

activity in the Arctic archipelago (see Section 10.5). But the Subcommittee does not anticipate a need for maritime *surface* operations of a military nature in Arctic waters because ice makes such operations virtually impossible. Any necessary challenge to individual surface vessels could be effectively made by the appropriate registration of political protest. If a demonstration of force were required, armed aircraft would be most effective.

## 7. ECONOMIC ASPECTS OF MARITIME FORCES DEVELOPMENT

### 7.1 Current expenditure

Information provided by the Department of National Defence indicated that the capital and operating costs for that department's maritime forces are as follows:

a. Original capital cost of present naval forces including Maritime Air but not including non-combatant vessels.	\$1,012,232,000
b. Annual Operating and Maintenance costs including MARCOM bases, dockyards, etc.	\$244,084,000
c. Cost of new equipment including development, conversion and modernization programs for ships and aircraft for which some cash provision is made in 1969-70 Estimates	
Expenditures prior to 1969-70 (of which \$129,122,000 is included in total for a.)	\$433,000,000
Forecast expenditures 1969-70	\$113,740,000
Future Years	\$170,649,000
	\$718,389,000

Information provided by other departments maintaining and operating maritime services indicated that the operating costs in 1968-69 of their vessels was as follows:

Transport	\$26,801,000
Energy, Mines and Resources	\$ 3,730,895
Fisheries and Forestry	\$ 2,436,300
Fisheries Research Board	\$ 1,107,331
Solicitor General	\$ 1,380,924
Defence Research Board	\$ 1,233,998

Major portions of this expenditure appear to be concentrated in particular industries and particular regions.

### 7.2 Implications for the Atlantic provinces

While the Subcommittee was not able to obtain comparative data as to the implications of expenditure on maritime forces in the various regions of Canada, it received some evidence on the implications of defence expenditure in the Atlantic provinces for 1960.\* Although the data was historical and did

\*Kari Léviitt. *A Macro Economic Analysis of the Structures of the Economy of the Atlantic Provinces 1960*, McGill University 1969.