

Panel 3

Approaches to Policy: Factors and What Industry Advocates

In his opening remarks as panel moderator, Dr. Charles Barrett, Vice President, Research, of the Conference Board of Canada explained that, as Canada's largest independent research organization, the Conference Board focussed its considerable resources on the study of factors affecting the competitiveness of Canadian industry at home and abroad.

The Conference Board's latest study in the transportation sector dealt with Canadian exporters' adjustment to the deregulation of surface transport in the United States. In the context of Canada's relationship with developing countries, Dr. Barrett noted that the Conference Board were making particular efforts in this area, and had just completed a large research program sponsored by the Industrial Cooperation Branch of CIDA, to examine ways and means to strengthen Canada's business relationship with the LDC's.

Dr. Barrett recalled that in the 1960's with the beginning of UNCTAD, efforts were focussed on means to foster LDC development and how to achieve acceptance of this principle by the international community. However, as noted by Mr. Deeks during his luncheon address, the success of the developing countries over the last 20 years in the area of services has also created among the industrial countries a perceived need to rebalance the playing field. Rebalancing the service sector was very much on the agenda of the United States, and was important in determining the agenda for the Uruguay Round of the MTN, with its' emphasis on services. In concluding his opening remarks Dr. Barrett pointed out "*...that in maritime transportation services it is very important to distinguish between the interests of the countries we are dealing with. The challenge in terms of finding an appropriate policy is all that much greater... it is therefore worthwhile that we explore a wide range of policy options, including those very different than what we have pursued to date. It's only by doing so that we can really, fully appreciate the range of choices that are before us.*"

Mr. Don Wiersma, Transportation Manager for the Canadian Manufacturers' Association (CMA) noted in his opening remarks that the association has been actively consulting with the government on maritime policy for a number of years. However, in contrast to previous consultations, the international competitive situation for Canada is becoming increasingly more difficult while at the same time the Canadian economy is ever more dependent on exports for its continued growth and vitality. Approximately 3 million people or roughly one in four Canadians is dependent on export trade for employment, and transportation costs to deliver our exports to market can be as much as 30-40% of the CIF delivered price.

In response to questions raised privately by several delegates earlier in the day, Mr. Wiersma reiterated that, though not an active member of the Exporters' Coalition on Canadian Maritime Policy, the CMA fully supported the Coalition's position on the importance of access to efficient and economic maritime transport, and its importance to Canada's export success. "*As users of transportation, Canadian manufacturers must have available an efficient marine transportation system capable of both delivering their products to offshore markets, and to move to Canada raw materials essential to manufacturing processes. These functions must be performed at the lowest possible price. Secondly, as manufacturers, the CMA also supports the further development of a Canadian shipbuilding industry, provided it can be competitive in domestic and world markets. The association also subscribes to the "bottom line" concern of the Exporters' Coalition that a Canadian merchant deep sea fleet is unlikely to be viable and that it would not appear to be in keeping with governments philosophy as captured in current 'Freedom to Move' legislation, where transportation services and prices are to be driven by market forces.*"

On the matter of maritime policy Mr. Wiersma stated that as a first premise the CMA believed policy review should be driven by legitimate market needs, and be consistent with our domestic policy. Regarding the process of consultation the CMA supported more effective