

*Northern Canada Transportation*

necessary. Environment concerns for wildlife and fish habitat are being addressed by the project manager.

To continue, let me give you some other examples of what we are doing. Program responsibility and the modal expertise for Arctic development has been incorporated directly within each of the transportation administrations, with a co-ordinating function provided by headquarters.

I would like to comment on the aspect of research and development to which the Hon. Member also referred. The significance of such a program, be it within the federal Government or the private sector, cannot be overstated. Such programs as the Arctic Scientific Evaluation Program is a major undertaking to evaluate the ice-strengthened cargo vessel, M.V. *Arctic*. The vessel was designed to meet the Arctic Ice Class II specification, which indicates a moderate ice-breaking capability in accordance with the Arctic shipping pollution prevention regulations.

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A three-part instrumentation and evaluation program has been defined to collect data on environmental forces experienced by ships during commercial operations in the Arctic and to verify the appropriateness of the shipping regulations. The total cost of funding this entire project is \$1.9 million. In terms of the potential benefits as a result of better designed vessels, these dollars are, to use a very appropriate analogy, the tip of the iceberg in terms of the potential high return on investment.

I am pleased to see that approval has been received for the expenditure of \$14 million for Arctic marine projects. The crucial point is that the significance of R and D is finally being recognized and the high profile it has warranted in the past is now a reality. Through research and development, transportation in the North can only improve.

One other area that I would like to expand upon is that of policy. What are Transport Canada's policies with respect to the North? It is understood that air carrier development is also affected by policies on social services, energy and other Government activities. To ensure the requisite co-ordination and planning between the public and private sector, the Joint Air Service Planning and Evaluation Review, or JASPER, was developed in 1977. Since then, it has been applied to a carrier-Government planning for four Arctic route networks.

On the marine side, the question arises as to what level of shipping services for international trade is required to meet the demand in the North.

A more important question that must be raised is, what should the Canadian position be with respect to Arctic shipping? On the one hand, if action is not taken soon Canada could be left out in the cold, so to speak, in more ways than one. On the other hand, having operating experience in northern waters may provide some Canadian carriers with advantages over those of other nations. It is felt by some that the Arctic is a special environment and therefore a greater degree of assistance for Canadian shipping may be justified.

Some have expressed the view, the mining industry, for example, that any extra costs due to shipping would render

their already costly northern mining ventures even more difficult to develop. However, based on numerous consultations, it is generally felt that a stronger regime should be in place in the Canadian Arctic than in the rest of Canada, with the condition that such a policy not hamper development and that vessels be available at reasonable cost. The development of an Arctic shipping policy will be designed to ensure that northern demand for shipping services is met by Canadians to the greatest extent possible without causing an adverse effect on Canadian trade.

I have been discussing the North simply from the perspective of developments in the areas of operation and policy, highlights of transportation accomplishments and development in support of Transport Canada's strategic objectives. Unfortunately, success stories of progress do not prevail in all other areas affected by transportation.

From the viewpoint of native groups, there are still shortcomings in the way in which transportation services are provided and, indeed, in the manner in which transport might be used to solve certain social problems such as the high cost of living. Program delivery is perceived to be cumbersome and possibly more expensive than it should be. However, local input for airport planning and construction has become routine, with community co-operatives at times bidding for work. There is a sense of urgency felt by headquarters staff in the scheduling of Arctic projects, which sometimes run afoul of total Government priorities, the short shipping season and the time required to consult extensively with all parties concerned.

It is useful to be reminded of individual project problems and their slippage, but these specific problems should not be allowed to detract from this Government's commitment to northern development.

Transportation cannot be viewed in isolation. This is true especially for social problems. While it is acknowledged that freight rates are very high, and there is a temptation to provide subsidies as a quick fix, it must be remembered that this country is already struggling under many such well-intentioned past programs. Factors such as overcoming the small market size, increased storage facilities and negotiated changes for retail pricing should also be considered.

One other major factor to be considered is the chronic shortage of funds. Because of the lack of sufficient resources, it serves as a governing factor which requires some prioritization of programs. There are many programs for which the need is easily justified, but the lack of adequate funds does not allow all of them to be realized.

In support of the six and five restraint program, these limits have been applied to charges levied by Transport Canada. This situation is of benefit to the users but at the same time restricts the flow of dollars into the federal coffers, thus further limiting available Government resources.

I think that we have accomplished much, and by joining forces and working together for the benefit of all concerned,