

feasible in seas which are covered with permanent ice. Evidence submitted by General Dynamics to the Commons Committee on Indian Affairs and Northern Development indicates that surveys to locate underwater pinnacles in the area of proposed submarine transport routes would have to be made by submarines prior to establishing any such routes.

- (4) it may become a commercially viable means of exploiting arctic oil. Given the extent of Canadian resources involved, the Subcommittee considers that Canada has an interest in developing knowledge and experience in this area of technology. There might even be important technological spin-off benefits to be gained. If the General Dynamics proposal—or one like it—to ship oil by submarine tanker should prove to be feasible, a trans shipment port with repair facilities might be established in Canada. If this were done, the cost of maintaining Canadian submarines could be reduced.

Although evidence suggested that there are many potential advantages in terms of protection of sovereignty, exploration of Arctic waters and the development of a new technology of possible industrial importance, the Subcommittee does not consider that it should make a recommendation that Canada seek to acquire nuclear-powered submarines in the period 1973-83, unless it can be shown that acquisition costs would be very much less than the figure given of \$100,000,000 per submarine.

11.5 Allocation of expenditure on maritime forces

The Subcommittee has already noted that regional and technological side benefits accrue from the development of maritime forces. Irrespective of the ultimate organizational structure for the maintenance and operation of the combined Canadian maritime forces, the actual benefits accruing from the expenditures will be of such diverse nature that allocation of both capital and operating expenditures must be considered accordingly.

At present the maintenance and operation of maritime forces by various departments on a functional basis insures that the costs of providing these functions are roughly apportioned to appropriate government spending agencies, (i.e. the Departments of National Defence, Transport, Fisheries and Forestry, the Solicitor General (RCMP) and Public Works). Such an assignment of costs does not appear, however, to take into account the incidental support provided by the development and operation of maritime forces to other government spending agencies, notably the Departments of Regional Economic Expansion, Indian Affairs and Northern Development and Industry, Trade and Commerce.

The increasingly capital and technological intensive character of maritime forces development as well as their multi-functional potential results in the benefits becoming more widespread and diffuse than has hitherto been the case. In the view of the Subcommittee the development of maritime forces has in this respect many attributes of a national policy. Accordingly it recommends that a detailed cost-benefit analysis of current and future development and operations of Canadian maritime forces be carried out by the Government and that the capital expenditure and operating costs be apportioned to each government spending agency benefiting from these. The department(s) actually maintaining and operating maritime forces would then be in a position to