

Government Orders

I would like to leave members of this House and the people who are watching with one final comment. Let us all go out and buy something Canadian today.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

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• (1150)

EXCISE TAX ACT AND INCOME TAX ACT

MEASURE TO AMEND

The House proceeded to consideration of Bill C-75, an act to amend the Excise Tax Act and the Income Tax Act, as reported (without amendment) from the Standing Committee on Finance.

Hon. Gilles Loiselle (for the Minister of Finance) moved that the bill be concurred in.

Motion agreed to.

Mr. Loiselle (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. Ken Monteith (Elgin—Norfolk): Mr. Speaker, I am pleased to begin debate at third reading of Bill C-75, which has passed committee stage without amendment.

First, I would like to express my gratitude to the members for their co-operation in facilitating the passage of this bill. I am confident that there is general agreement on the nature of the bill, and on the importance of a healthy and vibrant transportation sector in Canada.

This bill amends the Excise Tax Act and Income Tax Act to implement two key measures announced on December 6, 1991 to boost the transportation sector.

The measures included in this bill are a temporary loss offset program with a partial rebate of the federal excise tax on diesel and aviation fuel, and an exemption from

non-resident withholding tax for payments in respect of cross-border aircraft leases. The temporary loss offset program will provide a benefit of \$120 million in each of the next two years to transportation firms experiencing temporary cash flow difficulties.

The withholding tax exemption will provide an on-going benefit to Canada's airlines at a cost to the treasury of about \$15 million per year.

In December the government also announced changes to the capital cost allowance structure and funding for an institute for research on trucking issues and an owner-operator's trucking co-operative.

These measures, along with the measures included in this bill, respond in a meaningful way to issues raised by the transportation sector. As well, the measures announced in the budget to bolster the economic recovery and build confidence will reinforce the transportation sector as more Canadian goods are shipped to markets at home and abroad.

Response from this sector to these measures has been positive. Of course, this bill does not include everything the sector requested. However, it does provide considerable benefit to transportation in a fiscally responsible way. For example, the temporary loss offset program will yield significant benefits to the transportation sector.

This program provides transportation firms with a 3 cent per litre rebate in exchange for reductions in income tax loss carry forwards. For each dollar rebate received businesses will have to reduce their loss carry forward by \$10, reducing future tax deductions.

This 10 to 1 ratio was chosen in order to target the cash flow benefits to those firms that need them most. This targeting will allow the program to deliver significant cash flow benefits while still being fiscally responsible.

I would like to remind the hon. members that maintaining our fiscal strategy is the way to achieve long-term prosperity for the Canadian economy, and therefore for the Canadian transportation sector.

There is an administratively simpler option available for truckers. This option provides a rebate of 1.5 cents per litre of the 4 cent per litre federal excise tax on diesel fuel, up to a maximum of \$500 per taxpayer per year. Individual truckers have responded to this program very positively.