

Australians demand anti competitive rules as if what was good for single industries was necessarily good for Australia. When our trade negotiators go overseas they behave as though to reduce Australian barriers was to make a concession to foreign interests rather than to Australian living standards.

Naturally individual lobbyists push their own barrows, but the perverse policies are caused by ignorance as much as by cynicism. The Industries Assistance Commission (IAC), in its 1984-85 report, wants all 'industry policy' assessed by its effect on the whole nation and all 'external trade policy' judged by its domestic effects .

In spite of the IAC and before it the Tariff Board, the many fine speeches by our Trade Ministers and Prime Ministers, and several rounds of bilateral and multilateral trade negotiations, over the past thirty years Australia's share of world trade fell from 2.6% to 1.2%.

Between 1978-79 and 1982-83 the average effective rate of manufacturing protection rose from 23% to 25%. The protection given to the least protected manufactures was reduced while the most protected gained even more. Eight percent of manufacturing value added actually gets negative protection. Protection disparity increased. This is the very circumstance which the IAC has been telling us will do most harm to our living standards.

Much of the IAC's 1984-85 Annual Report does not employ 'economic theory'. Instead, in terms more familiar to a political scientist than an economist, it makes a case for all government interventions in the micro-economy to be subject to the one open public enquiry system. It points to the potential benefits of public knowledge of who gets what favours from the government and at what cost. It wants to ascertain the over-all effect on employment and living standards of all 'industry policy'.

It argues that the employment-and-living-standards test by which IAC reports evaluate the direct impediments to international trade such as tariffs, import quotas and most subsidies, and some of the less direct trade barriers such as whole milk prices, is the appropriate test for all industry policy. It wants no distinction drawn between traded commodities and services, and those which are produced entirely for the domestic market.

It argues that external policy - the periodic trade negotiations - should serve not individual Australian industries but the whole Australian economy.

It wants to build an information base from which to judge all industry policy. The integrity of the process is to be maintained by open enquiry at which facts and inferences may be challenged.

Industry policies, worked out behind closed doors, usually transfer more wealth between nominally equal Australians than the most important High Court cases. The case for transparent industry policies rests on justice as well as economic efficiency. The manufacturing and rural sectors complain that while they are subject to IAC scrutiny the service sector, which is a large part of their costs, is not.

Open public enquiry - 'transparency' - is the same principle which protects the integrity of our courts and, subject to Government control of the notice paper, the integrity of our parliaments. As much as some might duck and weave it will be impossible for anyone to admit that he does not want his favours scrutinised. He who opposes it opposes apple pie and motherhood.

World trade reform will be achieved only by transparency within the negotiating nations. Higher domestic living standards is the avowed objective of all nations' domestic and external policies. Electors must understand how alternative policies affect it.

Domestic transparency would break down the ignorance that let The Hon. Doug. Anthony escape ridicule, after the Tokio Round of the Multi Trade Negotiations, when he said this: "Australia ... agreed in bilateral negotiations to bind against increasing the tariff rates on 120 tariff headings or parts of tariff headings covering agricultural and industrial products. With the exception of three items - namely tobacco, certain fancy cheese and an item relating to frozen poultry - the tariff rates are at or above current applied rates. This means that Australia has achieved a meaningful and advantageous settlement with the United States, EEC and Japan without reducing the current level of tariff protection on a single tariff item applicable to any manufacturing industry. In practical terms this means that the government has been able to secure its major industrial objective for the Multi Trade Negotiations of gaining full and offsetting benefits for the 25% tariff cut implemented in 1973. It was, I believe - I am sure industry agrees with me - a commendable result."

Our Minister shot Australia in the foot or otherwise handicapped us, far from using the MTN as it was intended, to break down the antipathy of domestic vested interests to trade reform, the minister devoted all his efforts to maintaining Australian trade barriers against foreign opposition to them.

Certainly Australian barriers do injure foreigners but they hurt the nation which raises the barriers much more. If Mr Anthony did not believe that this was so, why had Mr. Garland been sent to Europe to convince the citizens of the EEC that their Common Agricultural Policy was making them poor?

Trade and living standards suffer because industry specific lobbies deal with industry specific problems at the expense of the rest of the economy. Vested interests engage in harassment by as many legal avenues as possible. These include spurious dumping

claims, excessive quarantine and safety standards, industrial action affecting transit, and slow and costly customs clearance procedures. They also foster the myth that one's own trade barriers are a national asset rather than a liability, to be exchanged but never given away.

Industry specific councils, like the Guilds of old, are a menace which should be given no standing in the formation of public policy.

Identification of the general Australian interest by open enquiry and an end to favoured access to the process of policy making is not a radical proposal; but it will be covertly opposed.