



A MODEST FARMER

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Tariff cuts are all right if they don't really happen

Last week Eccles praised the Crawford Report because its general drift agreed with his message, that we would all be better off if tariffs were gradually reduced.

Fred and I, on the other hand, are indifferent to the condition of Eccles' halo. We are chiefly concerned that someone sometime starts actually removing a few bricks from the tariff wall.

We are only too well aware that the present tariff is harming farmers in particular as well as the economy in general.

The Crawford report admits this but seems torn between the desire to see reductions take place so that our industries can better meet their export opportunities and so cease to be a burden on the rest of us, or making changes that will create social problems.

The situation was summed up perfectly by the leader writer in *The Age* on March 8:

“The Crawford study group recognises the need to rationalise Australia's industry structure in line with international realities. But it argues that the painful process of winding down protection for high-cost industries which undermine the competitiveness of export industries and other import-competing industries, should be postponed until unemployment is reduced to the new 'full employment' rate of 4 to 5 per cent of the workforce.

“The approach might be likened to a person with a debilitating illness postponing a painful operation until he feels healthy.”

But if we are not courageous, the tariff reductions that almost everyone now sees as essential if the economy is to forge ahead, may never actually happen because the perfect time for them might never come round.

It is a bit like increases in parliamentary salaries, they are often seen as desirable but never just now.

The Crawford committee does not clarify its position when it says “the study group believes that any reductions of a general character should be made over time and become effective only when unemployment is easing and when positive industrial development incentives are in place and are working.

“In the view of the study group it would be inappropriate to implement any general program of tariff reductions while unemployment remained above say, 5 per cent.”

Some commentators have assumed that this means that, if the IAC recommended a reduction in duties for a particular product, then the Government should not accept this advice until unemployment had dropped.

However, heard Sir John Crawford say at press conferences that the study group meant that there should not be an across-the-board tariff cut, such as the 25 per cent cut in 1973, while unemployment is at its present level.

If the Government accepts this interpretation, then tariffs can creep steadily down so the damage at present being done to the industries being clobbered by the tariff, will gradually shrink.

But I fear it may adopt the alternate interpretation and so not do anything until the perfect time for tariff reductions has arrived and then it would probably do too little too late.

There is too much fuss made about the social upheaval that is likely to follow tariff reductions.

It is true that some people would have to change jobs but then people are always changing jobs.

For instance, at the end of 1975, 25 per cent of employees had been in their present jobs for less than a year.

And no one seems in the least concerned about the damage done to industry by workers who suddenly and capriciously do not turn up for work or go on flagrant sicking which conveniently mesh with country race meetings, etc.

Yet we are expected to delay making necessary changes to our economic structure till everyone can change over effortlessly to some other occupations which a large number of people will almost certainly leave during the first year anyway.

Unless the Government shows more courage and wisdom than it usually does in reducing tariffs, David Trebeck will be right when he warns that everyone agrees that tariff reductions are desirable as long as they do not actually happen.

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Now for a personal aside. My five-year-old grand-daughter was helping me get Mavis her breakfast in bed one morning and she was sternly telling me how to do it properly.

When she carried the tray in to Mavis, I heard her say: "I'm licking him into shape for you, nana."

What kind of life will her husband have?