

## New Zealand Unit Express. (NZUE)

Helen and I arrived at Wellington's infamous leaky airport in June 1970 during the biting icy depths of a winter's evening after long tiring flights from Hong Kong's steamy summer heat. There was a strong temptation to stay on the plane and return northwards again but the thought of further hours cramped up in an aeroplane, any aeroplane, was a definite disincentive. However a cargo handling position working ashore on familiar territory for a relatively newly married couple was certainly better than separation and a life on the ocean wave. It was definitely not to be sniffed at. So we pulled up our coat collars, braved the howling southerly and horizontal rain to commence a six months stint in the Land of the Long White Cloud where I would be the one and only Unit Officer for New Zealand. When I duly reported for duty the following morning. I was given a cupboard masquerading as an office in the P&O Building, normally referred to by its inhabitants as "The Kremlin." This adjoined a slightly larger cupboard inhabited by the CNCo's Owners Representative, Ken Forsyth and our secretary. My position was rather vague, perhaps purposely so, since few if anyone in Hong Kong really knew the detail of just what was happening down in New Zealand and consequently where I fitted in to the scheme of things. Thus it was up to me to work out what to do, how to do it and hopefully have things sorted out, - all within six months. The object of these optimistic intentions was New Zealand Unit Express.

Prior to my arrival Jimmy Lough had been sent down from Hong Kong for six months to commence NZUE operations in New Zealand, However Jimmy had gone back to Scotland several weeks previously for some long overdue leave and my only handover was an empty desk and an equally empty briefcase.



The "Kremlin" – P&O Head Office in Wellington

Like most shipping organisations, the various trades operating from New Zealand to Asia were complex. At that time CNCo was involved in two of them, the largish service to Japan and Korea in a joint venture with P&O, named Crusader Swire, - renamed Crusader Swire Container Service (CSCS) in later years when the service went fully containerised. CNCo provided two W Class ships for the trade and P&O one or two T Class. This was managed by P&O thus I had no involvement, - apart from a brief period to advise them on modifying their ships to the same standard as our Ws to handle unitised cargoes.

The second trade, and the object of my attention, NZUE, was a newly formed joint service of CNCo and Mitsui OSK of Japan, with the latter a minor partner. The destinations served in Asia covered the Philippines, Hong Kong and Taiwan, a range of ports I was already very familiar with from my recent years on "Kwangsi." The ships employed were both CNCo vessels, "Hupeh" and "Shansi", which I had regularly worked at the Ocean Terminal in Hong Kong so they were familiar and they were both equipped with side ports which made the handling of palletised cargoes on or off the ship much faster than the previous traditional method of lifting cargo "over the top" and down into the holds on ships derricks or by cranes. By the early 1970s the waterfront unions had perceived a gathering dark cloud on their industrial horizon, - containerisation, which was gathering momentum throughout the shipping world overseas and threatened to rock their familiar working environment to its foundations. Thus any changes to prevailing breakbulk work practices such as unit load, sideports, etc, was viewed decidedly askance.

Inevitably, the waterfront unions refused to use the sideports as far less men were required, and those men that were employed needed to be able to drive fork lifts, ie skills that required the use of brains not brawn. When “sideport” work finally commenced after several months of heated argument and acrimonious debate before we then became embroiled in the next stage, - demarcation disputes on the wharf between the Waterside Workers Union and the Harbour Board Employees Union followed by prolonged arm waving dissention over the scale of bonus payments for the higher productivity achieved with palletised cargoes. If life was meant to be simple, God would never have invented unions, particularly waterfront unions .....

