

Submission to the Productivity Commission

I write to advocate a return to tariffs as a means to improving both productivity in Australian manufacturing, employment, and GDP.

While consecutive Australian governments have continued on a campaign to lower and abolish tariffs for many decades now, this has gone hand in hand with worsening GDP, manufacturing, employment, and as a consequence lower wages and working conditions for Australians as workers compete for diminishing opportunities.

The argument always put forward for this is the concept that we need a so-called “level playing field” between countries to increase competitiveness and that such a policy will be good for Australia’s economy and yet we see a continual decline in living standards. Such theory led to the General Agreement on Tariffs and Trade, and now, Free Trade Agreements on which the community is not informed.

Jobs in Australia are now replaced with jobs in countries where not only wages are considerably lower, but also occupational health and safety, standards of human rights, democratic governance, freedom of speech, along with environmental protection to name the basics. China is a good example of such practices and was recently exposed to be subjecting workers assembling Apple computer products to 18-hour days.

Such is the practice by business now that they close factories in Australia and developed countries in preference for these havens of slave labour as an ever increasing race between manufacturers occurs to find the cheapest source of labour and operating conditions.

And there actions are completely understandable. If two competing manufacturers operate in Australia and one moves to a location with far lower wages and operating costs, they will soon force the Australian manufacturer to either do the same or go in liquidation. So while we make it criminal for companies to subject workers to 18-hour days in Australia, by removing tariffs we force their move offshore where such conditions are allowed.

I call it the race to the lowest common denominator.

This will naturally result in the continuation of forcing companies offshore as they attempt to lower operating costs in order to survive, thus creating further unemployment in Australia and lowering wages and conditions to those fortunate enough to still have a job in order that the company remain competitive. The closure of Australia’s car and steel industries are good examples.

Just as important are the ramifications of companies being forced off shore. Less tax is collected by our government, lower GDP, increased unemployment and the detrimental impacts upon society as continuing deficits add pressure to cut basic services, and unemployment becomes inter generational.

Social disease such as alcohol/drug addiction, domestic violence, depression, and suicide similarly manifest when our community is put into an ever-increasing competition for a diminishing number of opportunities to lead a prosperous life.

The government's answer to the deteriorating economy has been and continues to be to blame workers, bash unions, lower wages and conditions, and allows massive increases in immigration and overseas investment. This only increases the pressure on the Australian community by raising house prices, and increase unemployment as new immigrants take up positions that were previously filled by Australians and at lower levels of remuneration.

I believe there is an alternative.

Rather than racing to the lowest common denominator in order to attract investment we should put tariffs on products made in countries whose governments do not respect human rights, whose governments do not allow freedom of speech, whose governments use murder, torture, and imprisonment as a means to control workers, whose governments do not have or enforce basic environmental protection laws, whose governments do not respect democratic values but instead rule as a dictatorship, and whose governments do not allow freedom of the press.

Were such policies reverted too as our previously practiced before this New World Order became popular with politicians, local manufacturers would flourish and as a result employment would increase along with working conditions, GDP, taxation, and social services.

Australia would then be encouraging those countries and governments with lower levels of human rights, wages, and freedoms to raise their standards to ours rather than we lower ours to theirs.

Instead we are simply fuelling the economies of these despotic countries as ours slowly increases in deficit and social degradation.

My business is looking to manufacture new environmental technology that will lower greenhouse gas emissions and create employment thus contributing I believe to the general wellbeing of society and the planet.

Naturally if we manufacture in a country with low wages and poor human rights conditions like China and Indonesia, we will have much lower wages to pay our employees, less stringent environmental laws, and therefore be able to make considerably increased profits.

The detrimental side is we will be fuelling ruthless regimes, which imprisons their critics, carry out acts of genocide such as upon the Tibetan and West Papuan population, murders students who protest, and who are rapidly growing their military technology, equipment and foot-print.

The other factor, perhaps more important, is the risk we are exposing ourselves to being reliant on such countries for our basic necessities such as food, transport, IT, and basic livelihood provisions. If we close down our car and transport industries, weapons industries, utensils industries, clothing and

textiles industries, and steel production industries, as is now the case, we risk jeopardising our future and independence.

Should Australia be forced into another world war which is slowly but surely manifesting about us in one guise or another, we may be unable to keep the supply routes open thus putting our country in grave danger. It could also be the case that our supplier of goods becomes our enemy.

This to me highlights the dilemma we face and as detailed above the answers are quite simple. Stop fuelling governments who do not consider human rights important and protect our country from imports from these countries by protecting our workers and local companies along with our independence, with the reintroduction of tariffs – which is why previous Australian governments had them in the first place.

Failure to address this issue will only increase the power of despotic regimes, thus increasing human rights violations and human suffering, and continue the ever downward spiral of prosperity and sustainability in Australia.

Thank you for the opportunity to contribute to this crucial debate.

Alec King