

Shipping

further note to the maritime freights entry makes that point even more clear. It states:

These provisions are intended to give residents of one member state the unrestricted opportunity to avail themselves of, and pay for, all services in connection with maritime transport which are offered by residents of another member state.

So we have that aspect of another international agreement to contend with as we look at this proposed 40-40-20 split.

Some parties to the code of liberalization believe that the code of conduct convention is incompatible with it. Of course the code of conduct convention can be interpreted in more than one way. It is possible, depending on how a country interprets and implements the code of conduct convention in its own national laws, that this need not be incompatible with that country's prior obligations under the code of liberalization. Whether this is so, and if so in what way the code of conduct convention could be interpreted and implemented, have not yet been determined by announced policies of countries that are party to the code of liberalization.

The margin for interpretation of this code of conduct of convention is very wide. There is the well-known 40-40-20 cargo sharing formula with 40 per cent of cargoes being carried in conference vessels of the exporting country, 40 per cent in conference vessels of the importing country, and 20 per cent in conference vessels of a third, or a variety of other countries. That is merely a proposed cargo sharing formula.

We said in our initial reply that the formula would relate not only to a member state's flag vessels but even to chartered vessels participating in a conference. Again this indicates, as I say, a wide margin for interpretation; that is the proposed code of conduct convention.

We said as well that it would depend on how the convention was implemented whether it would have any effect at all on flag registry, national shipyard, shipyard-related activities, or merchant seamen of an exporting or importing state, and I again refer to the merchant marine concept brought into this debate at the same time. Because of these circumstances studies have not been prepared on the hypothetical ramifications of the proposed cargo sharing formula for Canadian ships, shipyards, shipyard-related activities, or merchant seamen.

I would like at this time to go a little bit further. In recent years, as the hon. member is well aware, international shipping has undergone quite a revolution. Larger and more specialized ships have made it a very capital intensive industry, and this has led to consortia and a tendency toward cartelization of shipbuilding and the shipping industry.

At the same time we have seen an increase in the world of state-backed or state-operated shipping lines, some of which have a non-economic motivation. This latter tendency has been accompanied by movement toward more restrictive or protectionist shipping practices, toward bilateral shipping agreements and that kind of thing. This is certainly of extreme importance to a code of conduct convention, whether it is ever implemented, and it is in some of its aspects a further development of this new spirit of bilateralism in shipping arrangements, but only in so far as liner conferences are concerned. As I men-

tioned earlier, they only carry a small proportion of Canadian shipping, perhaps 10 per cent to 15 per cent.

In January of this year the Minister of Transport (Mr. Marchand) tabled a consultant's study on "The Elements of an International Shipping Policy for Canada", and announced at that time the formation of an interdepartmental shipping advisory board to assist him in the coordination of present government activities in this field, and in the development of future policies.

• (1720)

What this means is that in the face of a period of revolutionary change in terms of international shipping, to which the hon. member's motion refers, this is but one manifestation that Canada is reviewing its position to ensure that our policies are well directed toward the protection and promotion of Canadian interests so far as shipping is concerned. It is on this basis that recommendations will be made concerning Canadian national policies, including policies with regard to a Canadian merchant marine, and not on the basis of an international convention which may or may not develop. We are not sure how it might develop in that situation. In any case, as I say, it relates only to a liner conference in the international concept of Canadian shipping.

I do not wish to belittle, if you like, the Canadian convention on a code of conduct for liner conferences and the possibility of that, the text of which many developing countries supported and which contains many useful provisions. This will continue to be given attention by the government, both in itself and as part of the over-all review in respect of shipping, but only in that particular context.

As I pointed out to the hon. member in my earlier comments in January, we have no particular studies under way. Only this morning in the transport committee one of the hon. member's colleagues criticized the government in respect of the amount spent on consultants to examine into this and that. I believe he would be critical of us if we had gone to any great extent in exploring the possibilities in this regard, which is a far cry from being a fact, and is not the number one priority in respect of examining the real needs of the marine and shipping industry.

The Acting Speaker (Mrs. Morin): Order, please. I should like to remind the House that if the hon. member speaks at this time he will close the debate.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, pursuant to the order I think the debate will come to a close in five minutes in any event. I wish to make two or three brief observations in respect of the remarks of the parliamentary secretary this afternoon and the other conversations we had at the time of my moving of the motion. At the close of my remarks I shall ask leave of the House to withdraw the motion.

The observations of the parliamentary secretary are very interesting. There are several things involved here. The motion arose from the position taken by Canada at the UNCTAD meetings which seemed, to all of us who are interested in these areas, to be a studied position. What escaped me at the time was how Canada could have a studied or reasoned position in respect of a particular