



## A MODEST FARMER

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### **The tide has caught up with Eccles — or has it?**

The study group on structural adjustment, under the chairmanship of Sir John Crawford, was formed on September 6, 1977, and its report came out on March 6 this year — a gestation period of 18 months.

The preparation of reports of this kind resembles the mating of elephants: there is a lot of trumpeting and activity conducted at a very high level, then a long wait while the pregnancy proceeds and the progeny eventually appears.

One of the effects of doing things this way is that there are aroused too many rosy expectations about the superior qualities of the child before it arrives.

The committee recognised this danger, and I quote from the report: “The study group has become concerned that expectations about its report have been raised too high in many quarters. Members of the study group have detected an assumption that ready and easy solutions to some of the country’s major economic problems emerge from this report.”

It is proper that this warning should be sounded. People in general, and governments in particular, seem to have pathetic expectations that if a committee is appointed the problem is pretty well disposed of and they have only to wait around for the answer.

This easy optimism is not usually justified. People do not automatically become wiser just because they have been put on a committee.

I was on a committee once, and I was very disappointed to find that I did not wake up next morning a wiser man. And we should remember the cynical comment that a camel is a horse designed by a committee.

When the Crawford committee report came out, Eccles grabbed it greedily.

He has been haunting the corridors of power for years, spelling out his message that we would all be better off if tariffs were lower. No one took much notice of him until 1965 when the Vernon committee report was published.

Then his arguments became respectable and from that time onwards he has been kicking with the wind. The Vernon report backed him up manfully, then the Jackson committee report said that, although secondary industry was suffering from a serious malaise, the cure was not to increase tariffs, but rather they should be lowered.

Then the Government white paper said the same thing. And now the Crawford report preaches the same message.

I warned Eccles not to take too much comfort from these reports.

“The important thing is to get tariffs down,” I keep telling him. He tries to listen to me, but I know he finds it hard not to treasure quotations such as these:

“Generally, resort to greater protection will not provide more than short-term assistance. In the current recession, employment losses have tended to be most severe in some of the more highly protected industries.”

Or, a little later — “Australia can attempt to continue to preserve past patterns and attitudes. Manufacturing can ignore export opportunities and continue to be largely inward-looking.

“In that event Australia is likely to continue to slip down the table of world living standards. In these circumstances, unemployment at quite high levels might be a long-term problem.”

I can understand how Eccles tends to cling to statements such as these. For years he has been kicked around by the best people in the land for being “a little Australian who does not believe in the development of this great country of ours,” and has had to suffer similar low levels of abuse.

Now the conventional wisdom is gathering on his side, and it is only the economic troglodytes who still propound the old outdated philosophy that the road to economic salvation lies in protecting everything that moves.

The really primitive groups such as the Australian Confederation of Apparel Manufacturers can sometimes still be heard muttering in the background, although even they seem to have gone back into the woodwork.

So Fred and I can understand Eccles gratification about the Crawford committee’s statement that tariffs should be lowered in the long term. That may satisfy Eccles, but not us.

We remember David Trebeck’s poignant comment when the Jackson report was published, namely, that everyone seems in favour of tariff reductions so long as they do not actually happen.

It is not enough for people to advocate lowering the tariff wall in theory, but what Fred and I want to see is someone starting to remove some bloody bricks.