..... but to be fair, it was, and probably still is, often said that in the Army there was no such thing as a bad soldier only a bad officer, and I think that the same simile could be applied to the waterfront employees and employers. Wharfies had always been regarded as “casual” workers, ie they were not permanent employees and therefore not paid a salary. Due to the ebb and flow of shipping, work could be spasmodic, thus in simplistic terms, - no ships, no work, no pay. A halfway house arrangement was in place during this time whereby the wharfies were registered with the Waterfront Industries Commission (the WIC) and paid attendance fees if there were no ships in port so understandably many of them also had secondary jobs to make ends meet. Commercial stevedoring companies, and there were several in each port, then employed the wharfies they required from the WIC “pool” to work their ships and then returned them to the pool when the ship completed. To confuse the issue slightly it should be explained that several of the stevedoring companies, particularly in the larger ports, were actually owned either directly or indirectly by the powerful British Conference Lines, ie. New Zealand Shipping Company, (aka P&O), Port Line, Blue Star, Shaw Saville & Albion, etc. – and of course they also owned their own port agencies. It was all very incestuous. The stevedores therefore only employed the wharfies on what could be considered as a supervision basis and were simply supplied by the number of men they required from the top of the WIC pool register. The obvious end result was a fragmented and militant work force with absolutely no loyalty to the stevedores who supervised them nor the shipping company who employed the stevedore, nor the WIC through whom they were paid. In man management terms it was a disaster. The wharfies only owed allegiance to their own union, which had adopted a long standing confrontational attitude to the stevedores the shipping companies and seemingly the world in general. The stevedores, poor souls, as the meat in the sandwich, were being browbeaten into submission by union officials on one side and on the other by the agencies or shipping lines that owned them, anxious to get their cargo loaded and the ship away to sea. Therefore NZUE or CNCo as a relative newcomer from Asia with no fingers in any agency or stevedoring pie, was not therefore a member of any employers association. In 1969 we had contracted with New Zealand Shipping Company as our general agents after falling out with Port Line the previous year. So we were using their stevedores to supervise labour they didn’t employ and over which they (or we) had little control, except we paid the wharfies via the agency and WIC and the harbour board wharf handling rates via the respective boards.

Industrial blackmail was not an uncommon practice on the waterfront. If for example, a ship was scheduled to be due to sail on a Saturday, in the hope of spending Sunday, as a non-working day at sea between ports, the wharfies not infrequently developed an avaricious gleam in their eyes towards the end of the week. Friday’s productivity seemed to taper off enough to convince the stevedore that the ship could not possibly complete cargo the following day when work normally finished at noon. After discussion with an increasingly anxious agent, the stevedore would then have to “give the order” by 11 am on the Friday morning for the wharfies to continue to work on Saturday afternoon on a rate of “time and a half.” Once this order was given, productivity miraculously blossomed and the ship may even manage to complete cargo on the Friday, - but the wharfies, sitting in their armchairs at home the following day, still received their Saturday pay.

New Zealand is generally recognised as a green and pleasant land and therefore the recipient of a substantial amount of annual precipitation. During such times as rain, drizzle or damp air, the wharfies, always keen to preserve their good health, refused to work in the wet so would feel it necessary to retire to their mess rooms to catch up on the racing news in the certain knowledge that they were still on pay.

The wharfies in most ports also seemed to have their favourite “disputes” to bring work to a halt. In Wellington it was often “funnel fumes” down a hatch. Any whiff of fumes and work ceased, the men would emerge out on deck claiming they were being poisoned by the atmosphere down below in the hold. Since virtually all the wharves in Wellington had been built in sailing ship days, they were on a north south alignment for the wind. Hence it wouldn't be just one hatch stopped but all the hatches on the afterdeck or foredeck of a ship that would suddenly develop a rash of sensitive noses. Hastily arranged air samples and checks by industrial chemists confirming that there was nothing wrong with the air were simply ignored by union delegates and the wharfies would sit out on deck relaxing in the sunshine until they felt like returning to their labours – or there was a change in wind direction.

One retiring Chief Steward on a Shaw, Saville ship, was once made headlines in the “Truth” a Sunday rag newspaper, when he was quoted as saying “In England we bury our dead, here you employ them on the waterfront.” Many a true word.....!

Thus working out our cargo handling costs was more than a slightly complex affair and definitely required more than just inspired guesswork or a crystal ball to construct any meaningful budget. Accounts Department in Hong Kong could never bring themselves to quite grasp this state of affairs. Sometimes it was hard to believe it ourselves.

This ludicrous situation continued into the late eighties when the then Labour Government finally disestablished the elected Harbour Boards in 1989 insisting they be replaced by commercial port companies. The wharfies were not directly affected by this switch, but the writing was on the wall however and not long afterwards the WIC was also closed down by the government thus the stevedoring companies were forced to enter the real world and actually directly employ their own labour force of wharfies. Normal man management finally became a reality. Thus the winds of change and sanity blew throughout the country's ports.

