

The effort and time expended on transportation matters will therefore be limited,<sup>13</sup> and most shippers may be doubtful about committing significant resources to council activities.

These general difficulties were recognized in the famous *Rochdale Report* on international shipping more than twenty years ago.<sup>14</sup> While expressing support for the shippers' council concept, the Commission insisted on the importance of a realistic view of what their task should be, observing that the public interest must be considered as being more important than either shipper or conference concerns. The Commission recognized that there are inherent conflicts of interest between the two parties but suggested that both prefer to strive for better cooperation rather than rely on government intervention to solve problems.

#### (10) The Canadian Shippers' Council

In 1979 the Canadian Shippers' Council (CSC) was the group designated to represent shippers under the *Shipping Conferences Exemption Act, 1979* by the Minister of Transport. The designation was renewed under *SCEA 1987* and the Council's activities, role and influence are thus directly relevant to the review of the *Act*, which will be formally undertaken in 1992.

The CSC was originally formed in 1966 by industry in anticipation of government action requiring it to perform certain tasks. Its mandate then as now is to represent a broad cross-section of exporters and to act as a liaison group with conferences and the government, on behalf of Canadian shippers. The CSC is structured as an association of associations - consisting of various industry and exporting groups - with a small number of corporate members. Trade organizations which are represented by the CSC include the Canadian Industrial Transportation

League, the Canadian Manufacturers' Association and the Canadian Exporters' Association. The associations and corporate members appoint delegates to the CSC.

In its 25 years of existence the CSC has had successes as well as challenges and problems. Some of these have been of a general nature, common to all shippers' councils, while others reflect specific Canadian circumstances. Some have suggested that the key problem for the CSC has been chronic underfunding, which has plagued the council since its beginnings. However, calls for permanent government funding, with no conditions attached, have been refused with the following set of arguments: (1) the CSC was formed by industry to prevent too much direct government intervention, (2) if the CSC exists for the benefit of the industry then its participants should be willing to provide human resources and assume financial responsibility for it, and (3) if the government is supposed to finance the CSC, then it would be more logical to take the interventionist route and directly intervene in the conference liner market.

CSC officials have complained that the Council's activities are severely limited by a lack of funding. While they believe that the Council adequately fulfills its role of monitoring trends under *SCEA 1987*, it is handicapped in analyzing long-term industry developments, verifying conference information and conferring with other shippers' councils to exchange views on an international level. These financially imposed limits of activities render the CSC less valuable to its members, which in turn have raised concerns about its effectiveness. As a result, a vicious circle is created where the scepticism of some members and the current economic situation combine to curtail much needed contributions by the members.

The organizational structure of an association of associations with a small number