

Viewpoint

A toast to standardization

(This month's Viewpoint on the desirability of accepted standards originally was presented as a toast by Simon Oosterman, president of NOFOTA [Netherlands Oils, Fats and Oilseed Trade Association] at the 1984 annual dinner meeting of FOSFA [Federation of Oils, Seeds and Fats Association Ltd.] in London. FOSFA and Mr. Oosterman graciously granted JAOCs permission to reprint the toast.)

"...As this is a meeting under the auspices of a FOSFA contract issuing body, and as I am presently the President of NOFOTA, also a contract issuing body, I thought I would talk to you about a subject of some importance to these organizations and thus their members—namely standardization.

"As you know, FOSFA has just gone through a great standardizing effort and NOFOTA is doing the same at the moment. Why? I remember that that question was asked in the FOSFA Contract Committee when we were busy standardizing. Why should we change a contract clause that has worked perfectly well in the oil trade and make it identical to a similar clause that has worked perfectly well in the peanut trade or vice versa?

"The question reflects in my opinion a human resistance to change which becomes insurmountable when the benefits to the individual are perceived to be small. The right question should be, I feel, 'Why should we not standardize?' And we should refuse to accept our ingrained resistance to change as a valid reason. Implicit in this answer is my belief that standardization has benefits and, although the benefits are small to an individual in a specific instance, the number in individuals and instances involved each year, and the fact that the benefit will continue to work forever and ever, makes it all worthwhile.

"As I am a firm believer in the illustrative and convincing power of examples I'll give you some. Let us start with dates. As you know, we note dates starting with the day, then the month and finally the year. Very illogical as it is contrary to our numerical system where we note the thousands before the hundreds before the tens before the ones. The illogicality of our system is surpassed by the U.S. system which puts the month before the day, which is good, but then the year after that ruining it all. Those of you who have entered the U.S. recently have probably noted that in order to increase the confusion, and get as few forms as possible filled out correctly, the U.S. immigration service has switched to the European system but the customs service has stuck to the U.S. system. A recent proposal to standardize notation of the dates the logical way: today would be 1984-12-6, in my humble but considered opinion, stands about as much chance of being generally accepted anytime soon as the proverbial snowball in hell.

"Another matter of great importance must be summertime or daylight saving time. Not so much the concept, but

the days on which we start and end it. Continental Europe, the UK and the U.S. are all considered to be developed countries. One must be developed indeed to be able to create such extensive airline schedules but still have two months a year during which one has a 50/50 chance of missing a connection or waiting an extra hour in an airport. Also the number of times one calls somebody who is 'Just out to lunch,' doubles during this period. Very good for the phone company!

"Related to this is the old proposal to create a year with 13 months of 4 weeks each, and the first of each month to be a Monday. Much too efficient. The last tendering date would always be the same. Hardly any possibility of mistakes! The same fate has of course befallen Esperanto. Why should we all learn only one foreign language if we have the option to speak two or three badly? When I watch the news on TV in the U.S., Dan Rather has already finished the next subject by the time I have figured out what tomorrow's temperature and barometric pressure are going to be. And although you can buy most soft drinks in liter bottles now, they still sell their gas by the gallon. At first I thought they did this to please the British visitors. Not so—different gallons.

"Closer to our trade, some of us make it a habit to buy soybeans by the bushel FOB U.S. fix freight by the long ton to Rotterdam and sell the beans CIF Rotterdam by the long ton at a price per metric ton or unpriced at so many dollars and cents per bushel over the Chicago futures. The number of calculations per day to be saved by standardization would be tremendous. Also we have to realize that if this trader would switch to corn, but otherwise continue to perform the same function, he would have to change his calculations because the Americans, in their infinite wisdom, have decided that a bushel of corn is not the same as a bushel of beans. By the same token in the U.S. soybean meal is measured in short tons, soybean oil in pounds, wheat in bushels, flour in cwt, sunflowerseed in cwt, sunflowerseed oil in pounds and sunflowerseed meal in short tons. Probably this is the only way we can convince outsiders that not everybody can do our job. By the way, in this last effort some of us got a lot of help from the EEC when it introduced MCA's.

"Back to our own turf. FOSFA put a tremendous effort into standardization, but it was only internal standardization among its own contracts. NOFOTA is now doing the same. Hardly any standardization has taken place between, for instance, NOFOTA and FOSFA contracts. Our arbitration systems remain different, although they are growing together. Our contracts are governed by different law systems and I am afraid that this will remain the case for quite some time.

"A lot remains to be done. I hope some of my examples have convinced you that standardization is useful and worth the effort . . ."