

Excise Tax

● (1700)

EXCISE TAX**SUGGESTED REMISSION OF TAX ON BUILDING MATERIALS IN DISASTER AREAS****Mr. Bruce Halliday (Oxford)** moved:

That, in the opinion of this House, the government should consider the advisability of remitting the excise tax levied on building materials used in the course of repairing and/or replacing building and other losses as a result of major natural disasters so deemed by provincial authorities.

He said: Mr. Speaker, I rise today to present this motion which the House has just heard read. It arises from a disaster which struck southwestern Ontario on August 7, 1979. It involved two tornadoes that struck a number of counties in southwestern Ontario. I have boiled down what I wanted to discuss today, in essence, to a proposal that the government should consider rebating the federal sales tax it receives for building materials sold to rebuild after natural disasters. I would suggest to the government that this is a form of undesirable tax inasmuch as it levies a tax on those people who have suffered a real loss as a result of something over which they had no control. In the words of many it could be considered an unjust or inhumane tax.

I should like to speak to this in the total context of the suggestion that this is a small part of the total disaster assistance matter which is of concern to the federal and provincial governments in Canada.

To put the matter into the narrow focus I want to emphasize today, it is my understanding there will be a response from the government, probably from the Parliamentary Secretary to the Minister of Finance (Mr. Evans) who, I hope, when he addresses this question will not only tell us about what the federal government does by way of disaster plans, because that is very well laid out and is quite familiar to any of us who have experienced a disaster in our constituencies, but will also address himself to the question, either on his own behalf or, I would hope, on behalf of the government, as to the morality or the ethics of taking taxes from somebody who through no fault of his own, is forced to spend large sums of money on a rebuilding program because of a natural disaster.

The particular disaster that came close to me personally began in southwestern Ontario on the evening of August 7, 1979, and involved two tornadoes. I emphasize that this disaster involved tornadoes, because most disasters in which the federal government has been involved by way of assistance have been floods. A flood in most cases does not create the same level of damage to an individual as does a tornado. What I mean by that is that a person living in a rural area in the business of farming who is subjected to a natural disaster will probably be affected to a greater extent as a result of the tornado than as the result of any other kind of disaster.

Many people in the counties of Oxford, Brant, and Haldimand-Norfolk lost not only their homes but their businesses as well, that is, they lost their barns, their implements and their stock, as well as their income for the current year, namely, the

crops. In many cases all of those things were lost in just a matter of a few minutes.

On that occasion there were two tornadoes about three-quarters of an hour apart, running parallel six or eight miles apart, for a total distance of about 50 miles.

As I make this plea to the government members today I would remind them of what Teddy Roosevelt said in the United States a number of years ago, back in 1910. When discussing the object of government he said, "The object of government is the welfare of the people." I want to suggest that if a government does indeed have the welfare of the people in mind its main role is to protect those people against things from which they are unable to protect themselves. A second role of government today is to do for the people those things they cannot possibly do for themselves.

Let me suggest to the parliamentary secretary and other members of the House that if the government is going to protect the citizens of Canada, one of the things it must protect them against is natural disaster. The fact that a government would exact taxes from those same people who, through no fault of their own, fell victim to a natural disaster, is hard to believe; it is almost unconscionable. I hope the parliamentary secretary will address himself to the propriety, the humaneness and the morality of a government taxing those who have suffered loss.

My whole story can be quickly summed up in a letter I received from a gentleman in Woodstock by the name of Mr. William Graham, a very well-known citizen in that area and across the country as he has been very much involved in the chamber of commerce for many years. This letter was sent to me on November 8, 1980, and I should like to read it:

This letter will confirm some of the discussions we have had over the past few months since the tornado of August 7, 1979, devastated this part of western Ontario and especially Oxford county.

As you know, at that time I was president of the Woodstock District Chamber of Commerce and at present I am Chairman of the Board of Trust of the Woodstock General Hospital. I am also president of a retail business (Reg Hall Ltd) and secretary-treasurer of a manufacturing company (Timberland Equipment Ltd). I am also still involved with the Ontario and Canadian Chamber of Commerce.

I feel my personal involvement in the community allows me to speak with some authority as to how the federal government dealt with the above mentioned disaster.

I would like to add here parenthetically, that this is essentially non-partisan inasmuch as this disaster occurred when my party was in government but was following rules, regulations and agreements which were formulated by the former Liberal government in 1970. I do not have any particular brief from a partisan point of view as I present this particular problem. Mr. Graham goes on to state:

I feel I can also speak with authority on the side of those who were affected as my personal residence sustained damage in excess of \$40,000.00, and my personal loss for such things as landscaping, trees, driveways, excavating, tree removal, etc. will amount to well over \$10,000.00.

This was a man who was able to insure himself to the extent he needed, but he still had a loss of \$10,000 on things that were uninsurable.