

talking about the market-place. That is after processing. I am talking about farm produce on the way to the market-place, or to the warehouse which holds them for processing. I am talking strictly about primary production, from the potato field to the potato warehouse. In some cases the warehouse is on the farm, but many farmers in Prince Edward Island farm four or five farms and some of those farms are from 15 to 35 miles away from the warehouse. The processing of the product, the washing, bagging or whatever as it is prepared for the market-place, is done at the warehouse, and that is where the potatoes are stored in temperature-controlled storage. But to get the potatoes out of the field and to the warehouse—and about 85 per cent of those potatoes are moved on highways—is a very difficult and expensive operation. That is where a lot of farmers use most of their fuel.

● (1640)

The Deputy Chairman: Does the Minister of State for Finance have any further comments?

Mrs. McDougall: No, Mr. Chairman.

Mr. Foster: Just before we leave Clause 1, I wonder if the Minister could clarify exactly how much excise tax is involved for the four different groups who will be involved? How much excise tax is saved? The petroleum compensation charge is really only a saving in that before the economic statement there was no additional \$17.50 per cubic metre of compensation charge. Could the Minister spell out what excise tax will be saved for the four main groups involved?

Mrs. McDougall: Mr. Chairman, for agriculture and fishing in the current fiscal year, \$14.5 million will be saved; for mining, \$9.0 million; for forestry, \$1.5 million; for hunters and trappers, under \$1 million. To 1985-1986, for agriculture and fishing, \$1.15 million will be saved; for mining, \$37.5 million; for forestry, \$7.5 million. That is a total of \$160 million.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

On Clause 9—

Mr. Riis: I wonder if the Minister could inform us of the extent to which consultations took place with the industry prior to the adoption of this change. I have had myself, and I am certain the Minister has had as well, a number of representations by companies which are going to be affected by this. The case they make is that particularly in hard pressed parts of Canada where there has been a tremendous cut-back in the number of subscribers to their programming, this additional tax is going to add that much more of a financial burden on firms which are already hard-pressed. Could the Minister indicate what kind of consultation and input the Department received from the industry before this clause was considered?

Mrs. McDougall: Mr. Chairman, this tax has been in effect for two years. It was never passed by this House. There were extensive consultations, I am told, by the Department of Communications. We are simply legislating something which

has been in place for a long time. I do not believe that consultations at this stage would be appropriate.

Mr. Riis: Mr. Chairman, I am aware that this is in a sense, retroactive taxation. It was imposed without any legislation to authorize it, and I appreciate the process. However, the Minister will also appreciate that times have changed over the last two years in many communities. Perhaps two years, three years of four years ago, when this additional tax was being considered, the economic climate of Canada was certainly quite different from what it is today. As I said, a number of cable companies have brought to my attention that the revenues they anticipated in the communities in which they operate are quite different from what they were two or more years ago when the legislation was being considered. They have asked me to ask the Minister if she is aware of this situation. If so, was there any consideration given before dealing with this Bill? We are now enacting this legislation presumably in perpetuity.

Mrs. McDougall: Mr. Chairman, nothing is in perpetuity. I appreciate the point which the Hon. Member is making. We all know that times have changed. They have changed for a great many industries over the last two years or three years. It is certainly our intention to try to create a climate of prosperity where the cable operators, as well as other people in this country, will be economically much more viable.

Mr. Riis: I have one short question, Mr. Chairman, particularly in light of the Minister's last comment that the world has changed. The economic times facing these companies, particularly some of the smaller companies, have placed them under extreme pressure. It is for that reason that I ask the Minister—if in fact the Government is trying to create an environment in which there will be economic expansion—if she could explain how this taxation will assist the Government in creating the sense of optimism, and so on, which we so often hear these days.

Mrs. McDougall: Mr. Chairman, the money from this tax has already been collected, allocated and spent over the last two years. It is for the benefit of Canadian programming that this tax was introduced in the first place. I recognize as much as anyone the economic difficulties in which people find themselves. I also recognize the difficulty in which the Government finds itself in trying to proceed with some fiscal responsibility. As I said, nothing is in perpetuity. I will be glad to take the case to my colleague, the Minister of Communications.

Clause 9 agreed to.

Clauses 10 to 15 inclusive agreed to.

On Clause 16—

Mr. Riis: Mr. Chairman, in my estimation, Clause 16 is the critical clause of this particular Bill. I believe it would be appropriate for the Minister to take a few moments to explain how increasing the tax, as it is reflected in Clause 16, is going to be beneficial to economic recovery? I appreciate that this has been introduced as a result of ways and means motions,