international level.

First, it has just been announced that the main Empire wool producing countries have agreed to joint marketing arrangements for their output; this carries with it the responsibility for intensive research not only into technique of production, but also into the economics of production and utilisation of wool. But the important feature of the agreement is that there will have to be substantial participation by governments in any plans for the industry’s future. Secondly, an International Wheat Agreement reached in 1942, provides for international control of wheat prices, export quotas, and suitable measures in each country for the restriction of production. Naturally, this agreement too envisages increasing government control and guidance for the industry.

If these two examples represent the trend for the future, it seems inescapable that the farmer will have to submit to a much greater degree of government control than characterised his operations in the past. If the government is to be the body responsible for regulation of production at agreed levels, and perhaps even the channel for international trade as well, it will be necessary to devise mechanisms to implement its plans. Perhaps these will be found in systems of production goals, coupled with the forward
announcement of contract prices or guaranteed price minima. Or it might even be necessary to adopt more positive measures of control such as the licensing of producers. If the government's aim of stability is to be pursued concurrently, then these measures will have to be related to price stabilisation schemes and perhaps also to subsidies, periodical drought relief payments, and incentive payments. But in any event probably no government would be prepared to undertake the financial responsibility of guaranteeing stability of farm incomes, without at the same time exercising some control which would ensure efficiency of production. It seems clear, therefore, on a number of counts, that the government is in agriculture, and will be staying there.

Productive efficiency thus becomes a necessity, not only on the grounds that without it our competitive position abroad will suffer, but also as a condition of government support for agriculture. This means that it will be more important than ever before to concentrate on the business side of farming. It will be impracticable to allow inefficient practices and inefficient industries to survive too long. Besides the lessons learnt during the war, sufficient is already known of better farm management methods in most industries to reduce average production costs substantially, and it must be an aim to make the best methods of to-day the common rule for all farmers within a short time. Improvement of this kind can only be brought about through an intensification of agricultural education and extension services, and through continuing research.

It is as well to point out at this stage that if the farming community is to accept these far-reaching changes, it will have to feel that it is participating in the vital policy decisions that affect it. To do this the Australian farmer will have to organise in such a way that he can present his viewpoint in an able and informed manner; otherwise he will stand in danger of receiving treatment less just than he deserves. The obverse is that it is a clear duty of the governments concerned to explain fully to the farmer the factors which determine agriculture's future, and the reasons for each step which is taken to implement agricultural policies.