

# Lasting Damage of Labor Unions

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Australia has just announced a near record Current Account Deficit, so let's look at one of the causes.

Australia's militant labour unions have for many years alienated Australia's farmers and primary producers with wharf blockades, bans on live animal exports and general restrictions to free-trade.

In May 1998, we had a recent example of the devastating wharf blockade and the spread of economic terrorism by Australia's union bosses when they persuaded the US wharf labour monopolies to refuse to unload Australian farm produce in the US.

Columbus Canada and Direct Kea are two of 20 ships that are being targeted by international unions because they were loaded by non-union wharfies in Australia.

It is estimated that the cost for the Columbus Canada alone was somewhere between \$6 million and \$7 million. To this must be added the longer-term costs to Australia's reputation as an exporting nation.

Up until now, Australian farmers appear to have been mild-mannered in their response to the union's full frontal attack on the livelihood of farmers and their families.

Well, as the old saying goes, "still waters run deep" and farmers who have been affected by this union blockade are now joining an earlier generation of Australian farmers who have staunchly resolved "Never to buy an Australian union-made motor car, truck or piece of farm equipment, ever again".

Unions should be under no illusion about the strength or depth of feeling here. As the recent election in Queensland shows, regional Australia is more than prepared to express their resentment through the ballot box. The marketplace is an even more potent weapon for expressing their dissatisfaction.

The unions have sown their own crop and it's now coming up all weeds.

Australia's near record Current Account Deficit therefore to some extent a creation of self-serving union bosses, with their total lack of appreciation of the workings of the market place. Their bold public moves to perpetrate an unsustainable labour monopoly are back-firing.

If we put to one side the significant costs imposed on Australia by the union's attempts to preserve the labour monopoly, we might have some sympathy for their more general desire to preserve employment. Indeed, the stated intent of many of the unions is just that. But here, as elsewhere even "good" intentions can often result in quite perverse consequences which far outweigh their alleged benefits. As it is, the consequences of the recent strike action are twofold :

- direct and indirect costs to our export markets;
- a dramatic increase in imports as farmers 'vote with their feet' and purchase overseas-manufactured vehicles and equipment.

Lower exports and higher imports are precisely what increases Australia's Current Account Deficit.