



**PRIME MINISTER**

PRESS STATEMENT NO. 33

12 January 1973

INQUIRY INTO PROPOSED INCREASE IN STEEL PRICES

In its election policy speech, the Government promised to establish prices justification machinery. The initial and time-consuming work necessary to give practical effect to this promise is being undertaken as a matter of the utmost priority, by my colleagues the Treasurer and the Attorney-General. The Government aims to introduce enabling legislation into the Parliament very early in the coming session.

Pending the establishment of that machinery, it is obviously impracticable for the Government to conduct any widespread examination of price increases which may be proposed. There are, however, some products which are clearly of such basic importance that increases in their prices ramify widely and can have major consequences for the whole economy. Steel is a case in point.

The Broken Hill Proprietary Co. Ltd., on behalf of itself and its subsidiary company Australian Iron and Steel Pty. Ltd., has requested that their case for proposed increases in the price of steel should be examined. It has been decided to accede to that request.

The Government is pleased that the nation's largest corporation has not only thus expressed its willingness to co-operate fully in the achievement of our objectives and policies in this area, but has taken the initiative to do so. We welcome this co-operative approach to a problem which affects us all.

Had the prices justification machinery already been in operation, this request by The Broken Hill Proprietary Co. Ltd. and Australian Iron and Steel Pty. Ltd. would, of course, have been dealt with by referral to that body. Since it will be some time before permanent machinery can be established, we propose to take action of an interim kind, by means of a special Inquiry, to examine the proposed increases in the price of steel. Neither the method of operation of this Inquiry, nor its conclusions, are to be regarded as prejudicing those of the permanent body in its investigations of price increases, whether of steel or of any other commodity.

Mr. Justice Moore, Acting President of the Commonwealth Conciliation and Arbitration Commission, has consented to conduct an Inquiry into the Companies' proposals. Mr. Justice Moore is Senior Deputy President of the Commission to which he was appointed in 1959.

The terms of reference of the Inquiry are set out in my letter to Mr. Justice Moore. The text of my letter is attached.

In deciding to establish this Inquiry, the Government takes the view that large corporations have responsibilities not only to their shareholders and to their employees, but to the nation as a whole. The terms of reference also recognise the economic reality that continually rising costs present large problems for industry if it is to remain economically viable and continue to grow and develop as in the national interest it should. Nevertheless, the Inquiry is not limited to those aspects, and Mr. Justice Moore has been given wide discretion to conduct it in such a manner and on such basis as he thinks fit.

Mr. Justice Moore has been asked to report as soon as practicable, hopefully by about the end of January.

CANBERRA, A.C.T.

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Prime Minister,  
CANBERRA, A.C.T.

12 January 1973

My dear Judge,

I refer to our conversation in which you indicated that you were willing to conduct an Inquiry on behalf of the Australian Government in relation to proposed steel price increases by The Broken Hill Pty. Co. Ltd. and Australian Iron and Steel Pty. Ltd. Pending inquiry upon the establishment of permanent prices justification machinery, I appoint you to inquire into, and to report to me, as soon as practicable, whether the steel price increases proposed by The Broken Hill Pty. Co. Ltd. and Australian Iron and Steel Pty. Ltd. are justified in whole or in part.

In conducting the Inquiry you are to have regard to:

- (a) cost increases incurred by the steel industry sections of the companies that would not, without the proposed increases, be recouped by the companies in prices;
- (b) the level of profits earned in the steel industry sections of the companies in relation to the funds employed in those sections; and
- (c) any other matters that you consider relevant.

You are to conduct the Inquiry in such manner as you determine.

In conducting the Inquiry and furnishing your report, you are to take such action, and to make such recommendations with respect to the non-publication of particular parts of a report, as you deem appropriate to prevent damage to the legitimate business interests of the companies, or of any other company or person, which might ensue from publication of information received in the course of the Inquiry.

Yours sincerely,

(E.G. Whitlam sgd.)

The Honourable Mr. Justice Moore,  
18 Robinson Street,  
EAST LINDFIELD, N.S.W. 2070