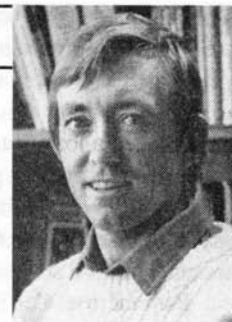

Interview: Max Johnson



'Australia's farmers are fed up with free trade'

Mr. Johnson, a wheat farmer, is president of the Rural Action Movement in Western Australia. He was interviewed by Marcia Merry on Nov. 30, the day he arrived to begin a three-week organizing tour of U.S. farm states, where he spoke to farmers and others on behalf of the Schiller Institute. He is planning a two-week tour of Western Australia, starting Feb. 4, to brief Australian farmers on what he learned of the crisis in U.S. agriculture, and to mobilize them to fight the policies of the multinational grain cartels.

The farmers' protests during President Bush's visit to Canberra, Australia on Jan. 2 (see article, page 42), received widespread international media coverage. As can be seen from Mr. Johnson's discussion below, however, these were just the tip of the iceberg of the rage that is building up in his country against the destruction of farming.

EIR: Could you describe for us the protest action in Australia and the upheaval in the farm sector, and what gave rise to this?

Johnson: What kicked it off initially was the fact that we lost our reserve price mechanisms, and we've had an Australian Wheat Board which was completely regulated for the last 50 years and which worked extremely well. I think the reserve price mechanism was only triggered twice in 50 years. Last year we found that the price of wheat had fallen from Aus \$195 to Aus \$115 a ton. We, a group of farmers up in the northern wheat belt of Western Australia, thought that we would try and get this regulation of the marketplace back in order. We decided to take action, driving a lot of trucks into the central business district of Perth, very strategically placed in major arterial routes, where at a certain time of the morning, just before peak hour traffic, Perth came to a standstill. That was highly effective, and it created good publicity. We wanted to highlight what the problem was in the bush.

That was early in March of 1991. We were surprised that we didn't get much backlash from the city folk. They fully comprehended our predicament. We followed it up with dumping dead sheep at parliamentarians' offices in Perth, at the Australian taxation office in Parliament House, and also at the U.S. Consulate, because at the same time, we believed

that the Americans' trade laws were crippling our markets. Then we actually even threatened to destroy a U.S. tracking station. We were all pretty green at the time, and didn't know the facts, but it got to the point where they eventually gave us the Aus \$150 per ton guaranteed minimum price for wheat. That was a huge success for us.

It was totally unconstitutional, because the federal government wouldn't allow it, but the state overrode it. Fortunately, as it works out, the world market price is above Aus \$150 a ton for wheat, and so [the law] won't need to be triggered.

EIR: Your organization formed at the time in order to conduct this kind of action?

Johnson: No, we just started off as a moral action group. Then after that success, we had literally hundreds of telephone calls from all over the state, telling us, you can't stop here. And people like John Koehler [of the Citizens' Electoral Councils] told us, "Listen, you can't blame the Americans, you've got to go out and find the facts." That's why I'm over here now.

What is actually happening and what we're being told are two completely different things. The politicians are always dealing with the result of the problem, rather than the cause, and we believe we've got to get down and find the real cause of the problem, and then we can go out there and find out who we're exactly fighting. We are trying to find out the facts.

EIR: Have you been active in the fight around the sheep kill, the wool crisis, and so forth?

Johnson: We are finding it a little bit harder to get the wool farmer motivated. For what reason I don't really know, but I think he's possibly about eight months behind us.

In fact, we just had a huge downturn in wool prices recently. It's around about 600¢ a kilo for cost of production, and only six or eight weeks ago [the selling price] fell down to about 475¢. It has picked up a bit since, to about 525¢, but at this rate, the more sheep you run, the more debt you've got, and down in the region, which is on the southern coast of Western Australia, it's got the highest debt of any farmer

in Australia. So they really can't absorb any more debt, and the situation is getting critical.

Farmers are starting to see that there is definitely something wrong. They don't know what the answer is. They have placed a lot of faith in the Western Australian Farmers Federation, which is their industry leader, and the people, like even their politicians, and there they're starting to see that they're being, I suppose, sold out. We are a growing organization, and we will continue to grow, providing we can give them the right information, and not just go at them and be right-wing extremists, or rebels, or radicals.

