

The CHAIRMAN: We will sit until 12:30.

Mr. HEES: Ask your questions.

Mr. NIELSEN: First of all it requires a short explanation. The policy I understand, both in the United States and Canada, is to reserve coastal shipping to ships of their own respective registrations. This has caused, in the long run, a higher transportation cost in the north, both in Alaska and the Yukon. I know we are not concerned with the development of Alaska, but again looking at the map it will be seen readily this is an economic island and you will see it is tied in with the development of northwestern Canada.

First of all I am wondering if any extension of the work done by the Northwest Planning Commission has been undertaken since 1957 in respect of the possibility of reducing the cost of shipping up the west coast into Alaska and the Yukon, because economically we must consider these two in the same light when considering transportation costs. Secondly, I wonder if any thought has been given by the government and this department, to date, along the lines of possible subsidies for shipping at the coast. I say subsidies, because the shipping period is only from the first weeks in May until the end of October. It is essentially a one-way haul.

The back-haul has increased in recent years because of mining operations, but it is still a long way from being an economical operation. Because of these economical features and because the United States has the small and more cumbersome freight vessels as opposed to the trim vessels used by Canada on this coastal trade which are carrying freight in essentially passenger vessels, perhaps we should use the vessels in use by the United States. Perhaps some relaxation of the basic policy as far as it is applicable to the policy of confining the shipping to ships of national registry could be relaxed.

My question is, has the department or the government given any thought to making some sort of inquiries along these lines?

Mr. BALDWIN: You are referring, sir, apparently to shipping along the B.C. coast? Are you talking about movement around Alaska to the western Arctic?

Mr. NIELSEN: No, I was talking about shipping from the western United States along the B.C. coast.

Perhaps I could explain a little further. The port of Seattle is roughly 600 miles south of Prince Rupert. Shippers from mid-western United States and western United States must ship, in bond, as far as they can go; to the rail head at Prince Rupert, and from there they must use United States ships to go north, so they must ship from the port of Seattle. Whereas, if these regulations that exist in both countries—and I suppose with a good deal of justification—could be relaxed in so far as it concerned the north Pacific region allowing shippers from the mid-western United States to ship by Canadian vessel, and for our shippers in Canada to ship by United States vessels, the cost factor might be lowered a good deal.

Mr. BALDWIN: I am again not quite sure that my answer will be adequate. It would amount to saying that we now understand that the United States authorities guard their coastal shipping laws which protect their coastal ships in this regard, rather jealously. We have at no time been aware of any indication that they would be prepared to relax their regulations or their laws allowing our Canadian ships more favourable treatment.

I think I would feel rather strongly that unless there was some indication of their willingness to relax their stand that there is very little point in our considering the relaxing of Canada's stand.

Mr. NIELSEN: Quite so. I do not suggest for a minute that one should do it without the other.