

This is why I fail to see how the proposed tax reform is going to help solve the economic problem of Canada. This tax reform is mere window-dressing. We just go round in circles within a system which, in the last resort, systematically creates poverty instead of checking it.

I will therefore request that rather than complex tax reform which will solve nothing, thorough monetary reform be effected which will ensure healthy, normal development for every Canadian, regardless of language, race, religion or wealth.

[English]

**Mr. Faulkner:** Mr. Chairman, I will speak briefly in this clause by clause discussion because, as the committee knows, the discussion on clause 1 allows for a rather wide ranging debate. I will be very specific. I said at second reading stage of this debate that I felt there should be no unnecessary delay. I felt that was the case because there had been so much discussion in the country on tax reform. I felt it was only fair to Canadian citizens and businesses and all those participating in the economy that the ground rules under which they will be operating be decided upon by Parliament as soon as possible.

• (4:10 p.m.)

I have also expressed my broad support for the measures before us. In the past I have argued strongly on behalf of higher exemptions, particularly for senior citizens. They are in this bill. There are a number of other provisions which we on this side of the House have argued for and they are in this bill and should be approved.

The only reason I am speaking at this time, Mr. Chairman, is as a result of a very interesting and important meeting which I had in my constituency last week with members of the Peterborough Credit Union movement. The meeting was convened by the members and what struck me most about it was the reasonable tone and the reasonable approach of all the people there. They made no attempt to vilify the government; they never called into question the intentions of the government, but simply placed their case before me, outlining the implications of this bill to their credit unions. I was so impressed by the high mindedness and reasonableness of their representations that I felt I would like to make their case before this committee to the Parliamentary Secretary to the Minister of Finance and to the Minister of Finance himself.

Mr. Chairman, in this debate other hon. members have alluded to expressions of concern from credit unions, co-operatives, and representatives of the Caisse Populaire about the implications of the provisions in this bill. A week or so ago amendments were tabled by the minister which seriously alter the impact of the original provisions of the bill. I think these amendments are a move towards meeting the objections and anxieties expressed by the representatives of the credit unions. In my discussions with the representatives of the credit unions in Peterborough, they agreed.

I think it is important when constituents make their objections and fears known that this House, either in its capacity as the House of Commons or in committee of the whole, deal with such expressions of concern. I should like to read short excerpts from one or two letters to indicate the sort of comment I have been receiving. Here

### *Income Tax Act*

is part of a letter from a lady residing on Harvey Street in Peterborough:

Credit unions have been in Canada for 50 years and I have been a member for over 35 years.

This volunteer organization has been of great benefit to me when banks would not help me.

There are many citizens in Peterborough who have had the same experience as I have had. When this number is multiplied by every area in Canada the number of citizens helped would reach the millions.

This is an expression from a lady at Lakefield, Ontario, the area in which I am a resident:

Being a worker in the credit union, I am in position to see the help it has been to people who may not have received from other sources, it has been a great help to me at various times.

The point being made in both these letters, and the one I am about to read, is that credit unions have been of immense help to a wide variety of citizens who have found that other financial institutions were not available to help them. They have helped the people largely through self-help operation and, in turn, they have performed a service to the country which other financial institutions failed to do. I think it is important that this be recognized.

Here is a letter from Mr. Phillip Day, one of the leading figures in the credit union movement in the Peterborough area. He writes:

I am writing this letter out of concern for the fate of our credit unions. As you are probably well aware, the credit union movement has provided an invaluable service to the millions over the years who have needed financial assistance, financial assistance at reasonable and moral rates of interest.

I think that is an extremely important point.

There are credit unions and credit unions, Mr. Chairman. There are large credit unions with large reserves, credit unions operating in some provinces which compare in practically every respect to banking institutions. One would be hard pressed to say that they should not bear the same tax load as other financial institutions. The Minister of Finance has to deal with the law as it applies in all parts of the country. We cannot have laws applying to different provinces. The minister has to take into consideration the fact that there are large and extremely affluent credit unions which in many instances should probably be dealt with in the same way as banks. However, there are other credit unions, and a number are in my constituency, which are small, parish credit unions, entirely operated by volunteers which serve the people of the parish in a way that no other financial institution has been prepared to do up to the present time. One parish credit union has written to me, as have a number of its members.

I should like to read a brief excerpt from a letter written by the secretary to St. Paul's (Lakefield) Parish Credit Union Limited. This covers several points made in other letters which I shall not read, and it reads as follows:

Most credit unions are formed by groups of people with very limited financial resources but by combining their resources were able to help each other within their community, parish or industry, depending upon the limits of their bond of association.

In the case of St. Paul's (Lakefield) Parish Credit Union—it was formed about 17 years ago by 20 interested but impoverished