



A MODEST MEMBER

The Australian Financial Review, 12 January 1973

Why take in one another's washing?

While you lucky people have been lounging around on the beaches having a holiday, your Modest Member has, with his usual dedication, been improving his mind.

Eccles has made me spend my holidays reading about tariffs because he thinks this question is to be even more important in the future than it is now.

He made me go back to first base, as it were, and read *The Australian Tariff* by a bevy of economic brains led by Professors Copland and Giblin in 1929.

It may seem a long while ago but the principles enunciated so competently and clearly then still stand.

That's the queer thing about principles — they don't go out of fashion.

I quote one passage which Eccles says should be burnt into the minds of all of us, particularly politicians:

The most disquieting effect of the tariff has been the stimulus it has given to demands for government assistance of all kinds, with the consequent demoralising effect upon self-reliant efficiency throughout all forms of production.

This is true. We now look to the Government for almost everything. Even farmers who used to pride themselves on being self-reliant now expect Government to look after them.

I can understand the change, but I regret it. Our side of politics has been for 23 years loudly proclaiming that we are a private enterprise party.

Yet the form of private enterprise that is often most rewarding is that which is most effective at wringing support from the Government.

Certainly the tariff has been an important factor in this erosion of our past ideals.

Farmers see secondary industry getting subsidised at the rate of \$2,000 million a year and they know that most of it is paid by the exporters in the end.

So they ask for and obtain subsidies to offset the burden. And people who live in cities hear about some of the rather queer subsidies obtained by farmers so they line up to get their trotters in the same trough.

We know have 25 per cent of our work force employed directly by one of the arms of government, so their fate is decided by Government.

Then about 27 per cent of the work force is employed in secondary industry with decisions, here again, largely made by the Government.

In rural industries, in mining, universities and many other walks of life, Government decisions are often decisive.

In other words, since our Government has been in power we have seen the erosion of the principles of free enterprise. I wonder what we will be like after socialism has eaten into our spirit. We are bad enough now — what will we be like then?

I suppose we will all live by taking in one another's washing, with the Government standing on the street corner directing us to this laundry or that, and not even doing it well.

There are other disturbing side-effects of our protection policy. There are great financial benefits to be gained by individual firms if particular tariff decisions are made.

So it is just plain good business always to have available a competent person to prepare quickly and effectively a good case for presentation to the Government.

These people usually live in Canberra, or largely operate from there, and are always able and ready to present their case, and to embellish their logic with a large and lavish lunch.

But not only does the operation of the tariff system encourage industry brainwork, it also fosters other less pleasant aspects of power politics.

How much money do industry lobbies pay into political party funds, particularly in election year? No one knows, but we would like to know.

But getting tariff subsidies by this form of private enterprise isn't exactly what most of us have in mind when we are being eloquent about our creed.

Certainly the operation of the tariff system has had "a consequent demoralising effect upon self-reliant efficiency through all forms of production."

This process has been going on from 1929 until now. It is asking rather a lot of Labor to expect it suddenly to cease.

It might even get worse.