

economy and our Canadian society has been based, and will continue to be based, if we are to build in this country for the future.

The whole philosophy of this bill and of this government is to replace individual choice and individual initiative by government fiat. In its attitude towards taxation, just as in its attitude towards the economy, in its attitude towards welfare, and in its attitude towards the unemployed men and women of this country, this government ignores the power of incentive to encourage individual Canadians to work to improve their lot. That is where we part company with this government. Our goal is precisely a society where the role of government is, above all, to maximize the possibility of the free choice of the individuals and the groups that make up our country.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is from this point of view that we shall examine this bill, as we have examined other policies of the government. It is from this point of view that we shall comment upon, and criticize, and fight where necessary. It is from this point of view that we have presented our amendment, its purpose being both to force the government to prepare a better bill and to force the government to face up to the real and urgent economic and human problems that confront us, the members of this House, the members of this government, and the people of this country right now.

Some hon. Members: Hear, hear!

[Translation]

• (3:50 p.m.)

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the next few minutes I would like to talk to the House about the effects of the bill under consideration, namely Bill C-259 entitled "An Act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that Act."

I read somewhere that this is the biggest bill ever introduced in the House. If it is true about its size it certainly does not apply to its quality or, at least, to its clarity. Considering that this bill covers some 710 pages, I do not think that I can deal with all the amendments to the Income Tax Act.

However, I should like, Mr. Speaker, to speak on behalf of the cooperatives of Richmond riding, to categorically oppose this bill which tends to change the method of computing the capital employed. I suggest that this would assuredly lead to double taxation for cooperative members or affect the capital invested by them in such cooperatives.

Mr. Speaker, I want to read a telegram that I received recently from the Cooperative de Saint-Paul de Chester, a small town in my riding. I quote:

The Cooperative of Saint-Paul de Chester is taking exception to the decision of the Minister of Finance to maintain the concept of capital employed as a taxation base for cooperatives STOP This concept is contrary to the very principle of the cooperative and it becomes even more unfair by the new provision of section 135 of Bill C-259 which changes the method of computing the capital employed STOP We believe that nowhere else in the world is there another example of this concept of capital employed in any tax

Income Tax Act

system STOP Adoption of this concept will weaken the financial structure of our cooperative and will also decrease possibility granting fair rebates to members STOP Asking for no favours but request that fiscal plan respect structure and operation of cooperatives STOP La Coopérative de St-Paul de Chester is a branch of La Coopérative fédérée de Québec which was represented on the delegation which met the Minister of Finance August 11, 1971 to suggest alternative method of taxation for cooperatives which would not jeopardize the very existence of such institutions STOP Solicit your support with Minister of Finance to obtain amendment of bill presented along lines of recommendations already submitted by cooperatives.

Roger Croteau
Coopérative de St-Paul de Chester

Mr. Speaker, I have received dozens of telegrams with identical or almost identical wording in my office recently. I want to stress that I entirely endorse these protests.

On August 26 last, the Minister of Finance (Mr. Benson) said to the members of the Law Society of Upper Canada at the York Hotel in Toronto, and I quote:

The tax reform bill is proof that the government has taken into account the many briefs it has received and the proceedings of two parliamentary committees as well. I think that the majority of our most eager critics were surprised at the way the government met the wishes of Canadian taxpayers. The fact that the Bill contains virtually all the major proposals of the committee of the House is a tangible proof of that. Had it not been so, the publication of the White Paper would have been a meaningless farce.

And he went on:

As I said in my budget speech, the White Paper process was an important step in the evolution of participatory democracy in Canada. Through the debate and the discussions which took place it has been possible to set up a tax reform plan that not only does take into account the needs of Canada but also reflects the views of the Canadian people.

When I read this bill it does not seem to me that the minister paid much attention to the views he expressed that day at the Royal York Hotel. Neither does it seem to me that the cooperatives have made clear strongly enough their views on this bill.

I have here a copy of the memorandum submitted on November 7, 1969 by The Co-Operative Union of Canada and Le Conseil canadien de la coopération. These two co-operatives represent La Coopérative Fédérée de Québec, the Fédération des Magasins Co-op, Pêcheurs Unis de Québec, the Fédération Co-op Habitat du Québec, the Fédération de Québec des Unions régionales des Caisses Populaires Desjardins, La Fédération des Compagnies d'Assurance Mutuelle contre le feu, La Fédération de Montréal des Caisses Desjardins, La Fédération Régionale des Chantiers Coopératifs de l'Ouest Québécois, the Fédération des Caisses d'Économie du Québec, the Fédération des Coopératives étudiantes du Québec, La Société des Artisans, L'Assurance-Vie Desjardins, La Mutuelle SSQ, Assurances U.C.C., Compagnie mutuelle, La Sauvegarde, compagnie d'assurance sur la vie, La Société d'Assurance des Caisses Populaires, Les Producteurs de Sucre d'Érable du Québec, the Institut Coopératif Desjardins, La Société de Fiducie du Québec, La Sécurité, compagnie d'assurances générales du Canada, and L'Association Coopérative Féminine du Québec.

It is, therefore, obvious that all the members of these companies think the same way and find many inequities in this bill—in its treatment of the capital invested in our