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Look out : Learned investment

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LOOK-OUT

I have no wish to disappoint Juan Kelly, head of the GCBS, who has made it quite clear that he is prepared to talk to anybody in government at any time, his place or theirs. But I fear it will mean very little, if anything.

To the best of my knowledge, Mr Parkinson has never shown any interest in ships. Neither has the new shipping minister, Patrick McLoughlin, who is young enough to carry his new portfolio in a satchel. Both men have one thing in their favour. They have nothing to live up to.

The UK department of transport is too pre-occupied with trains that don't run, with 70 mile-an-hour traffic jams on the country's motorways, and with the more up-market aviation industry, to spend its time thinking about shipping, which comes a poor second in terms of being a vote-winner.

Sadly, shipping only ever comes under serious discussion in UK politics when something goes badly wrong. When ships sink and when people die. It is a fate which might overtake the whole industry before too long.

No chance

THEY have been shuffling the pack in Washington, too. I am amused to learn that the new secretary of transportation, Samuel Skinner, has made the formulation of a new transportation policy one of his main objectives. It is a wonderfully laudable idea but totally impractical.

Skinner wants a complete review of the entire US transportation infrastructure, with specific recommendations on how to improve it, integrate it and update it. Maritime gets a look-in under "International Transportation Systems and Services", but he is unlikely to get a cohesive reply. The maritime industry in the US has not agreed on anything in years. He is also unlikely to find it easy to integrate maritime's suggestions with those of the truckers and railroads who all persist in being mutual enemies whilst paying homage to the god of intermodalism. Throw in the problems of urban transportation, rural America's transportation needs, passenger travel and the airlines, and there is the makings of a report specifically tailored for a pigeonhole.

Should Mr Skinner question such pessimism I would advise him to check with his Canadian counterparts. National transportation studies are an integral part of Canadian government. The Canadians have lost count of the number of reports now stuffed in the pigeonhole, but the careerist compilers are hoping that another will soon be commissioned. They have undoubtedly put reports of Mr Skinner's initiative on their own master's desk.

Cost benefit

I HAVE not told you much about the channel tunnel lately. There has not been much to tell. It just bores its way onwards. But I watch the machinations of its management with interest. The latest wriggle has been trying to talk away a first cost overrun of a billion pounds or so. The French leaked the news, sending shares tumbling, just when the managers were trotting off to the banks to ask for more cash, please, for our hole.

There are also reported cost overruns on the trains for the hole, no progress on the UK rail link, and the thing is nowhere near half finished as yet. By the time it is done, a billion is going to seem small change. There is no possibility of the hole providing a cost-effective channel transit. To recuperate the vast investment, pay off the slaving bankers and fulfill the overheated promises of the share issue, fares for a crossing will have to be about double today's going rate. The ferry companies are not blind to this. Sealink is spending \$80m converting two freight ro-ros to increase its capacity. The tunnel has provided a golden opportunity for the ferry companies to talk the office of fair trading into letting them co-operate. It's competition isn't it? So they can combine their marketing, cut their costs and push their fares to sixpence less than the tunnel will have to charge. No wonder Stena wants Sealink so badly. And any of you misguided enough to have bought chunnel shares should cut your losses and put the money into P&O immediately.

Learned investment

IN September you will be getting a letter from C P Srivastava. He will be asking you for money and suggestions. I hope you will be liberal with the first and considerate with the second. He wants neither for himself. He does not need them for his retirement from IMO. He needs them because the time has come to put the single greatest achievement of his stewardship on a firm financial basis. I refer to the World Maritime University.

The WMU gets to the root of inefficiency in shipping. It trains the teachers and administrators for those nations which are less fortunate in terms of skilled maritime infrastructure. It trains them well, so well that there is a demand for places on the courses from more fortunate nations. In the end, only through training, only through the multiplying effect of having skilled nationals in important positions, only through co-operation based on mutual understanding, will the less fortunate nations pull themselves up to the same level as the more fortunate. And only then will world shipping, and world trade, function effectively within a truly international framework. The WMU works. It has years of proven success. The graduates can be seen making their mark all over the world. There will be thirty of them in as many delegations at the IMO assembly this autumn. They not only help their nations, they help shape the course of future regulation, keeping it practical for all the world.

But all this does not come for nothing. It costs money. So far, all the money needed is available, thanks to Sweden, the UNDP and some other generous supporters. The WMU is not suffering from the IMO cash crisis. Its funding is separate, and voluntary. But what it needs is long-term finance, and finance from its beneficiaries. That means you. Some of you are already chipping in. The Nigerian Shippers Council, the Hadjipateras dynasty, the Hong Kong shipowners, to name but a few. The rest of you have got a little more pocket money now than you had six years ago. Here is your chance to invest in something with a long-term but secure return.