Our import cargoes were what was usually referred to as “general”, - that is cartons, bales, bags, drums and boxes of virtually everything it is possible to think of, plus a lot of other stuff nobody would normally think of. These were all strapped securely onto pallets on the wharves in Asia where labour was cheap and hard working, virtually the opposite of their counterparts in New Zealand. Export cargoes on the other hand tended to be long lines of primary products, such as bagged milk powder, bagged meat & bone meal, drummed tallow, bales of wool, etc all of which could be palletised or unitised well away from the waterfront by the shippers. There were also various refrigerated lines of meat, cheese, fish and fruit in the season, all hand stowed breakbulk in reefer lockers in the traditional manner. Then finally we lifted very significant tonnages of timber products in the form of bales of woodpulp, large reels of newsprint and kraft paper and in later years, MDF and particle board, much of which formed heavy units in their own right.

Because of the speed of loading and the mix of cargo, it proved vitally important to plan out not only the presentation of cargo on the wharf but also the stowage aboard ship. There was little point for example in attempting to stow palletised cargo in hatches that resulted in a great wastage of space. eg. pallets 5 feet high would not stack two high in a 'tween deck. with a 9 feet working height, whereas two pallets 4' 6" high would fit neatly. It was a case of not only knowing your ships but also being very familiar with the details of the cargo and often it's source, - quite a different ball game from the good old breakbulk days of hand stowing

cargo, and indeed from the Far East, where pallets of mixed general could easily be sorted and/or tailor made to fit their anticipated loading spaces. Our large tonnages of bagged milk powder quickly became a headache as the numerous dairy factories all stacked 50 bags on a pallet but the difference in their working height could vary by 6 to 9 inches from factory to factory depending on the type of machinery they had in their drying line. I had to quickly familiarise myself with the names of most of the dairy factories and buy a steady supply of tape measures as well as an odd gin or three to lubricate the thought processes!

Thus it became obvious from virtually 'Day One' that in addition to doing my anticipated Unit Officer role and organising the cargo ashore, I would have to take on the additional task of planning out the stowages aboard the ships as well, a job traditionally undertaken by the Chief Officer. This was further complicated by the fact that stowages and thus the weight distribution on board, were a vital factor effecting the ship's stability, and stability quite correctly remained firmly the responsibility of the ship. So a certain amount of diplomacy had to be used on my part with Masters and Chief Officers, some of whom appeared to imagine I was determined to make their beloved ship capsize, hog, sag or sink by the head, - situations that would never win me a seat in the lifeboat!

Finally, after a frustrating start and NZUE was up and running in some semblance of normality, it proved very popular with both importers and exporters. The trade expanded quickly, so two additional "sideporters" "Soochow" and "Tsingtao" joined the service thus doubling our available space for cargo as well as doubling my workload. An ordered existence with enough time between ships to visit shippers, organise cargo and plan ahead quickly became a maelstrom often with one ship about to sail deep sea from Mount Maunganui and another just arrived in Auckland from deep sea to commence her coastal programme.

Initially the trade we served was somewhat imbalanced, the ships were not full with the high freighted southbound cargoes but were overly full with the lower freighted northbound cargoes thus producing a regular need to charter in additional ships, four or five a year, to cater for the over flow from our service vessels. As a "norm" all our northbound bookings received either via port agents or direct from the larger shippers themselves were centralised in our management office in Wellington. Also as a "norm" we overbooked our ships as many shippers requirements were often based on the optimistic assumptions of their sales departments or were subject to letters of credit that never materialised. Thus our northbound space requirements were a fluctuating and changeable feast, rather hard on the nerves when it came to chartering in a ship at great expense. As the years went by the imbalance diminished and southbound volumes picked up as many imports formerly sourced from Japan gradually became more cheaply available from China or Taiwan.

On the administrative side of NZUE, particularly at the "coal face" in New Zealand, it must also be admitted that the joint service arrangement between CNCo and Mitsui did provide some unwelcome complications, perhaps unseen by the higher echelons of these august companies. "Hupeh" became a notional Mitsui ship with her funnel painted in the Mitsui colours, - a rather unsightly orange. It had been agreed from the very beginning that Mitsui agents would handle her southbound import cargo but as the minor partner in the service, her northbound export cargo would be handled by the CNCo agents, P&O. This awkward arrangement provided a recipe for a considerable amount of buck passing should anything go wrong, which it managed to do did with some regularity, particularly as the ships normally discharged and loaded simultaneously in most ports. It was sometimes a case of which agent to pin the blame on should something go awry, as neither could be accused of flawless efficiency on occasions. In fact it was sometimes well worth growling at both of them on principle, as even if there were no obvious faults, the agents were bound to have a guilty conscience over an undiscovered crime or two. The other ship, the "Shansi" was comparatively easier on the ulcers with only P&O as agents.

