

CONFERENCES WITH INDUSTRY

Statement by the Prime Minister, Rt. Hon. R.G. Menzies

This morning representatives of the Australian Woolgrowers' and Graziers' Council and the Australian Wool and Meat Producers' Federation had a frank discussion with the Prime Minister and several of his Ministerial colleagues on developments in the economy and the effects on the wool and meat industries of possible measures to expand employment.

The Australian Woolgrowers' and Graziers' Council was represented by Mr. T.M. Scott, President; Messrs T.L. Bull, D.L. McMaster and R.J. McAuley, Members of the Executive Committee; Mr. G.D. Chislett, Economist; and Mr. W.P. Nicholas, Executive Officer. The Australian Wool and Meat Producers' Federation was represented by Mr. L.M. Ridd, Mr. J. Kerin, and Mr. A. Laidlaw, Vice Presidents; and Mr. A.R. Johnston, Executive Officer.

The Council representatives said that there was a lack of evidence that the current flow of imports is, in fact, depressing secondary industry, although the effect of imports may be contributing to unemployment in a very few sections of some industries. The Council also doubted whether the re-introduction of import restrictions could be expected to stimulate consumer demand. Unless consumption rises, very large reductions in imports would be necessary in order to create an appreciable increase in the demand for local manufactures. Moreover, re-introduction of quantitative restrictions for protective purposes would handicap the export sector by the increase in costs and loss of efficiency which such controls would engender. In the Council's view the Tariff Board is the appropriate body to determine the protection required by industry. The Council believes that Section 17A "Emergency" tariff hearings are being as promptly executed as is compatible with the maintenance of a semblance of judicial inquiry and considered findings. These views were also shared by the Federation's representatives.

Representatives of the Council drew attention to the fact that the rise in prices and costs in Australia had been severe relative to similar movements in other countries. For these and other reasons the Council requested an expert independent inquiry into the problems of ensuring a balanced development of the Australian economy through the price mechanism. This could lead to the adoption of new principles for wage and tariff making, together with the introduction of anti-restrictive practices legislation.

Both the Council and the Federation representatives said they believed that as time marches on a growing proportion of the community will come to realise that the measures introduced by the Government in November, 1960 have had the effect of producing a cost and price stability which provides a sound basis for further development. At the same time they recognized that there is an immediate problem of unemployment which must be corrected.

Representatives of the Federation mentioned that in their view it appeared necessary to provide a time limitation on tariff duties so that, after a specified period, these could be automatically re-examined in the light of existing circumstances in the industry receiving protection.

Both organizations expressed the view that availability of long term credit in primary industry was inadequate and requested full examination of this matter.

Mr. Menzies said that he and those of his colleagues present found it extremely valuable to hear the views of wool and meat producers whose activities are responsible for such a large proportion of our export earnings. He assured those present that the Government would give close consideration to all the views expressed as soon as the present series of consultations was concluded.

CANBERRA,  
25th January, 1962.