In 1921 the Australian Tariff Board was first established to investigate economic circumstances of different industries and to advise the Government on the degree of protection that they needed. It is a tribute to those early Members of the Commonwealth Parliament who fought out the battles of free trade and protection that the Tariff Board machinery has withstood the test of time as well as it has. However, it has been necessary to modify and expand its activities to meet changing circumstances.

The changed trading conditions of the post-war years have placed a particularly difficult burden upon the Tariff Board because of the rapid growth of industrialization in Australia, an industrialization that has made it possible for Australia to employ a much larger population to maintain vigorous development programs and which, at the same time, has supplied a considerable local market for many of our primary products.

For several years, industries have been protected not only by the Tariff Board but also by the matter of Import Licensing. Import Licensing was not designed to protect industries but rather it was designed to protect our overseas reserves. However, it was quite inevitable that Import Licensing should also give some additional protection to industry.

There was one advantage which did exist while Import Licensing machinery was available and that is this.

With rapidly changing trading conditions, circumstances can arise quickly that would jeopardize the livelihood of a particular Australian industry. The Tariff Board machinery is necessarily slow. A full investigation has to be made and the Government must examine the matter and decide whether to accept the report or to reject it. A full Tariff Board enquiry takes a matter of months. Information has to be collected not only from Australia but also from overseas. The Tariff Board has to advertise that it is holding an enquiry and these advertisements have to be put out for certain statutory periods. All of this is to give everyone an adequate opportunity to make information available to the Board.
Such an enquiry cannot protect an industry whose existence may be thrown into jeopardy because of rapidly changing trade relations with other countries. This was where Import Licensing could be useful. Under such circumstances, licenses in certain fields could be curtailed so that the particular industry would get some additional protection until the Tariff Board enquiry was completed.

This was not the main purpose of licensing but it was a subsidiary purpose and one for which the licensing machinery was used very seldom. However, since the Government has largely dismantled the Import Licensing machinery, it was clear that Australian industry — and this could, at times, be primary industry — would need some additional protective machinery.

Therefore, the Government, in this Budget session, introduced a Bill that would do this. Under the legislation, an industry that believes that it is going to suffer real hardship must apply for temporary assistance. Where this is done, one of the Deputy Chairman of the Tariff Board will be required to make a report. He is required to say whether some sort of helping action should be taken to protect the industry, pending a full Tariff Board report. The Deputy Chairman will pass his report to the Government. If the Government acts on this report, the Government must, at the same time, issue the normal reference to the Tariff Board regarding this particular industry so that a full enquiry will be held. Furthermore, so that Parliamentary authority may be maintained in this matter, within seven days of Parliament being in session, the Government must table the temporary duties arising as a result of the Deputy Chairman's special report in the Parliament.

Once the full report is before the Government, the Government would then act in the normal way regarding the industry. If the Government did not accept the full report, as on rare occasions it has not, then the temporary duties lapse three months after the full report is before the Government. Under this arrangement there is no danger of the temporary assistance replacing the normal functioning and proceedings of the Tariff Board.

The new arrangements are designed to offer swift assistance to an industry that is suddenly threatened and this assistance is of a
temporary nature only.

In case anyone should think that this is something that will affect only secondary industries, let me give an example of where this would not be so. There are many small Australian primary industries like tobacco, cotton and almonds that, from time to time, have suffered from overseas competition. They could well benefit from the special assistance procedures involved in this legislation. In addition, it is well-known that the cost of production of New Zealand butter is much lower than the cost of production of Australian butter. The New Zealanders could, if they wished, make arrangements to sell their butter on the Australian market. They could sell it here at a profit at a price considerably lower than the Australian price. This would destroy the whole equalisation framework under which the dairy industry operates and would do great harm to many individual farmers.

Under such conditions, the dairy industry could apply to the Tariff Board for speedy assistance under the terms of the new Act. Without the new Act, the industry would have to wait for a full enquiry which would take several months and during which time much damage to the industry could be done.

This legislation is a useful addition to the Tariff Board legislation which has done much to assist Australia's development.
Library Digitised Collections

Author/s:
Fraser, Malcolm

Title:
Tariffs and imports

Date:
18 September 1960

Persistent Link:
http://hdl.handle.net/11343/40435

File Description:
Tariffs and imports

Terms and Conditions:
Copyright courtesy of Malcolm Fraser. Contact the University of Melbourne Archives for permission requests.