A couple of weeks ago the Prime Minister announced that there was going to be an enquiry into the Australian economy. This enquiry is going to be a very high-powered affair and will probably take a considerable time. You have only to read the terms of reference to realise that its report could have a tremendous impact on the future pattern of Australian development.

The Committee will be required to enquire into the trends in population and in the work force; the availability of basic physical resources; the growth of savings; overseas investment in Australia and its significance to the Australian economy; the likely pattern of growth and the geographical distribution of industry - primary, secondary and tertiary; the consequences of this for the occupational pattern of the work force; the questions involved in the production in Australia of goods that would otherwise be imported; the development of production for exports and the securing of adequate export outlets and, finally, the effect of customs tariff and other forms of either direct or indirect protection.

The Committee has been asked to enquire into all these things, bearing in mind at all times the Government's objectives of a high rate of economic and population growth together with full employment and rising standards of living and stability of costs and prices.

This is obviously a tremendous task and the Committee will require a considerable Secretariat to enable it to get this work done within a reasonable time. This enquiry has been instituted because several sections of the community have been dissatisfied with certain aspects of policy, particularly with tariff policy. For example, the manufacturers always say that tariffs are not high enough while the farmers and the exporters tend to say that tariffs are too high because if we didn't have them we would be able to buy the things that go into our costs of production much more cheaply than we can with tariffs. For different reasons, therefore, these two sections have wanted an enquiry into tariffs. However, the Government felt that a narrow enquiry into tariffs alone would not serve as useful a function as the wider but still restricted enquiry which is going to be held.

The Government hopes that a blueprint will be drawn up of our economic potential - a blueprint that will show the extent of our resources and our capabilities but one which will also point out any limitation that may be in those resources.

There are certain sections in the terms of reference which should be of particular interest to people who live outside the capital cities, sections that will concern not only the farmer and agriculturist but also the people who live in the large towns like Hamilton, Warrnambool, Portland and Casterton. For example, there is the reference to enquire into the pattern of growth and the geographical distribution of industry - primary, secondary and tertiary, and the consequences that this will have on the occupational pattern of the work force. These terms seem to open up the whole question of decentralization and are of significance to Australia.

The reference which requires the Committee to examine the matters involved in the production in Australia of goods that would otherwise be imported is a most important one to all primary producers. It is the farmer...
who generally finds that without a tariff he would be able to buy an article that is a part of his cost of production more cheaply than he can with the tariff; and the consequences of this policy on the farmer's costs and on his ultimate competitive position in world markets could be examined in detail under this reference. The farmer, however, should not think that the protection of Australian industry which raises the costs of some of the items that form a part of his costs of production is just a one-way street to his own disadvantage. The increased work force that results from this kind of tariff does create a large market for much of our primary produce, and this is to the farmer's advantage.

The specific reference to enquire into the effect of customs tariffs and other forms of protection is something which the farming communities have been pressing for a very long while. Their efforts in this direction were brought to a head by the Government's announcement to enable the Tariff Board to use quantitative restrictions in cases where the Tariff Board believes that tariffs or subsidies are not appropriate. In the autumn session there were some of us who pressed the Government not to give the Tariff Board power to use quantitative restrictions on a permanent basis until a full scale enquiry had been instituted. As a result of this pressure that was spear-headed by Bert Kelly from South Australia and supported by myself and others, a compromise has been reached. The Tariff Board has been given power to use quantitative restrictions, but a strictly limited power. It can only use them where other means of protection are inappropriate and when it does use quantitative restrictions it has to put down a time limit which may be a certain number of years or months. Quantitative restrictions cannot go on forever into the future. This time limit would compel the matter to be reviewed at certain intervals.

In addition to these restrictions on the use of quantitative restrictions, the Government has, of course, announced that the enquiry which has been pressed for so widely, is to be held.

Those of us who opposed the use of quantitative restrictions did so because we believed that they tend to raise costs inside Australia more than the traditional means of protection, that is, more than the tariff, and since primary industries have been facing difficult cost price positions for some time, anything that might tend to raise their costs even further would not be acceptable.

However, since this enquiry has been announced, we will discover whether or not we were right in our objections to the use of quantitative restrictions and Government policy would, I am quite certain, be reviewed in the light of this enquiry's decision.

This enquiry is going to be of the greatest significance to all sections of the Australian community. Organizations with ideas and views that they want to put forward should, I believe, start preparing their views now because the Committee is going to be an extremely high-powered one and any matter that is put forward will want to be most carefully prepared. On the other hand, it will be important to the Committee's work to have the views of important organizations in Australia such as the Chambers of Manufactures, of Commerce and the various primary producer organizations like the Australian Wool and Meat Producers' Federation, the Australian Woolgrowers' and Graziers' Council and the Australian Primary Producers' Union.
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