

In his opening remarks he outlined the organization and objectives of FELACUTI, which is to maintain a continuing dialogue with liner shipping conferences and airline associations, in order to obtain reasonable treatment in the structure of freight rates on cargoes in their trades. *"The development of commercial relations among nations depends to a large part upon transportation,"* he stated, adding that *"more than 90% of our commercial exchange is by water."*

The Federation of Shippers Councils had been formed largely upon the recommendation of UNCTAD, but due to the power of the shipping cartels had not to date achieved a successful balance in their discussions. He cited problems with the U.S. shipping conference and commented on the non-responsiveness of the Japanese conference. He made the case for **improved liaison with Canadian shippers**, noting this was only the second opportunity in nine years for direct dialogue between shippers' representatives. This was unfortunate given the importance of the region's trade which in 1984 imported US\$ 41 billion from overseas.

Dr. Martinez noted Mr. Bennett's earlier remarks to the effect that some Canadian goods were being transshipped via Europe in order to obtain a reasonable freight tariff. This suggested to him that Canadian exporters had not negotiated well in their dealings with the shipping conference. Dr. Martinez concluded on an optimistic note, commenting on the recent introduction of **direct air services between the Dominican Republic and Canada**, which he hoped **would result in increased trade**, and improved Canadian consular services in Santo Domingo, and extended an invitation for Canadian trade interests to attend the forthcoming International Congress on Cargo Transportation to be held in the Dominican Republic.

Wayne Morrison, Manager, Cape Breton Development Corporation orientated his remarks from the perspective of shipper of bulk products, in particular coal. As a federally owned Crown Corporation, his company had recently received a long term contract for 2 million tons coal from the Nova Scotia Power Commission, and expected to put a new colliery into production

shortly, which would produce 1.5 million tons of clean coal, thus releasing approximately 1.5 million tons for sale in export markets. On an F.O.B. basis this would be valued at around 75-80 million Canadian dollars, and would require the commitment of between 50 and 60 "handy sized" vessels. Addressing the matter of shipping restrictions Mr. Morrison confirmed there have been problems. The Corporation would attempt to ship on C and F terms in order to 1) control the choice and quality of the vessel to be used, 2) to control inventory and the timing of vessel arrival and departure, and 3) most important, to control costs. Circumstances where the buyer wishes to introduce flag restrictions could best be dealt with by keeping open communication lines with the buyer. This entailed extra effort by the Corporation's marketing staff, but results justified these efforts.

Mr. Morrison talked of difficulties experienced as a result of being unable to off load large Panamax vessels in a number of foreign ports. *"Free competition is an ideal that seldom exists"* he reluctantly concluded, noting that on occasions where no flag restriction existed, the requirements for hard currency would in itself convolute the market. The current situation where one country had driven charter prices up by entering the market and chartering a large number of vessels was not unusual, and certainly government intervention would be unable to achieve any useful result in such circumstances. In discussing how to respond to restrictive practices Mr. Morrison stated that his main concern would be to avoid the necessity of using a higher-cost vessel. He believed that **in the realm of aid cargoes or products financed by government, that these should be granted to less developed countries on a CIF basis**. This would allow consolidation of such cargoes by Canadian forwarders and shipping agents with obvious economic benefits to Canada.

He suggested also that to offset some of the difficulties being encountered in foreign trades, and the economic disadvantage of Canadian wages, that **shipping companies operating Canadian flag vessels should be granted**