



PRIME MINISTER

PRESS STATEMENT NO. 403
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IMPORT POLICY FOR 1975

The Prime Minister, Mr Whitlam, announced today a program of action for 1975 aimed at reducing current pressures from import competition on employment in certain industries.

The Prime Minister said this action followed a recent review of import trends undertaken by himself, the Deputy Prime Minister, Dr Cairns, and the Minister for Manufacturing Industry, Mr Enderby.

The Prime Minister said it was clear that high levels of imports were contributing to problems of unemployment in those industries sensitive to import competition. It was important that manufacturers and importers who were planning their activities for 1975 be aware of the Government's concern with recent trends, and the Government's intentions in relation to imports during 1975.

The Prime Minister went on to say that the program of action decided upon would be based on a selective review of those industries with demonstrable import problems. The review would be undertaken through the machinery and procedures provided under the Industries Assistance Commission Act. A program of references would be sent to the Temporary Assistance Authority and the Textiles Authority during the next month. This would ensure that reports would be received and action taken by February.

The Government was determined to use to the full the system and the machinery it had created to deal with such problems. The integrity of the system would be maintained.

The Prime Minister said that, consistent with the provisions establishing the Temporary Assistance Authority, new appointments would be made to the Temporary Assistance Authority to enable it to undertake enquiries promptly. In addition, the Department of Manufacturing Industry had been instructed to provide full assistance to manufacturers to help them prepare cases for consideration for references to the Temporary Assistance Authority.

This programme of action involves an examination of the major industries being affected by a high level of imports. The Government will initiate appropriate action on these industries within a few weeks, with full regard to the short term need to maintain employment in these industries. The Prime Minister stressed that the more prompt and specific an application for a reference was, the more quickly appropriate action to safeguard employment could be taken.

The Prime Minister pointed out that should the need for urgent action emerge from these inquiries, goods ordered overseas but not cleared for home consumption at the date of announcement of any action would be subject to the terms of the action. Importers should therefore exercise caution in placing orders overseas and in entering into financial commitments on such orders as special consideration may not be given to outstanding commitments should action be taken by the Government.

Motor Vehicles

As part of the new policy for the motor vehicles industry announced by the Government last month, the tariff on passenger motor vehicles was immediately raised as short term action, with the object of limiting imports of completely built up vehicles to a level no higher than 20 per cent of the local market.

Textiles, Clothing and Footwear

Effective action against imports had already been taken in relation to a significant part of the textiles, clothing and footwear industries and further action was now being taken as part of the program of action.

Import licensing controls had been applied to footwear in October, following an inquiry and recommendations by the Temporary Assistance Authority.

In clothing, the Government had in recent months negotiated voluntary restraints on exports of certain knitwear and woven apparel from Hong Kong, India, People's Republic of China and the Republic of Korea. Import licensing controls had been applied to imports of the knitwear goods concerned from Taiwan. These arrangements generally applied to imports to 30 June 1975. A review of the arrangements would be made early in 1975 to determine as soon as possible the arrangements to apply from 1 July 1975.

Tariff quota arrangements had been announced on 3 December for imports of acrylic apparel yarns, knitted man-made fibre fabrics and towels. This action followed an inquiry and report by the Textiles Authority within the IAC.

As a result of decisions taken today on IAC reports before the Government, tariff quota arrangements were also to be applied immediately to imports of -

- o polyamide and polyester yarns
- o woven man-made fibre fabrics
- o foundation garments

Details of these decisions would be announced separately by the Minister for Manufacturing Industry.

There were currently references with the Textiles Authority on the balance of the apparel industry for report by the end of December and January 1975 and further references were being considered in relation to cotton fabrics and piece goods.

A reference had been sent to the Textiles Authority in the last few days on the carpet industry and the report on that industry was expected about the end of January 1975.

In addition, over \$1.5 million have been approved as grants to a number of textile firms affected by import competition. These grants were made under the Special Assistance for Non-Metropolitan Areas (SANMA) Scheme. Further applications from textile firms for assistance under this scheme were being given urgent attention.

Domestic Appliances and Electronics

The Prime Minister said that the Government had been informed that the domestic appliance industry was in the final stages of preparing a documented case on the problems of import competition which it was facing as the basis for an application for additional short term assistance. Submission of this application was expected in the next few days. The application would be given urgent consideration by Departments.

In relation to consumer electronic products, no application had been made for additional assistance, although this had been foreshadowed by some companies in the industry. The Prime Minister invited the industry to prepare and submit a documented case concerning import competition. Departments would consider urgently any application submitted for a reference to the Temporary Assistance Authority.

Other Industries

References were sent last week to the Temporary Assistance Authority on injection moulding machines and tyres. In the area of glass, tariff preferences for imports of flat glass from developing countries have been removed and the Government will be announcing decisions on the IAC's glass and glasswear report early in the New Year. Sectors of the forest products, furniture and ceramics

industries have foreshadowed making applications for short-term assistance. In relation to printed books which are assisted by way of bounty rather than tariff or quantitative restrictions, the Government is currently considering representations for a wider coverage of bounty.

Other Measures

In the field of exchange rates the Government took action in September to devalue the Australian dollar by 12 per cent. This significantly improved the competitive position of Australian industry on both domestic and export markets.

The Prime Minister said that the Department of Customs and Excise had been directed to expedite action regarding applications for anti-dumping action and to give more attention to the likelihood of injury to Australian industry from dumping.

Similarly, in relation to by-law policy, the Minister for Customs and Excise had already announced that this policy would be interpreted to ensure that local manufacturers were not disadvantaged vis-a-vis imports. A careful watch would be kept on the application of by-law policy during 1975.

The Prime Minister concluded by saying that the Government would ensure that the community had a reasonable choice between imports and local manufacture. However, there was a need for a careful balance to ensure that employment opportunities were not disrupted. The Government would ensure that during 1975 the most appropriate balance was achieved between imports and local production.