

29 September 2009

Dear Presiding Commissioner:

I would like to make a few quick comments concerning Anti-dumping and Countervailing reforms .

Just briefly, I would like to give you an outline of my business experience.

I have worked in the private economy for over 60 years, in the following commercial areas:

Manufacturing
Importing
Exporting
Distribution
Retailing
Point of Sale
Food Processing Equipment
National Technical Service
Label printing

During Australia's period of very high import tariffs, and import restrictions, it was obvious that Australia's productivity and innovation were at extremely low levels...local industry had no outside competition, and therefore no incentive to improve efficiency and reduce costs.

It would appear from historical observations, that anti-dumping and countervailing measures, are not "Cost Effective or Efficient", and are not in the best interests of Australia's national economy.

Tariffs increase the cost of inputs to downstream industries, & inflates the cost of goods to consumers.

Government's intricate & labour intensive administration of anti-dumping & countervailing systems, has to be funded by the taxpayer, with minimal benefit.

The Australian financial Review, of September 25, 2009 "Notebook's" comments, refers to the USA's Tariff legislation (Smoot-Hawley) that may have been the catalyst and primary cause of the Great Depression, as well the global economic relapse in 1937.

The Smoot-Hawley tariff of June 1930, was the largest single increase in taxes on trade, during peacetime, and precipitated retaliation by foreign government on US products.

In addition, very large USA federal & state tax increases applied in 1932, further fueled the decline in the USA economy, thus exacerbating the impact of the Smoot-Hawley tariff.

It appears that some overseas countries, use anti-dumping & countervailing tariffs, as a thinly veiled method of protecting their countries inefficient and less competitive industries.

I believe that it's not in the national interest of any trading country to "protect or cocoon" non performing and non competitive industries.

By Government supporting inefficient industries through tariff protection, actually squanders valuable & limited national productive resources, that could be used to further strengthen, commercially viable industries.

Therefore, I would respectfully suggest that Australia should not strengthen our existing anti-dumping & countervailing system...and overtime, should wind down these barriers to free trade, productivity & innovation.

The “Comparative Advantage” of industries in the global marketplace, should be our Government’s only benchmark, for supporting and maintaining Australia’s world leadership in commerce & industry.

I note with regret, that Mr. Obama’s administration has recently introduced a high tariff on imported Chinese tires, at the behest of the USA union movement, but against the wishes of the USA tire industry, this event is a dangerous precedent, that may lead to widespread global protectionism.

For those industries, that are unable to compete in the world’s marketplace... it is suggested that Government provide special financial support for restructuring, in new commercial areas, and provide re-training programs for any displaced staff.

Bill Wedderburn | Chairman

Wedderburn

Weighing | Labelling | POS | Food Processing