

Adjournment Debate

amount of money for the movement of goods both in and out of the country.

Perhaps I could express my concern a little more directly. Now that the Government has in fact indicated that it is considering certain measures with respect to the new agreement, will the Parliamentary Secretary undertake to make these measures or proposals known to the marine industry or those who use that industry before they are implemented, so that the community of interest can make an input from its point of view? Then the Government, trade people, external people and transport people will understand exactly what they need to learn from the experience under this form of control in the liner conferences. I ask the Parliamentary Secretary whether he will give some undertaking to review what is under consideration before it is in fact put in place. There is an obvious advantage to this both from the point of view of the industry and the point of view of the Government. I am sure it would be facilitated by the extension of such a courtesy.

More generally we are concerned about the absence of a policy. We have known we were approaching 57, 58 or 60 signatories that would represent the required percentage of volume by movement exported and imported. We have known this for some time. We knew that the latest round of UNCTAD talks would likely produce an agreement, but we still had no policy in place. This is what we are concerned about.

This can be demonstrated by the fact that shipping lines—some Canadian-owned offshore registered, some offshore-owned but shipping in and out of Canada on a quasi-regular basis—have already approached Canadian embassies in South America and elsewhere in the developing world seeking that policy and certification which might in fact lend them the opportunity to claim they are in fact designated Canadian carriers. We have a vital concern about that, but the policy should be clearly stated. It should reflect industry's concern and be clearly stated. It should be an understandable policy and one that clearly enables our embassies to give proper direction so that confusion will not flow to carriers who seek to act as designated Canadian carriers.

● (1805)

The Parliamentary Secretary's advice to us on this matter tonight will be appreciated. I know it will be concise and I know it will be informative. He certainly is aware of the difficulties being faced by waterborne carriers now that in fact the new code of ethics is a matter of practice.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as someone who chaired a special parliamentary task force on how Canada can improve its trade with other countries, and as someone who has a Private Member's Bill in the House dealing with a Canadian merchant marine, I would like to compliment the Hon. Member on being such a champion of the marine industry. I know of the interventions he has made with the previous Minister, and now with the new Minister, on the establishment of a Canadian

merchant marine, on all related issues and on the issue of UNCTAD that he raises tonight.

At the United Nations Diplomatic Conference on the Code of Conduct for Liner Conferences, Canada abstained in the vote for three reasons which I would like to give to the Hon. Member. First, Canada feared that the implementation of the cargo-sharing provisions, of the code which were 40-40-20, and the rights afforded national lines might lead to higher freight rates. Second, it was felt that some uncertainties existed in the text in regard to the nomination of national lines, their right to membership in conferences and the dispute settlement procedure. Third, it was feared that the implementation of the code might result in a marked change in the competition in international shipping on which Canada has relied and benefited.

Because these concerns remain, it has appeared preferable for Canada not to accede to the code but to keep the question under continuing review in the light of developments in Canadian shipping policy, international shipping policy generally and in the implementation of the code in particular.

In May, 1982, the Government of Canada organized a seminar on the code where various interested parties such as representatives of shippers, ship owners, labour and Government expressed their views on the implications of the code as well as on the options open to Canada. Both Canadian shippers and ship owners firmly opposed Canada's ratification of the code. I know that many of these shippers and ship owners are well known to the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall).

It is believed that the effects of the code on Canadian shipping interests will be limited as the code will apply only between two contracting countries. The majority of the Canadian trade is with other OECD or developed countries and only two of these countries have adopted the convention to date. These countries, Germany and the Netherlands, have entered a reservation stating that the provisions of the code will not be applied to intra-EEC trades and intra-OECD trades on a reciprocal basis. It is understood that some other OECD countries will likely adopt the code and that all EEC countries have agreed to enter the same reservation.

Although our liner trade with developing countries is small, there is concern nonetheless with the practices of some developing countries which have unilaterally applied the cargo-sharing provisions of the code and, in some cases, gone beyond the code. Canada is considering what actions might be taken on a bilateral basis to protect Canadian interests in such situations.

In conclusion, Mr. Speaker, the Government will be pleased to keep the Hon. Member informed of any change in the Government's approach as it continues to monitor this question.