

## [Text]

Suppose you do get this kind of ship, what do you want in the way of support? Just to repeat myself, there are two schools of thought here. One says, "You can build such a ship that does not need any kind of support, it can do everything on its own." There is the other school of thought that says, "Yes, maybe, but it is not possible to guarantee 100 per cent that the ship will not get stuck. It is bound to get stuck, everybody does sooner or later, and when they do there is this risk of being wrecked, not a great risk, perhaps, but the risk is nevertheless there". Are we prepared to accept the risk of a ship full of oil or with a considerable quantity of oil onboard, being wrecked in the Arctic? Considering the climate regarding pollution, a lot of people would say, "no". However, that is not for me to decide.

Another point here, of course, is that the cost of air freight is steadily going down. It is still quite a bit cheaper to ship up the heavy commodities, the large tonnages—oil, drilling muds, drill stems, prefab houses, tractors, all this kind of stuff—in the summer and stockpile it than to do much of it in the winter. However, this is changing. The costs of air freight on some of the newer aircraft are going down pretty fast and then you get into the rather nice little situation of the kind of year-round ship that I described or a ship that could operate in the difficult part of the year and do away with stockpiles and tanks. This is really getting into a field where aircraft are competitive.

We have not done any definitive examination of this, but the costs are not that far apart. So then you are in the situation of having to project aircraft costs into the next family of large freighters beyond what we have now, the C-5 derivatives and that kind of thing. Maybe winter ship operation is getting pretty close to aircraft operation even for the above commodities. It will be a long, long time before aircraft can compete effectively with summer operation, but this is a different kettle of fish because you do not need quite such an expensive ship.

I have rambled around a great deal, and one should not talk too long because one's audience gets bored. I think if it is possible to summarize what really is rather a complex issue, it boils down to is this.

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Let me say, first of all, just to set the stage, that with the tonnages there are now and the method of transportation there is now, confined only to resupply of Arctic post installations with a relatively small quantity, it can be done the way it is being done now quite effectively with reasonable safety. It is a field where commercial operators are doing it under free enterprise method. There is really nothing that has developed that indicates an incestuous or any kind of a government owned and managed operation. Free enterprise can do it, are doing it and have demonstrated they can do it properly. So, one really then has to say, is this situation going to change? How can it change? It can change in quite a number of ways. One of these is the change in economic factor which I suggested just now, but the main one is, is there going to be extraction of the sources from our Arctic? That would necessitate shipping by some means or other during either the 12 months of the year or a vastly

## [Interpretation]

Il ne faut pas non plus oublier que les frais de transport par avion diminuent de plus en plus. Il coûte beaucoup moins cher d'envoyer les grosses cargaisons, les équipements d'exploitation, les tracteurs et ce genre de choses pendant l'été. Le coût du transport aérien diminue rapidement et vous devrez bientôt envisager la construction de navires pouvant servir toute l'année. L'avion devient un concurrent de taille.

Nous n'avons pas étudié la question à fond, mais les frais ne seraient pas tellement différents. Et dans ce cas, il faut faire une comparaison entre les frais d'expédition par avion et les frais d'expédition par bateau. Les deux moyens commencent à se rapprocher, mais il faudra beaucoup de temps avant que l'avion puisse concurrencer pendant l'été.

Maintenant, j'ai assez parlé. Je crains de vous ennuyer; la question peut se résumer ainsi:

Tout d'abord, avec les tonnages qu'il y a maintenant, les moyens de transport qu'il y a maintenant, destinés à renouveler les approvisionnements dans l'Arctique, on peut continuer à s'y prendre de la même façon à un prix raisonnable. Dans ce domaine les exploitants emploient les méthodes de l'entreprise libre. Rien ne semble indiquer que le gouvernement doive s'occuper de ce genre d'exploitation. Il a été démontré que les choses marchent suffisamment bien en ce moment. Il faut donc se demander si la situation va changer et de quelle façon. Le changement peut se produire de plusieurs façons. Il peut s'agir du facteur économique dont je viens de parler; cependant, l'un des principaux est le suivant: va-t-on exploiter l'Arctique ce qui exigerait un transport constant pendant toute une année ou pendant une saison qui serait beaucoup plus longue qu'elle ne l'est à présent.

Si la réponse à cette question est oui, il faut ensuite se demander comment s'y prendre. Comment le propriétaire de l'exploitation voudra-t-il s'y prendre? Est-ce qu'il