

*Income Tax Act*

same tax burden on Caisses populaires and Credit Unions. From page 3 of a brief submitted to the Minister of Finance (Mr. Benson) by the Federation of "Caisses populaires" and Credit Unions, I quote the following:

Corporation shares in a "Caisse populaire" are basically different from shares in a company. They are redeemable on demand, although subject to notice thereof according to regulations. No share certificates are issued. The "Caisse populaire" delivers instead to its member a booklet into which deposits and withdrawals from his capital account are entered, just as is done for bank savings accounts. As a general rule, a member may transfer his capital to his savings account, and vice versa.

That is, generally speaking, the practice in the caisses populaires.

I quote further:

Both the Porter Royal Commission on banking and the Carter Royal Commission on taxation have recognized that the social capital of members is essentially made of savings . . . And one must consider that if the caisses populaires would have to pay bonuses or dividends from those surpluses after tax they would be in a inequitable position as compared with other financial institutions. Indeed, the mere fact that the social capital of the caisses populaires is reimbursable on demand makes it impossible to pay bonuses or dividends in the form of shares and to establish an immobilized capital by transferring at the same time the burden of the tax and safeguarding 50 per cent of the taxable income within the business operation. That situation certainly will create a cash problem for the caisse populaire.

For my part, I believe that we must take those recommendations into better account if we want to keep the caisses populaires alive, and the co-operative movement of credit unions to preserve the impetus which has kept them going for the past 25 years. In the interest of our country's economy, we have to keep the co-operative movement alive. And if we are to keep it alive, we should not drain it of the economic blood it needs in order for its operation to remain profitable for its members.

I have here a letter, dated November 6, 1971, I received from the Toronto and Niagara Area Chapter of the *Caisses Populaires*, which seem to share the views of Quebec and Western co-operatives. I will quote only a few lines:

Since 1900, this co-operative movement has been fighting exorbitant interest rates in Canada and working to improve the financial situation of those of our citizens who most need it.

It says so in so many words! I quote further:

It would be unfortunate to have our Canadian government destroy the ideal means which Canadians have to help themselves, and this, only for the purpose of collecting additional revenues.

So, Mr. Chairman, as it is—

**The Assistant Deputy Chairman:** Order. I regret to interrupt the hon. member, but his time has expired.

[*English*]

**Mr. Gibson:** Mr. Chairman, I enter this debate with some humility.

[*Translation*]

**Mr. Lambert (Bellechasse):** Mr. Chairman, I rise on a point of order.

There is a custom, in this House, to the effect that when the time of an hon. member has expired, the Chair requests from the House leave for that member to conclude his remarks. Now, I am convinced that the Chair did not show any ill-will, but—

[Mr. Lambert (Bellechasse).]

**The Assistant Deputy Chairman:** Order. I understood the point of order. However, the hon. member knows the Standing Orders. He must have the unanimous consent of the House to carry on with his remarks.

Is there unanimity?

**An hon. Member:** No.

[*English*]

**Mr. Gibson:** Mr. Chairman, at the outset I would like to apologize if by chance I rose too soon. I had no intention of interrupting the interesting speech of the hon. member. I enter this debate with some humility.

• (9:40 p.m.)

[*Translation*]

**The Assistant Deputy Chairman:** Order. The hon. member for Laurier (Mr. Leblanc) rises on a point of order.

**Mr. Leblanc (Laurier):** Mr. Chairman, with regard to the point of order raised by the hon. member for Bellechasse (Mr. Lambert), I am under the impression that the House has given him unanimous consent to continue his comments. So, I cannot see why—

**The Assistant Deputy Chairman:** Order. If the Chair chose to recognize the hon. member for Hamilton-Wentworth (Mr. Gibson), it is because I heard some "no's".

[*English*]

**Mr. Gibson:** Mr. Chairman, I approach this debate with some humility as one who is not an expert on credit unions and caisses populaires.

**Some hon. Members:** Hear, hear!

**Mr. Gibson:** However, in my limited experience I have had the advantage of travelling across Canada and, as a member of the constitutional committee, heard briefs on the benefits of credit unions, caisses populaires and the like. In my respectful opinion the amendments proposed are good and are fairly courageous. I would like to see a little more life pumped into them. It is very much like a football team which in the fifty-ninth minute of the game is down to the ten-yard line. I would like the government to have the courage to support the credit unions more and increase the exemptions substantially, if possible.

I say that because it has been said by the government that allowing relief to credit unions would tend to let them compete with other financial institutions. In my respectful submission that is a healthy sign that the credit union movement has done much social good in this country, particularly when compared to some of our banking institutions.

The loan policies of credit unions, caisses populaires and the like are of social benefit to Canada. I do not want to push the government too hard on this.

• (9:40 p.m.)

**An hon. Member:** Why?

**Mr. Gibson:** Because together with bringing in the capital gains tax it would be hypocritical, as the hon. member for Saskatoon-Biggan would say. He wants the tax and he