

from agreement for a free, competitive environment at one extreme to a system embodying fixed cargo shares and detailed regulation at the other extreme. Canada's preference leans to the former while most of the developing world would likely gravitate to the opposite pole.

Negotiations can be complex, time-consuming and frustrating. No success can be guaranteed at the outset. But, if fruitful, negotiations can produce something mutually agreed and codified, something that establishes clear conditions and obligations that offer greater certainty for commercial interests to make decisions and to do business with another country.

## **5. Multilateral Approach**

Multilateral approaches can take the character of international agreements, or multipartite persuasion or confrontation. Possible forms of international agreement include possibilities in the short or long term. In the short term, many bilateral shipping issues might be settled if the trading partners implemen a multinational accord namely the UN Convention on Code of Conduct for Liner Conferences; more uncertain, and assuredly time consuing to develop, is the proposal to bring services under the General Agreement on Tariffs and Trade (GATT) wherein restrictions and barriers would be lessened.

Multipartite persuasion could occur when several like-minded nations join forces and present their concerns to a country that has restrictive practices. Commonly this is done through diplomatic channels. However, improvement is contingent upon a voluntary positive response from the country being approached. Any intransigence negates the effort. Escalation is possible if the like-minded countries decided the stakes justified taking concerted joint action of a retaliatory nature. The threat, or the implementation, of such action could produce the desired response from the targetted country. But one should not underestimate the difficulties in selecting suitable economic sanctions or in deciding upon the common denominator amongst those nations contemplating concerted action; national interests usually are quite diverse, and the common denominator may be muted.

## **6. Defensive Measures**

Defensive measures in essence provide for a response in kind should another nation unilaterally restrict transportation. Such measures could take any number of forms, such as stringent administrative attention, countervailing fines or outright operating bans. It could be argued that a variety of measures should be designed to permit general flexibility, availability of a response commensurate with the perceived harm, and room for escalation.

Defensive measures potentially could have some effectiveness as a deterrent, as a threat, or as an applied means to evoke a suitable response from the other nation. These measures would have some value in both commercial and governmental consultations/negotiations because the Canadian position would be strengthened to some degree.

Ideally, defensive measures should never be used. As a deterrent or threat, they could encourage an expeditious and mutually acceptable solution. Prior to actual implementation, there would have to be a very considered assessment of the costs to Canadian interests, and to the odds of success. Economic retaliation or sanctions clearly cut two ways, having an impact upon both nations.