

# -Monopolies corner the market in frustration

By JOHN HYDE

I AM sick of being told that Australians have forgotten how to work or that they cannot compete with the Confucian ethic.

Our problem is not too little energy but too much government.

Australians are subsidised not to work and when at work suffer an industrial relations system which stops extra effort being rewarded.

High personal taxes stifle initiative. Tariffs and licences prevent competition. Vital services can only be had from protected monopolies.

It is hard to match people who are not similarly burdened but mainland Chinese, who are, find it no easier to sell in the world's markets than we do.

Economists show that monopolies waste resources by over-paying capital and labour, over-staffing and cross-subsidising services for which there is insufficient demand at full marginal cost. However, the easy way to pick a monopoly is by its poor service.

The Wheat Board monopolises wheat exports. The price of Australian standard white wheat is \$139.83 a tonne delivered into a ship's hold. (Since none may compete there is no way of knowing if that is a good price.)

In spite of depreciation, the dockside price of wheat fell about \$6 a tonne this year and is expected to fall a further \$15 next year.

Grain farmers have no option but to cut production costs to farm gate prices. This is difficult and farm land values have halved in specialist wheat-growing areas.

The monopolies which handle grain beyond the farm make no similar economies.

After the monopoly bulk-handling authority and the monopoly railway have taken \$38.23 to carry, store and load his wheat, a West Australian farmer at Dalwallinu gets \$101.63 a tonne to pay for the labour and capital involved in cultivating, seeding, fertilising, weed control, harvesting, carting to the siding and rates and taxes. The average grower further from a port, gets less.

As well as a monopolist's ability to dictate charges, Co-operative Bulk Handling (CBH) has the advantage of not paying most rates or taxes; the railway not only does not pay taxes but bene-

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fits from substantial taxpayer subsidies.

This year my family sold wheat to the board, a flour mill and a stock feed mill. We delivered to the wheat board at the local siding.

The State Government issued us with a permit to cart to the feed mill, charging us 70c a tonne for the privilege. The railways insisted on carting to the flour mill.

The most profitable sales were to the feed mill and the least to the board.

CBH charged \$1.78 a tonne for the privilege of not using them and made us contribute \$1.84 a tonne interest free for 10 years.

The service of private contract carters contrasted sharply with the railways. The private carter put a truck in the paddock any hour of the day or night we wanted it except that he once ran about three quarters of an hour late.

The railways delivering their empty containers ran days late, could not meet promises made the night before, could not specify the height of the containers correctly, left a door open - distributing \$1200 worth of wheat along the line - and for two days would not respond to the mill's inquiry for copies of weigh bills.

They cart at consignee's risk and will not compensate for the grain they lost. The cost of all those inefficiencies are reflected in the low price of farms and bankruptcies.

Yet the local station master, except that he took leave in the middle of harvest, was as obliging as he could be. The railways are not manned by inferior people and road trucks are not driven by entrepreneurial giants.

The difference is that, faced with the threat of lost business, the truckers hone their operation until it is efficient. The monopoly does not.

The wheat board allowed us to trade directly with the feed mill but insisted that wheat delivered to the flour mill be sold through it.

On the due date the feed mill's cheque arrived; but four weeks elapsed before we were paid for a third of the wheat sold to the flour mill. In addition, one 30-tonne container was missed for nearly a month.

The board was incapable of

getting right what would have been a very simple transaction if we had been allowed to deal with the flour mill as we did with the feed mill.

We cost ourselves 79c a tonne in our negotiations with the flour mill by not understanding how the unnecessary wheat board was to do the accounting.

Yet we have no complaint of wheat board staff. Within the confines of their rules they were as helpful as they could be.

A fortnight before the Australian Institute for Public Policy (AIPP) moved across the street it told Telecom of the move.

Perish the thought that a government agency might be advertising for the purpose of manipulating democratic opinion, so we must assume Telecom has excess capacity to sell.

Yet on the day of the move AIPP was told that it may take Telecom a further three weeks to shift the phones. Not prepared to go out of business for so long it shot off a telex to the Minister with a copy to the locals. That produced a telephone in two days.

Again the problem was not the people but the system. The chap who came to install the phones was extremely obliging and worked with the quick confidence of one who knows his job.

When AIPP came to shift back, in spite of 10 working days' notice, and staff whom I believe tried to be helpful, Telecom could not plug in the phone on the day promised.

AIPP railed several cartons of books from Perth to Sydney. It took 15 days for them to arrive and the publication was launched without them. The railway personnel were courteous but seemed powerless to speed up delivery.

The Taxation Office has not yet responded to my October letter concerning fringe benefits tax. No competitive organisation could behave like that.

If tax collection were farmed out to private debt collectors taxes would still hurt, but at least queries would receive courteous attention. If they did not I am sure the Government would hire another agent.

These are not isolated incidents, they are typical of the organisations concerned. Australians are more often frustrated than lazy.