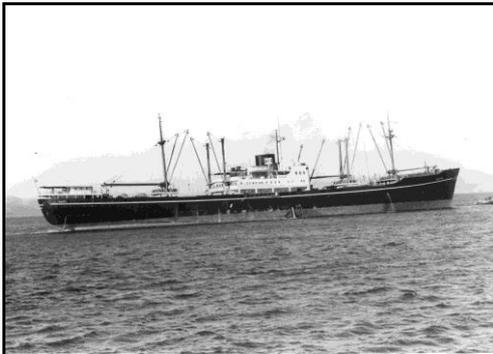
A major area of dissatisfaction with the agencies, was their performance, or lack thereof, in recovering our pallets from some of the consignees of the import cargo who seemed to regard them as free manna from heaven that they could use for their own purposes in their own stores or distribution services. NZUE had made the pallets at great expense in Hong Kong so not unnaturally we expected them to be returned to reuse for our export cargoes. Occasionally I would have a few spare hours to accompany one of our agents on a tour of importers premises to provide a bit of a heavy handed backup to get the pallets returned. This always proved an interesting experience and provided me some heated arguments and ingenious excuses, particularly around South Auckland in the little backstreet stores.



Hupeh



Shansi



Soochow



Tsingtao

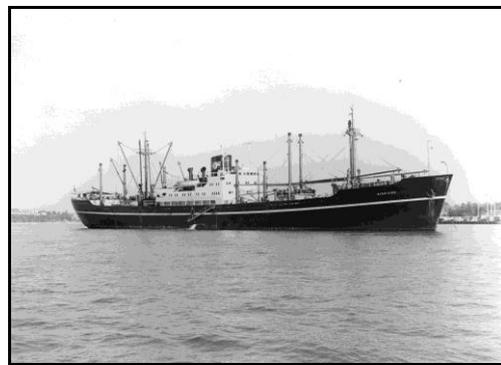
By 1972 we had added “Tsingtao” another “sideporter” to the trade but later that year the CNCo / Mitsui partnership became even more complicated when the Dutch shipping company, Royal Interocean Lines,(RIL) later to be renamed Nedlloyd, joined NZUE. For some years they had been engaged in a service from New Zealand ports to Indonesia and Singapore, a trade they continued to run quite separately from NZUE into the 1990’s, - but they had latent Conference sailing rights to the Philippines and Hong Kong, hence their wish the enter into the NZUE partnership. With the wisdom of hindsight the Nedlloyd attitude has always put me in mind of a lodger who tried to take over and run the boarding house, for they insisted on using their own agents and stevedores throughout New Zealand and then tried to insist that we did also. An offer we had little difficulty in refusing on principle, - but now we were the proud possessor of three agents and two stevedores in each port, so politics with a capital “P” became the name of the game. The only saving grace with the new arrangement was that I now had an assistant in the shape of a hardworking Cornelius

Van Kesteren, formerly the RIL cargo superintendant in Auckland, to ease the workload as well as chase up some of our disappearing pallets.

During 1973 the “Tsingtao” was replaced by the Dutch “Straat Colombo” and later the “Straat Cumberland” was also added to our motley collection of service vessels. Prior to their arrival Mitsui made one of their own vessels, the Acapulco Maru, available for a brief period before redeploying her elsewhere. The “Straats,” although not possessing sideports, were easier to work “over the top” than the ships they replaced, - not that this was admitted to the Dutch of course! The “Straats” also managed to provide me with a rich source of continental delicacies to satisfy the taste buds. However prior to the arrival of “Straat Cumberland,” on the maritime merry-go-round CNCo’s “Singkiang” sporting an RIL funnel was used for two trips on charter to fill the gap. With the arrival of the “Straat Cumberland”, both the “Shansi” and “Soochow” were transferred to another trade, eventually pensioned off and finally sold out of CNCo.



Straat Colombo



Sinkiang under charter to RIL



Straat Cumberland



Cor and I hard at work!

The changes and improvements in cargo handling methods that we had created, produced a need for me to increasingly spend less time with the ships and focus more on technical marketing with our exporters and liaison with stevedores and the harbour authorities. Thus Andy Davidson was seconded ashore by CNCo to take over my operational role with the ships, leaving me free to swap my boiler suit for a natty city suit in the vain hope that it would make me look important.

