



A MODEST MEMBER

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The \$2,000 song of the shirt worker

Eccles' particular misery of the moment revolves around two recent Tariff Board reports, one on woven shirts and the other on knitted outer garments. He made me read both and I was pleasantly surprised to find that I could understand quite a lot of what they contained.

I was delighted to find that the cost of the tariff protection that the industry enjoyed had been measured. Eccles calls this cost "the subsidy equivalent."

Until now he has always done great masses of figures in estimating this cost, but I never quite trust Eccles when he talks about tariffs. So I was delighted to see that the Tariff Board has done the homework themselves and has spelt it out for me to understand.

And the figures are interesting.

Putting both reports together, you get a total subsidy of \$45 million.

Now all my city colleagues are always moaning because they say primary industry is always getting what they call "generous hand-outs."

Last year there was \$30 million set aside in a queer kind of scheme to subsidise wool growers. This year there is another scheme for wool with a nicer name and \$60 million is allowed for it in this Budget.

When my city colleagues see the magnitude of their generosity to farmers, they are very patronising and critical.

But here we have a comparatively small industry getting subsidised at the rate of \$45 million a year and no one worries about it at all and it has been going on for years and years. Funny business!

The justification for this high rate of subsidy is that it creates employment. Well, I have often questioned the logic of pushing ahead with our expensive immigration scheme because we want more people to do our work — and in the next paragraph, claiming that we must subsidise industry to employ them.

But if we are justifying the big subsidy on this ground, at least we know now the cost of the employment so gained. There are about 22,500 people employed in the industry and the subsidy comes to \$45 million. Divide one into the other and you get an annual subsidy of \$2,000 for each person employed.

The Budget estimate for this year's subsidy for wool is \$60 million and this is divided between 100,000 woolgrowers, or \$600 each.

I dread to think what Fred will say when he finds that we have been dobbing in so generously for years for those who make shirts while being so mean to those who make wool.

When I read the Tariff Board reports I couldn't understand why Eccles should be sad when the reports were so good. But I find now that the Government did not implement the Board's reports, and this is what made him miserable.

It made nice noises expressing agreement with the principles in the reports and then immediately re-applied the generous protection the industry had been receiving before the reports were presented.

It is true that the Government said that it hoped to do something about implementing the board's report in the future.

But that's the trouble about tariffs — there is never any difficulty in finding people who will make powerful speeches about how grievous the tariff burden is to export industries.

Indeed, all but a few old diehards now recognise that our tariff policy of recent years has been unwise and a hindrance to our economic development.

So it is not recognition of the wisdom of reducing tariffs that we lack. What we lack is action in actually reducing them.

I have tried to explain all this to old Fred. I pointed out that I had lately made some splendid speeches expressing my concern about the weight of the burden that tariffs place on exporters. I even offered to send him some autographed copies of what I said on the subject.

But this evidently wasn't what he wanted.

"Now listen, my man," he snarled, "next year is election year and I think you ought to know that I, and a lot of my fellow farmers, are sick and tired of hearing fine flowing phrases about what you think you know about tariffs.

"Eccles probably told you all of it, anyway. What we want is less eloquence and more action. What we are really looking for is some real reduction in tariffs!"

That's the trouble with Fred. He's not a chap with a lot of vision and imagination.

What he has is a big overdraft and a sour and cynical outlook on politicians in general and on me in particular.

And next year is election year. Cripes!