

secretary knows that: I expect he does, since he moves in business circles in Calgary and he said to one member from Newfoundland that Calgary and Alberta are not without knowledge of co-operatives. We are not without knowledge of them in Saskatchewan.

I say to the government, in all seriousness, that it had better adopt a different approach and consider what co-operatives really do, what they were designed to do and what the people who put them together intended them to do. If this legislation as drawn up by the government is passed, one knows only too well what will happen. Co-operatives will have to change their structure altogether and their methods of accounting, or they will not be able to build up the reserves necessary and the money which is needed to do the various things they need to do.

I find the government's attitude somewhat amazing. A few weeks ago a little volume came to my desk, complete with a picture of a rather "beat" looking, whiskery-faced man. The volume was entitled, "Poverty in Canada." It was the report on poverty.

An hon. Member: That was not a picture of Pat Mahoney.

Mr. Gleave: No, it was not his picture. On the one hand members of the other place have been going across the country holding hearings and bringing out a report which tells us what is happening to all the poor people in Canada, and if we are to do something about poverty we should introduce the guaranteed annual income, yet on the other hand the government has come before this House with an attempt to destroy what the disadvantaged people of this country have put together from Vancouver Island to Newfoundland over the last century and a half.

Some hon. Members: Hear, hear!

Mr. Gleave: Mr. Chairman, that is what is being attempted. You can read what the Equitable Tax Foundation says—

Mr. Gibson: That is the most exaggerated statement of the year.

Mr. Gleave: Does the hon. member think so?

Mr. Gibson: Yes.

Mr. Peters: Just because Mahoney told you to say that does not mean it is true.

Mr. Gleave: The hon. member may suggest that that is a most exaggerated statement, but I tell him and others on that side of the House that the wheat pool committees, the credit unions and the local co-operatives in my constituency do not think it is exaggerated, Mr. Chairman. That applies not only to my constituency but to all constituencies across this country. I get letters from Ontario, from Alberta and from the Maritimes—and I am a Saskatchewan member. I get letters from all these places and they do not suggest that what I am saying is exaggerated.

An hon. Member: Only the Liberals think so.

Mr. Mahoney: They don't know what you are saying.

Mr. Gleave: They are all very much concerned.

Income Tax Act

Mr. Peters: The parliamentary secretary thinks that these people cannot read or listen to television.

Mr. Gleave: I do not know how the hon. member arrived at his conclusion.

Mr. Peters: They may be poor, but they are not stupid.

Mr. Gleave: Listen to what the Equitable Tax Foundation says about co-operatives and their method of building reserves:

This device of 'paper dividends' provides all other co-operatives with a similar and completely unwarranted advantage over their investor-owned competitors.

What people do they think own these co-operatives? Do they think they are people who come from the ocean? At any rate, that is the Foundation's approach and that is the idea which is behind the proposals that have been put before this House.

Mr. Mahoney: Oh, no.

Mr. Gleave: The co-operatives have been told, according to what I have learned, "If you pay interest on what these people are talking about—that is, on the dividends that are retained—your taxes will be reduced." In other words, if they reduce the amount of money they retain, they will not pay so much tax. Mr. Chairman, it is not the business of those on the other side of the House to determine whether or not a co-operative should pay interest, or the amount of interest it should pay. That is not their business and it is not the business of the Equitable Tax Foundation. It is my business, because it is my money. And if I think I am making a satisfactory earning through its being used in the manner in which it is being used, that is my business.

• (9:10 p.m.)

Mr. Mahoney: That is screwy socialism.

Mr. Gleave: Probably the parliamentary secretary does not know anything about socialism. He probably went to one of our orthodox Canadian schools which spent a great deal of time trying to tell him how to run the standard system that we have in Canada, and not much time on teaching him how to do anything else.

Mr. Mahoney: I agree with you. I just don't know how you support David Lewis.

Mr. Gleave: Mr. Chairman, I have noticed the predilection of the parliamentary secretary, not only tonight but on previous occasions, that when he runs out of logic he starts needling the other side because of some ideology held by it or because of what some provincial government is doing. I sincerely hope that a few of the backbenchers opposite who do know something about co-ops and how important they are will take him behind the woodshed and acquaint him with the facts of life before too long, in the next few days if possible.

The government is attempting to make things more difficult for organizations that have attempted to bring some balance into the economic structure of this country and give some weight to those who are economically disadvantaged and who lack bargaining power. These organizations can retain some industry in Canadian ownership.