In 1975 Nedlloyd vacated the premises they had formerly rented within their Wellington agency and decided to open their own offices. To help share the cost of

overheads they not unexpectedly wanted NZUE to move in with them also, a change of scenery that was not unwelcome as the space we had been given within starchy old P&O was cramped and far from palatial. Perhaps the only perceived drawback was that it gave NZUE an overly Dutch appearance in New Zealand, an identity that Nedlloyd staff frequently liked to exaggerate, even though the overall management remained firmly in CNCo's hands in Hong Kong. In spite of these petty politics our relations remained cordial but to counter any false impressions we formalised our own separate New Zealand Management Office, NZMO, alongside Nedlloyd. This provided us with a number of advantages for CNCo was sensitive that we should never be seen to be the poor neighbours of Nedlloyd. Little did they realise that the Dutch always seemed to look after themselves rather well, thus when Nedlloyd decided to purchase a cocktail cabinet, we had to purchase one as well, - when they put up a portrait of Queen Wilhelmina in the joint boardroom, we put up one of Queen Elizabeth (a larger one courtesy of the British High Commission), if we had a shippers party, they had to have one too, and so it went on. The following year I was given a new title of Executive Manager of NZMO, an expense allowance and a salary raise too, - all very good for the ego but I must admit, with all due modesty of course, that we managed to portray (or pretend to portray) a most efficient image. I was even one up on the CNCo Managing Director in Hong Kong, - he didn't have a cocktail cabinet!!!! By then NZMO had grown from three to five staff, all overworked of course, including a marketing representative to focus mainly on the southbound trade, and a centralised booking clerk for our often badly overbooked northbound export cargoes. At that time we were managing four service ships plus up to half a dozen northbound charters each year to cater for the swiftly growing volumes of cargo around six New Zealand ports. It must be admitted for posterity that the cocktail cabinet was overworked in lubricating the wheels of industry and keeping our ships moving.

In due course we recognised a growing demand for containers for certain types of cargo, by introducing the "Poyang," a semi container ship, whilst Taikoo Dockyard in Hong Kong stretched and refitted the "Hupeh" to provide similar facilities and our sideports then became a thing of the past..



Poyang



Hupeh. (post conversion)

By 1976 there was a growing interest in the movement of containers and we were given some timely additional assistance in the amiable shape of Chris Humphries on secondment from CNCo, who swiftly immersed himself in the technical marketing and logistics of the operation. During his time in New Zealand and my changing role, the "powers that be" decided that it was time to transfer me back to Hong Kong for

several months in the Head Office there, probably regarded as a timely opportunity for some overdue brainwashing before releasing me back to the Antipodes.

As time went by and common sense prevailed, we eventually reached agreement with our partners to rationalise the stevedores down to one in each port and several years later, even reduce down to one agent in each port too. The latter was always very political hot potato, almost too hot to handle so this took several years of horse trading and argument in Hong Kong or possibly even higher up in Europe to settle. Unfortunately the one missing ingredient in the negotiations was almost a total lack of recognition of efficiency, when the agency for each port was finally decided.

In 1978 the service was re-tonnaged yet again by bigger and better ships. “Hupeh” and “Poyang” disappeared to be replaced by two larger vessels purchased from Blue Funnel Line of Liverpool, renamed “Kwangsi” and “Kweichow” and the following year “Nedlloyd Frankin” and “Nedlloyd Fremantle” were brought in to replace the two smaller “Straats”. The initial intention for the two ex Blue Funnel ships was to rename them “Shansi” and “Soochow” but minding the two previously named incumbents were not too highly regarded due to their age and condition, I took the unusual step of requesting that consideration be given to resurrect the old K Class names of “Kwangsi” and “Kweichow” as the previous ships were always popular around the coast and worked well. It is interesting to note that these names have been perpetuated in the New Zealand trade thereafter.



Kwangsi



Kweichow



Nedlloyd Franklin



Nedlloyd Freetown

In 1980 Harvey Lade who had taken over from Ken Forsyth and for some years had been acting as the CNCo Owners Representative, retired back to Australia. With NZMO responsible for the day to day management of NZUE in New Zealand, and with P&O in charge of the CSCS service to Japan, it was decided that I could also take on Harvey's role in addition to my existing position as Executive Manager of NZMO. This not only provided me with a little more flexibility in my dealings with Nedlloyd but also involved me directly with the New Zealand Eastern Committee, (NZESC), which handled the Shipping Conference matters to Asia, and during the latter eighties I took my turn as Chairman of NZESC.

