



A MODEST MEMBER

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Another shot at motor car madness

Eccles is often objectionable but he is worse now than ever. He carries around the Coombs Report, wearing a worried frown. He says, opening page after page at random:

Look at this and this and this. What awful things have been done in the name of democracy!

There's so much to write about, and only one column a week. Ask the Editor if you can write one daily.

It's all down here — all the homework is done. You won't even have to think.

He reminds me of a dog that has been lost in the desert but how now found a forest and is so overcome with the magnitude of his task that he can't make up his mind where to start.

But Eccles thinks that even before starting on the Coombs Report, we ought to have another shot at motor car madness.

It's a funny thing about motor cars. They seem to affect the mentality of the people who drive them and also the Governments who meddle with them.

Eccles says that the previous Government started the rot by encouraging too many manufacturers to make cars with too high an Australian content.

He points out that the only way that cars can be made reasonably cheaply is to have a large throughput of cars of a particular model so that the large tooling costs can be spread over a large number of cars.

We now have four main manufacturers making (as distinct from assembling) nine models. And we demand that these will have a large (85-95 per cent) Australian content.

The result is that cars are excessively dear and need all of the 45 per cent tariff wall to protect them from imported cars.

This has meant that the purchasers of cars have been paying an annual consumer subsidy of about \$300 million for the car industry.

This was the legacy that the new Government received. To make things awkward, Nissan and Toyota then decided to enter the fully manufacturing field.

But the Government asked them to wait while they had a look at the problem. Well, they looked and looked and the harder they looked, the messier it appeared.

Then they suddenly got sick of looking and decided to dump the whole mess in the lap of the Tariff Board.

Eccles is all for the Tariff Board having a long cold look at the problem and added sourly that we wouldn't be in our present mess if the Tariff Board had been followed years ago.

But he is very critical about the way it has been referred to the board, for two reasons.

The first thing is the timing. The board was originally asked to report by the end of October. Eccles is always critical of this continual demand for instant wisdom.

The Government has been walking around the problem for many months, and now evidently expect the Tariff Board to come up with almost instant answers.

And second, the terms of reference are so loose and contradictory that the board might well be confused by them.

It is asked to "have regard for the Government's desire to improve the efficiency with which the community's protective resources are used and to recognise the interests of consumers."

And at the same time "to maintain a viable automobile industry which achieves the highest level of technical and economic efficiency with high Australian content."

The two objectives are hardly compatible. It was the demand for high local content which made the present plans unworkable with four manufacturers. Now the board is asked to come up with a similar scheme with six.

The previous Government sent a loaded reference to the board in 1963 which asked it to take into account the Government's wish that there be a car industry with a maximum local content.

This Government has fallen into the same trap.

It would be much better to leave it to the board to give their weighing to the various parts of the problems. And, even more important, to give it time to do the weighing.

The Government should always get clear economic advice from the Tariff Board, and then take political decisions thereon.

To ask the board to take too many other factors into account is dangerous, but for this to be well done before breakfast is impossible.