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ON THE DRY SIDE DOING BUSINESS WITH TOO MUCH GOVERNMENT
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A friend of mine found an enzyme which encourages pigs to eat their way to the slaughterhouse more quickly. The field work is done; it is time to develop it commercially for export. Bureaucrats in the Departments of Health and Primary Industry who suffer no penalty for frustrating an activity but may be kicked for approving one of which some established interest disapproves, promised months of costly delay. 'Not to worry,' says my friend, 'we will make it in Auckland.' It is a commonplace story of government at work.

Trade unions too hold power which they use to frustrate production and export. Though it seems independent it is substantially government's gift.

Unions are monopolies. Their power to veto and frustrate is not given to them by nature; it is derived from the privilege of speaking for whole classes of people. That privilege is partly claimed by force but it also conferred by union registration.

It is no wonder Australian living standards are failing to keep pace with those of other countries. The Australian who tries to produce eggs, set up a bus service, build a factory and most other things finds himself frustrated by prohibitions and costly delays---imposed by Canberra, State or Local Government or by unions and trade associations.

The prohibitions are always vehemently defended. Privilege and hypocrisy are constant companions. There is nothing more sickening than the sound of a protected manufacturer blaming trade unions for the state of the economy. Fortunately, in every industry there are some who are offended by the gross hypocrisy and lies.

One of these is Mr David Jones, Managing Director of the clothing manufacturer Fletcher Jones and Staff. His industry is protected even more than the motor industry and its featherbed is being defended with damned lies and political power play which clearly offends him. He said, 'The scaremongers line of "60,000 jobs at risk" is authorised primarily by a selfish and insular coalition of unimaginative managements wedded to the status quo, and slick entrepreneurs who have made a new art form of rorting the present mish-mash of tariff and quota protection...' I understand his anger. It is how I feel when farmers behave badly.

But, since privilege which is always enjoyed at someone's expense is the gift of governments, governments which make fish of some citizens and foul of others deserve our ultimate contempt.

It seems government develops a life of its own blocking and

regulating even where no interest (except the administering bureaucracy itself) can be identified. The high performance fibre, Kevlar, is known for its place on twelve metre yachts but protective gloves, fire suits, coveralls, bullet proof vests and aircraft are also made of it. It is not made in Australia, neither are close substitutes, but they are nonetheless protected by tariffs. This denies Australia the industries which would convert Kevlar into high performance yachts, kayaks, water skis, ultra light aircraft etc. Export industries are lost and instead we import the finished products---often from New Zealand which imports the fabric duty free.

The textile manufacturer, Du Pont, in sworn evidence before the IAC, claimed that the high duty---40% plus \$1 per square metre---'precludes general manufacture of protective clothing in Australia using these fabrics'. Du Pont also said that a local industry capable of producing such products as the flaps for aircraft and the panels in the FFG destroyers could exist if the duty on the fabric were lower.

Government is again, at bottom, the problem. Far from legislating in the general interest, it has legislated to placate a privileged few who in this case don't even produce a substitute product.

If we are not to follow Argentina, Australians need to accept two things quickly. The first is that, although external factors such as Europe's Common Agricultural Policy have brought the day of reckoning forward a little, the prime cause of our economic troubles is our own bad government. The second is that every privilege is somebody's cost.

The IAC has recommended far more protection for the textile industry than we can afford or Mr David Jones thinks is good. In this matter public opinion has caught up with the IAC which had always been an opinion leader. In this political sense the textile report was 'wet'.

The IAC's annual report was not. It was surely with immense satisfaction that the IAC, quoted its long time opponent, the Metal Trades Industry Association: '... we must look to the development in Australia of an internationally competitive metal and engineering industry, regardless of size.' The MTIA's new position is patriotic and reflects considerable credit on its leaders. The IAC is altogether too coy about claiming credit for the understanding which has swept not only the MTIA.

An economy is not just manufacturing and agriculture, and not just international trade. Government interference anywhere can serve to shield existing patterns of production and ways of doing things from more efficient alternatives. The IAC is widening its reach to investigate all the things which protect the quiet life for uncompetitive activities, managements and work practices. The first wider reference is mining and

minerals processing. The report does not specifically promise them but I look forward in hope to references on electricity generation, postage, telecommunications, medicine and much more that the government stuffs up.

Guess what! Although miners have in general urged the IAC to battle when manufacturers' rorts were under investigation, some miners oppose their reference. It seems that hypocrites produce more than textiles, clothing and footwear.

In the fifties Germany made a bonfire of regulations. Lange is doing something similar in New Zealand now. Australia would also benefit from such a bonfire. The IAC Act should be the last statute on the fire. In spite of their wailing and teeth gnashing I am sure there will still be a textile manufacturer or two left to throw it on.