Nedlloyd persuaded the CNCo management at one stage during the mid eighties to agree to virtually a full integration of NZMO with their own office, which handled the Nedlloyd trade to Singapore and Indonesia and I was then given the additional title of General Manager Nedlloyd. It soon became obvious that the Dutch wanted to "milk" NZMO expertise, particularly Andy Davidson who as our chain smoking Operations Manager played a key role in the working of our ships. Nedlloyd intended to introduce four large Ro-Ro vessels that had proved surplus to their requirements in a Middle East trade and this would require considerable planning to introduce them successfully to New Zealand ports. Before we realised what was happening Andy had been whisked off to the USA and it took a couple of months to retrieve him and separate NZMO from Nedlloyd once more and I could again forget working for Nedlloyd and reading their endless files of worldwide telexes over my morning coffee..

Finally CNCo brought in two even larger multi purpose vessels "Kweilin" in 1982 and "Kwangtung" in 1989, purchased especially for use on NZUE and Nedlloyd replaced their vessels with two multi purpose sisters, "Nedlloyd Madras" and "Nedlloyd Marseilles".

By then the waterfront and the unions had been reformed, to be dragged kicking and screaming into the 20<sup>th</sup> Century and we were at long last able to realise the potential of our multi purpose ships which could now handle containers and large lifts of unitised cargo with equal ease using their own heavy cranes. This made us far less reliant on the facilities available in our traditional service ports, thus providing us with some significant leverage when it came to discussing work practices with the unions or berths we wished to utilise, in talks with the Harbour Boards. Consequently we abandoned our calls at Wellington and Lyttelton to replace them with Napier and Timaru where both unions and the ports welcomed our business. We also introduced monthly calls in Nelson to stimulate an interesting selection of export commodities.

### **The NZUE Final Fleet.**



Kweilin



Kwangtung



Nedlloyd Madras



Nedlloyd Marseilles



Tendai Maru



In the beginning, sideport operations on "Shansi". 1 ton pallets.



Progress over the years. 20 ton drop stow loads



New Zealand Management Office 1990.

In 1990, Nedlloyd, which was performing poorly worldwide, took the decision to leave the NZUE partnership and concentrate on their own service to Indonesia and Singapore. From a Nedlloyd viewpoint this had the advantage of boosting their existing revenues by remaining within the NZ Eastern Conference whilst “poaching” cargo to and from the NZUE area by transshipment in Singapore. This provided us with an irritant rather than alarm for the volumes were not significant and we even retained the services of Cor Van Kesteren who elected to remain with NZMO. As a development it had the decided advantage of reducing the amount of politics which had enveloped our lives seemingly for ever so we took our cocktail cabinet and moved out of their offices to our own on the top floor of the P&O Building, only the 4<sup>th</sup> floor, as it was definitely not a high rise establishment. Mitsui even came to the party and finally provided us with one of their own vessels, the multipurpose “Tendai Maru”.

From the mid seventies NZUE had always been subject to competition from other shipping companies trying to enter our trade. Often their demise was as sudden as their arrival but during the late eighties competition multiplied from various quarters, particularly from Russia and China who were anxious to pick up valuable revenue in western currency in the form of US dollars on which we based our freight rates. So although unable to provide a regular and reliable service such as NZUE, they were able to offer freight rates considerably below our own on an ad hoc basis. One of our major shippers also believed they had sufficient tonnages to Asia which would provide a base cargo to mount their own shipping service and poach cargo from NZUE, the Nedlloyd service to Indonesia and Malaysia and the container service to Japan and Korea as well. This development created complications for unlike the competition, the conference lines were unable to carry cargo to Asian destinations outside their own bailiwick that were already served by the other conference lines. At that time the conference container service to Japan, in which CNCo was a minor shareholder was becoming unprofitable with reduced cargo volumes on a falling freight rate scene. However NZUE was still making good money thanks mainly to large volumes of relatively high freighted cargo southbound from Taiwan, Hong Kong and China. Northbound our costs had been reduced by the speedy handling of the high volume but low freighted timber products in large 20 ton lifts. Thus in 1990, the decision was taken somewhere overseas to sacrifice NZUE in order use some of our cargoes and revenues to assist in the well being of the Japanese container service.

This service with their big container ships would return to New Zealand via Hong Kong to lift our southbound cargoes, and would, space permitting, also lift our northbound container cargoes. The northbound timber products would be abandoned to any competition that would lift it. Thus on 31<sup>st</sup> March 1991 our New Zealand Management Office ceased to exist and New Zealand Unit Express was consigned to the pages of history not long after celebrating it's 21<sup>st</sup> birthday.

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