

FOR PRESSP.M. No. 18/1963ECONOMIC ENQUIRYStatement by the Prime Minister, the Rt.Hon. R.G. Menzies

I have already announced the Government's decision to institute an Enquiry into a range of matters that bear directly on the objectives of economic policy as the Government sees them. These objectives, which together constitute the mainspring of our economic policies, are explicitly set out in the Terms of Reference of the Committee of Enquiry now to be established. Their paramount importance is not, I think, to be denied, but a problem of increasing difficulty is to command a comprehensive view of all the complex and interlocking factors that must enter into their achievement.

This problem confronts Governments and their advisers at every turn and we have had constantly before our minds the nature of the questions that the proposed Committee of Enquiry might be called upon to answer. We have now decided that the Terms of Reference of the Committee as previously announced should be given in somewhat greater detail and that certain particular matters that seemed of special importance should be specifically included. In addition, we have decided to make it clear that we expect the Committee, as far as may be possible, to draw together the results of its studies in the form of conclusions as to the bearing of those results on the achievement of our overall economic objectives.

The Terms of Reference for the Enquiry that we have now decided upon are therefore the following :-

"Having in mind that the objectives of the Government's economic policy are a high rate of economic and population growth with full employment, increasing productivity, rising standards of living, external viability, and stability of costs and prices, to enquire into and report its findings on the following matters -

- (a) The trends in population as a whole, in the work force, and in the distribution of the latter amongst various sectors.
- (b) The economic availability of known basic physical resources.
- (c) The growth of domestic savings and investment.
- (d) Overseas investment in Australia (including likely sources and trends and an assessment of its significance to the Australian economy).
- (e) The availability of credit.
- (f) Trends in costs, prices and wages.
- (g) Trends in productivity.
- (h) The pattern of growth and geographical distribution of industry, primary, secondary and tertiary (including the governmental sector).

- (i) The consequences of this for the occupational pattern of the work force.
- (j) Trends in the standard of living.
- (k) The situation with respect to the external balance of payments.
- (l) Questions involved in the production in Australia of goods that would otherwise be imported.
- (m) Production for export and the securing of adequate export outlets.
- (n) The effect of customs tariffs and other forms, direct or indirect, of protection on the disposition of resources and on the broad economic objectives stated above.

The Committee will report the conclusions reached by it as to the bearing which all or any of the matters so ascertained have upon the achievement of the economic policy objectives above stated."

The Committee, which will commence its work in the near future, will comprise :-

Dr. James Vernon, C.B.E. (Chairman)

Professor Sir John Crawford, C.B.E. (Vice
Chairman)

Professor P.H. Karmel

D.G. Molesworth, Esq., C.B.E.

K.B. Myer, Esq., D.S.C.

Dr. Vernon is Managing Director of the Colonial Sugar Refining Co. Ltd., which has extensive interests in aspects of primary and secondary industry. He is well known as a man of exceptional ability and judgment, with a fine record of public service. Cabinet decided that the Chairmanship should go to one who would properly be regarded as detached from any present or past formulation or execution of government economic policies.

Sir John Crawford's capacity to take a prominent part in this investigation is universally acknowledged by every section of productive industry and business generally, as well as in high academic circles. When I told Sir John (who was, of course, for years the Permanent Head of the Trade Department) that we desired to have a completely outside Chairman but that we greatly desired his own services, he at once, with great generosity, expressed his complete willingness to serve as Vice-Chairman. Having regard to the burden of responsible work which Sir John has recently assumed, we are most grateful to him. I think that everybody will agree that an economic enquiry without his influential participation would be seriously handicapped.

Professor Karmel, of Adelaide, is a distinguished academic economist, of high repute in his own field.

Mr. Molesworth is Chairman of F.J. Walker Ltd., a large meat packing organisation which controls abattoirs, cold stores, and has interests in sheep and cattle. The company at one time or another has been associated with virtually every Australian primary product. It owns butter factories and has grown wheat as well as distributing fruit and vegetables throughout Australia including Tasmania.

Mr. Molesworth has himself for 50 years been closely associated with primary industries both in marketing at home and abroad, and in property management. He has been a member of the Australian Egg Board since 1948. He has most valuably represented export interests in the negotiation of freight rates on Australian exports. As a Chartered Accountant, he was a member of the Commonwealth Committee on Taxation in 1960-61.

He will contribute a knowledge of trading and marketing problems of important sections of primary industry and a wealth of experience in the problems of distribution, management and finance.

Mr. Kenneth Myer is, of course, well known as Deputy Chairman and Managing Director of Myer Emporium Ltd. of Melbourne.

The Government is grateful to these busy and able men who have agreed to accept this additional burden, and is confident that a great purpose will be served by the Enquiry on which they are embarking.

CANBERRA,

13th February, 1963.