

Halifax seminar emphasized this point when seminar participants concluded that, "free competition is not possible with the LDC's as long as they maintain their present policies toward fleet development and dedication to cargo reservation practices."

### Foreign Shipping Monopolies

Participants were not willing to accept the concept that foreign legislation could dictate the terms of trade by creating shipping monopolies in Canadian trades. Vancouver participants stressed that, "In every possible instance Canada should fight a shipping monopoly created by foreign law." This situation was found to be not only unacceptable in principle, but also in its practical affects, namely the likely erosion of Canadian competitiveness in markets abroad. The vital importance of trade to Canada's economy dictated that the Canadian government should, in consultation with industry, take whatever steps are necessary to ensure that Canadian shippers are assured access to adequate and competitive maritime transport services. The choice of possible policies to achieve this, and how these might best be implemented was the subject of extensive debate, where participants considered a range of possible approaches, each seeking a solution which would maintain competition or at least partial competition in shipping.

### Comparative Policy Approaches

All of the following circumstances are encountered in today's maritime operations, and are not mutually exclusive, however workshop discussions resulted in these being listed in a progressive order of acceptability to exporters and importers interests:

- unrestricted competition
- reservation of certain cargoes to national fleets
- conference monopoly
- reservation of a fixed percentage of cargo to national fleets (i.e. U.N. Liner Code formula — 40-40-20)
- equitable participation in trade (i.e. 50-50 division)
- 100 % cargo reservation

### From "unrestricted competition" to "cargo reservation" — bridging the gap!

Seminar participants unanimously agreed that the "ideal" preferred by all shippers was "unrestricted competition" in maritime transport. However, they conceded that while "unrestricted competition" was the unanimous shippers' choice, this is too frequently not a realistic alternative in today's international shipping environment. (Edmonton) With the reality that unrestricted competition is seldom attainable, shippers addressed the sensitive issue of cargo reservation, where many countries, encouraged by UNCTAD, have adopted such policies as a means to ensure the participation of their national shipping lines in national trades. This philosophy is presently reflected in the terms of the UN Code of Conduct for Liner Conferences which introduced, inter alia, the concept of cargo sharing, preserving certain rights to exporting, importing and "third flag" States.

Participants generally accepted the inherent right of states to exercise their independent sovereignty, and to adopt national policies reflecting their own sense of priorities. It was noted however that the practice in certain countries went beyond generally accepted norms and extended to 100% cargo reservation practices. This was unanimously opposed by all present at the seminars who stressed that in such instances "the Canadian government must use all possible legislative, economic and political leverage and resources to respond and to protect Canada's trade interests."

Discussion focussed on finding a middle ground which, in cases where a state had adopted cargo sharing practices, would bridge the practical and philosophical gap which must exist in its bilateral trade relationship with a state such as Canada which remains dedicated to the principle of competition. There was considerable concern voiced by a number of Montreal shippers at the prospect of "stepping onto the slippery slope" of cargo sharing in any form, however extensive review of today's circumstances convinced all but one workshop that to ensure Canadian access to certain markets it may, as a last resort, be necessary to "take tea with