



A MODEST FARMER

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Don't feel sorry for him – hang on to his ear

Last week we had a firm grip of our Member's ear in our efforts to make him face up to the tariff problem.

So far we have assumed that he is one of those wishy-washy people who cannot make up their minds which side of the fence will be the more comfortable.

But perhaps your Member may represent a constituency that has both a lot of farmers and some highly protected secondary industry as well. If so, you will have to treat him rather differently.

You should not be surprised that such a person will have some difficulty in making up his mind, but that is no reason for letting go his ear.

You can rest assured that his secondary industry people will be twisting his other ear as hard as they can, so if you let go the ear you are twisting you will deserve to be ignored.

But, of course, things may be fine in the farming scene in your district and if that is so, let go his ear and stop worrying.

But if you are being clobbered, as I am, by the increased costs of farming, hang on to his ear as if your life depended on it. Don't feel sorry for the sod. After all, that is what he is paid for.

But you might be able to help him find a way out of his dilemma. He will know that farmers who are exporters are paying to protect his industry through the tariff, so he will know that he cannot help his secondary industry without hurting his farmers if the tariff is used to protect his industry.

But you can tell him that it is not necessary to use tariffs to do this, the same result could be achieved by using bounties instead.

This method of protecting our industries is used to protect our tractor industry. Even our high protectionist Government has not got the nerve to ask our farmers, who produce in competition with farmers overseas who can buy their tractors on the open market, to pay for protecting the Australian tractor industry.

So instead, a bounty is paid for every tractor made in Australia. So the burden of protection is borne by the whole community and not just by the exporters, which would happen if the tariff method were used.

So resources are not encouraged to leave our more efficient industries, ie those which can export.

The second great disadvantage of using tariff bounties instead of tariffs is that the cost of protection is there for all to see instead of being hidden away as it is with tariffs.

But your Member should not be too hopeful that the responsible and equitable solution to this dilemma is going to be eagerly accepted by either secondary industry or the Government.

Industry does not like bounties because the cost of protection is exposed to the public view and its magnitude is frightening.

And the Government is not attracted to bounties either, as the following discussion will show.

Recently a farmers' group asked the Minister for Primary Industry to use the bounty instead of the tariff method to protect our agricultural machinery industry.

The minister refused this request. He admits that the present method of protecting the Australian industry by using tariffs imposes burdens on exporters.

His letter recognises "the cost burden that high levels of protection impose on less protected sectors of the economy, especially export industries."

I was quite excited when I saw this. Up till now I had thought that the minister was unaware of this fundamental fact because the Government has been increasing this burden almost daily.

And it is evidently prepared to go on doing so, because, in the same letter, the minister, in refusing to use bounties says "the cost involved for the Government adopting this method protection (bounties) over a wide range of imports would be very large indeed, both from the point of view of lost tariff revenue but also from the increase in expenditure due to bounty payments."

So there it is, in cold print. The cost of protection is admitted to be heavy, but the minister insists that the burden of protecting the farm machinery industry should continue to be carried by the farmers in particular because it is too big to expect the economy in general to carry it.

The Minister for Primary Industries represents a rural constituency, so I can only assume that his farmers are equal to the task.

But if they aren't, if they are like the ones that Fred and I know, then I think that his farmers ought to start twisting the Minister of Primary Industry's ear.