



## **A MODEST FARMER**

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### **Colonialism still lingers in shipping circles**

At the 1979 Outlook Conference, the Australia to Europe Shipping Conference put on a buffet dinner for the delegates.

The increased irritability that comes with old age, and the frequent warnings from Eccles that there is no such thing as a free feed, made me nastier and more suspicious than usual.

So I made some trenchant criticisms of the conference system after the function which I should not have done with their food heavy in my stomach.

First I said that it would be wiser of them not to try to duress us again next year but if they were not ashamed of the conference shipping system, they should prepare a proper reply to the weighty and frequent criticism made of the conference shipping system.

This they have now done and have been courteous enough to send me a copy.

It is certainly a frank document.

There are no pretensions to pose as defenders of competition and the free enterprise system, as do the textile industry leaders.

They admit that the Government gives them particular advantages under the restrictive trade practices legislation but they maintain that these are necessary if the conference is to continue to give certainty of freight rates and regularity of services.

They may well be right in this but at least they admit that they get a special place in heaven.

I wish that more of those who protest so loudly about their belief in free enterprise would be equally frank.

So that the question can be disposed of, let me quote from their document.

“A major reason behind conference formation was the regulation of competition between carriers, through the setting of mutually agreed freight rates and conditions of service, so that the trade may benefit from the rationalisation that co-ordination allows, but competition prevents.”

Unfortunately, the same frankness is not so evident all through the document.

One of the most weighty criticisms made about the conference system is that it has enabled sweetheart deals to be made with the waterside workers and other groups because the shipowners knew that they could recover any increased costs by raising their freight rates,

secure in the knowledge that everyone else on the coast would do likewise because of the conference agreements.

When I said this last year, a friend in the shipping industry took me to task, saying that these practices had now ceased.

There is no doubt that they used to go on and have cost us dear in the past.

I am glad to hear that they have now stopped and would be even gladder to hear that they were gone for good.

I know that it is easy to criticise the conferences for giving in to union blackmail when ships are so dear and containers also, making the cost of having a ship held up devastating.

So I know there are no easy answers to this problem but to ignore it in the conference document was dodging the issue.

However, there was one paragraph that I found infuriating.

They claim that the conference system is not really monopolistic because outside shipowners can always slip in and skim the cream of the really profitable cargoes, such as wool.

However, they regard this as a lamentable way to behave and they go on to “regret that individual shippers are wooed by the opportunity of short-term financial gain and completely ignore their responsibility to the economic well-being of the country they live in.”

It really is nonsense to talk like that.

Everyone knows that the conferences resent wool shippers looking for cheaper freights.

It was this twist that Sir William Gunn gave to the shipowners' tails that made them realise, for the first time, that we had ceased to be a colony and were willing and able to look for cheaper ways of shipping our wool.

This hurt must still rankle; evidently if the Wool Corporation is nasty enough to go looking for cheaper wool freights, it is ignoring its responsibility to the country it lives in!

If indeed it is necessary for wool freights to be held artificially high to enable apples and other marginal cargoes to be carried at conference rates, then certainly the woolgrower should not be expected to pay the price.

If it has to be done for the well-being of the country, the Government and not the woolgrower should pick up the tab.

And I hope these superior moral judgments by the conference will not deter the Wool Corporation from doing their proper duty of trying to cart wool as cheaply as possible.

It seems that an almost unctuous colonialism still lingers on in shipping circles.