EIR: Now, Washington has sent some delegations to Australia in order to keep the fire burning in the name of free trade, because of the Cairns Group in GATT.

Johnson: Industry leaders are firmly committed down the path of free trade. But the greater percentage of the farmers—possibly 90%—know full well, after being involved with the free trade scenario for some 80 months, that it's simply not working. We all had the wool pulled over our eyes some 12 months ago, and we were prepared to give it a bit of a trial period, but over that trial period, things have gone from bad to worse. Farmers are fed up to their back teeth, and they are prepared to take any sort of action to try and get out of this free trade mechanism, because it's simply not working. It works to the demise of the agricultural base, so you know it's having a devastating effect on the Australian economy.

EIR: What about the general picture of agriculture? What is the condition of the railroads, urban water supplies, the inputs that you need for your farm?

Johnson: The infrastructure as such is very good. All there is, is a liquidity problem, through the monetary system. And once we can get a debt moratorium, and get interest rates down to a reasonable level, then the infrastructure's there for us to market wheat and produce and do what we normally do best. That's not a real problem in Western Australia, and I would suggest that for right across the board in Australia.

It's no different to the last Depression. Everything was there, there was just a liquidity problem. . . .

EIR: Have you been working on debt relief arrangements?

Johnson: We have a national party which is one of the third political parties over in the West, and they put up debt moratorium legislation which was very similar to the old 1930s legislation, except it didn't cover the unsecured creditors, which is fair enough. Fifty years ago, even the unsecured creditor was controlled, and the little fellow who had a Aus \$2-3,000 account to the fuel agent, or a couple hundred pound bill to the food merchant—he missed out. So this particular bill was looked at quite strongly and it was altered and amended, and we believed it wasn't a be-all and end-all, but it was a very good appeal, right to appeal, against the

banks, which are basically the umpire in the game, and they make the last decision.

Unfortunately, through the lack of foresight by the three political parties, they decided to toss it out, but there was huge support in the bush, simply because there's huge debt. But it will come in, and good evidence of that is the fact that some finance companies are asking farmers to even come and rewrite their mortgages, and have got in the fine print that no moratorium shall apply to this deed.

So, they are two or three steps in front of us, but we are catching up to them pretty quickly.

EIR: And you're going to keep fighting on this front as well?

Johnson: We certainly have to. In the Rural Action Movement, the basic platform that we stand by, is to keep any farm or associated business on their property, unless they voluntarily decide to leave, and if we have to smack someone on the nose to stop them from buying another farmer out, or drop them in the pit if they make a bid, well, so be it, but that's what we're going to stand by.

I think it's only a matter of time before farmers unite and realize that what is happening is a plan, an open plan, and that you can't trade your way out of it, and purchase your next door neighbor's property and transfer the deeds. When they realize that, then there will be no more sales, and then we can start to deal with a few more of the issues a bit more concretely.

EIR: Australia is one of the top six in terms of any exportable world food, and there's such a crying need for food now. What is the true picture of the wheat harvest in Australia this last season?

Johnson: Back in 1990, globally, we had marvelous wheat production, and Australia grew something like 15.5 million tons of wheat, which was about third on record, I believe. This year, we've had widespread drought on the East Coast, and certain pockets in the West, and we've dropped down to what the experts believe is 9.5 million. As a matter of fact, I'm in the middle of harvest myself, so I know there's not the wheat around, so you could even drop it down to 9 million.

We've possibly lost 45% of our export potential, over last year's export potential. That's going to have a devastating effect on our markets. We're pushing very hard into the Southeast Asian markets and the Japanese markets, and that is going to have a devastating effect on those markets; we could lose those markets, and in fact, there's even talk that we might have to buy some subsidized wheat from the U.S.A., particularly on the East Coast, which farmers just need for stock feed, which would be an ironic twist.

We were warned that in the first place, unless we got that guaranteed minimum price from a federal perspective, then the hectareage that was going into cropping would fall dramatically and we might be pushing this scenario anyway, so that the drought brought this to a head.