

we feel there may be competitive factors involved in the transportation sector.

Mr. Angus: Mr. Chairman, I would like to follow up on those questions regarding logging. Northwestern Ontario, as in British Columbia, has no direct connections any more between the mill or mill pond and the stumps, if you like. There seems to be support on both sides of the House for deletion of the words "off-highway" in order that transportation of the raw product from the stump to the mill, where it travels in both cases off the publicly financed roads system, will not be affected. Granted that the bush roads are only partially subsidized as opposed to the public highways which are paid for fully by government, but I think it would be consistent with the Minister's comments to provide support for this sector. In northwestern Ontario we are travelling distances of 60 to 100 miles as our forests are harvested. We will not have the opportunity to harvest the second or third crop for 60 or 80 years so we do have to travel further. It would be a great addition to this Bill if this one change could be accepted by the Minister.

Mrs. McDougall: Mr. Chairman, you have to begin somewhere and stop somewhere. We have provided a substantial amount of relief for primary producers, including about \$7.5 million in the next fiscal year for the forestry sector. It would always be nice to be able to offer more. We believe that we have realistic definitions. The relief in total next year is \$160 million to the primary sectors. We believe that that is fairly substantial and that they will take advantage of it.

● (1700)

Mr. Angus: Mr. Chairman, I do not doubt that what the Minister says is a reflection of their considerations. I am wondering whether the Minister would be prepared to have her staff examine the number of miles of off-highway travel versus the number of miles of on-highway travel relative to the transportation of the raw product from stump to mill. Perhaps in the new year a change to this legislation could be brought in which would, in effect, provide some fairness and efficiency.

I would suspect that right now the forest-based companies have to go through a series of calculations to determine what percentage of travel of their trucks is on the logging roads and what percentage is on the public highways, then be prepared to be audited. I would suspect that for both the Government and the private sector it would be much more efficient if it were very clear in black and white. If it is hauling of raw product from stump to mill, it should have that exemption.

Mrs. McDougall: Mr. Chairman, there was a similar tax rebate some years ago and the companies involved in the forestry sector are used to dealing with the situation. They understand the definitions that we are talking about. We believe it will work the way it is.

Mr. Friesen: Mr. Speaker, the problem is that in terms of relief it misses the point because it really is not relief to the people who—

Excise Tax Act

The Deputy Chairman: Order please. If the Member wishes to discuss something, would he please go behind the curtain?

Mr. Friesen: You were not speaking to me, Sir, I know. If we are speaking of relief, then it must affect the people who need it most. Under the terms of this definition, off-highway does not spell relief in any way because it does not meet the needs of the people who need it, particularly when we want to design the program in such a way that the ones who would not survive otherwise are not going to benefit, meaning the small independent logger. The big multinationals will make it some way or another. As the Minister says, they have already worked out the system and understand it very well. However, the small independent, with one, two, or three rigs, is not going to make it if he is not going to benefit from the hauling he has to do on highways. It seems to me that the officials who drafted this clause really did not understand the nature of the problem. I hope that this will be revised.

The Deputy Chairman: On one further supplementary, the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: No, not one further supplementary, two or three little supplementaries. I want to ask two or three questions of the Minister. I must say that I have been encouraged by interventions made by Hon. Members opposite and from all sides of the House. There obviously is a serious problem here. I appreciate the Minister's sensitivity to this problem.

With regard to changing realities, distance trucking has become a necessity and a natural extension of the operation of small independent loggers due to the lack of reforestation which has occurred over the past number of years. I suspect that when the officials originally drafted this type of legislation the nature of the logger was quite different from what it is today. They were dealing with much smaller geographic areas, and transportation from the stump to the mill pond was over small distances. To the Minister's obvious perception, that has now changed. We have heard interventions by Hon. Members who represent constituencies in which logging operations form a significant part of the local economy. It is important that the Minister note the interventions. While we may not be able to change this today with the existing information, it seems to me that this is an area worth further inquiry. It might be in order for the appropriate standing committee of the House, namely the Standing Committee on Finance, Trade and Economic Affairs, or perhaps a subcommittee to look into the matter of primary producers.

I would like to ask the Minister two or three questions of a related nature. With regard to the mining industry, I notice that this does not include activities relating to exploration for a resource. Mr. Chairman, it seems to me that at a time when we are attempting to expand economic opportunities, that kind of support might be in order. Perhaps the Minister could explain to us why she has excluded activities related to the exploration of a mineral resource from the receipt of this fuel rebate.