



A MODEST MEMBER

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Is it time to get aboard the tariff band-waggon?

Since I began writing these articles, Eccles has been whinging away because I will not devote myself with religious fervour to the engrossing subject of tariff protection. He says that tariffs increase farmers' costs so I ought to be angry about them.

But, up till recently, none of my farmers was really angry about tariffs and as the subject seemed terribly technical, using obtuse terms which I found difficulty in understanding, I put tariffs in the "too hard" basket.

But now old Fred has got to hear that the subsidy which the consumer pays in the form of tariff protection amounts to about \$2,700 million a year.

He has got very tired of being clobbered by city people who grizzle because farmers get subsidised by about \$215 million a year.

He was then really angry when he found out the magnitude of his own and his colleagues' generous contribution to secondary industry.

So he ordered me out on the war path.

Eccles was not surprised to see me wandering up the path to his ivory tower.

He said that he knew that one day the electorate would force me into learning a little (at least) about the subject.

But he warned me that it was important not to try to understand the complicated subject in one easy lesson. And he also begged me to be careful about the figures I used.

As an instance of this, he said that the \$2,700 million subsidy about which Fred was so angry, was taken from the last Tariff Board annual report.

But the board was careful to point out that this was the level of protection that was available to all protected industries but which, in many cases, they did not use.

He hopes that next year the Tariff Board may be able to estimate the actual subsidy paid. His guess is that it would be somewhere between \$1,500 million and \$2,000 million.

This figure, though it may be lower than the \$2,700 million that Fred is cross about, will hardly be small enough to make Fred feel much better.

Then Eccles said that I ought to read the last Tariff Board annual report at least once a week until I really understood it. He says he reads it now just for pleasure. Funny warped minds these economists have!

But he thinks that the days of excess protection are going. There are several reasons for this.

One is the quality of the work of the Tariff Board. Another is that the rural exporters are angry about their financial position and are not in the mood to have further burdens placed on their bent backs.

And the mining industry is going to be an important exporter from now on and is able to speak with a loud, clear voice when their costs are affected by unwise protection.

Lastly, secondary industries themselves are starting to export in some scale and they too don't want their costs increased.

So, according to Eccles, the days when tariff protection was handed around with a long-handled shovel are done. And most of the responsible sections of our nation now know that we have a greater percentage of our workforce employed in secondary industry than has the USA, and that unwise protection reduced employment opportunities.

He gave as an illustration of this changed attitude the difference between the behaviour of firms during this year.

In April, following the Tariff Board advice, the Government reduced the duty on man-made fibres.

This was greeted with a howl of anger from the industry who were evidently all going broke almost immediately.

They even went to the extent of buying expensive advertising space in all the national papers around Australia telling the sad story.

Eccles said that it was awfully silly stuff so no-one took any notice.

Then in October the Tariff Board recommended the abolition of the protective bounty on nitrogenous fertiliser and again the Government took the advice.

This action was a severe blow to some of the companies but now they know that the protection honeymoon was over and they took their medicine like men.

So Eccles says that it is a good time to get on the tariff bandwagon before it gets too popular for me to find a seat.

But I do wish I didn't have to wade through all those Tariff Board reports.

The Senate election has been a grim warning to me. Mavis says I must try harder to be popular. The trouble is that even now I chase after each popularity hare that jumps up.

I just can't run any further or faster. But I suppose I must try.