

*Excise Tax*

are situations where tax concessions are more appropriate, where the scope of assistance can be easily defined in tax law.

In the proposal before us, however, there would be large administration problems. It calls for remission of sales tax on building materials used for reconstruction of disaster losses. Since the tax is levied at the manufacturer's level on the value of goods shipped, by the time the materials are finally sold at retail, it would be most difficult to determine what part of the final price represented the original sales tax. We cannot talk in terms of remitting the tax at the manufacturer's level, since at that stage there would be no way of knowing which of his shipments would qualify for eventual exemption.

We are not talking about a large amount of money. The sales tax on building materials is 5 per cent. At the retail level, after all the intervening costs of shipping, handling and mark-ups, this tax would represent a considerably smaller percentage of the retail price. Bearing in mind the probable cost of administering such a specialized tax remission, I seriously wonder whether it would really be worth the effort.

In other words, what I am saying, Mr. Speaker, is that tax remission is not the way to go about solving this problem. I understand the concern and I appreciate the delivery and the passion of the hon. member for Oxford (Mr. Halliday) because of his close relationship to the two tornadoes in that area. I suggest to the House, however, that if we are to give more relief at the federal level than we have in the past, we should do so directly and not in a roundabout way by tax remission. This is costly from an administrative standpoint and it is difficult for the people who receive it to appreciate that it is federal help.

I understand very well what the hon. member for Oxford said about the present program not showing sufficient federal presence. That is unfortunate, because in many of these cases federal money will be present but not perceived by the people who receive it directly or indirectly. I say to the hon. member that not only do I agree with him on that point, but I submit that there are many federal programs where the same point could be made, that notwithstanding the fact that federal moneys are present in abundance in many cases, the federal presence is not felt by those who receive its benefit.

**The Acting Speaker (Mr. Ethier):** Order, please. The hour provided for the consideration of private members' business having expired, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

**AFTER RECESS**

The House resumed at 8 p.m.

**GOVERNMENT ORDERS**

[English]

**INCOME TAX ACT****MEASURE TO AMEND AND TO PROVIDE BORROWING  
AUTHORITY**

The House resumed consideration of the motion of Mr. MacEachen (Deputy Prime Minister and Minister of Finance) that Bill C-54, to amend the statute law relating to income tax and to provide other authority for the raising of funds, be read the second time and referred to Committee of the Whole.

**Mr. Deputy Speaker:** When the debate was interrupted at five o'clock, the Parliamentary Secretary to the Minister of Finance (Mr. Evans) had the floor.

**Mr. Blenkarn:** Mr. Speaker, I rise on a point of order. Prior to the dinner hour the parliamentary secretary was speaking of savings and so on. I asked him in an earlier point of order about what items in this bill would refer to savings. He made comments about MURB programs. I do not know whether the parliamentary secretary knows it, but there is no MURB program in this bill.

**Mr. Deputy Speaker:** Order, please. Is the hon. member making a point regarding relevance? If I may say so, the Chair has been very disturbed about the rule of relevance for some time during the course of debate. The Chair has done its best to call hon. members' attention to the point. In the case of the hon. member who is speaking, he prefaced his speech this evening by stating that he was giving part of the economic background to a measure concerning taxation. The Chair has had great difficulty in defining exactly what is relevant or irrelevant in the circumstances. In light of this explanation, the Chair proposes to allow a certain lenience to all hon. members, provided they talk generally about the subject.

**Mr. Blenkarn:** Mr. Speaker, I am suggesting that the parliamentary secretary, knowingly or unknowingly—I presume unknowingly because I suggest he has probably not read the bill—referred to the question of MURBs in the bill, but they do not exist—

**Mr. Deputy Speaker:** Order, please. The Parliamentary Secretary to the Minister of Finance.

**Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance):** Mr. Speaker, as you mentioned at the outset, I did discuss the purposes of my intervention. The major purpose was to try to establish the foundation for the current tax legislation now before the House in the form of Bill C-54. It is extremely relevant to the debate to understand why the government has decided to introduce certain measures and why it has decided not to introduce other measures which hon. members have raised in this House.