

Income Tax Act

retained by the caisses populaires and which exceeds an annual reserve of \$50,000.

As to the amendments proposed on October 28, the Minister of Finance appreciates the merits of the request made by the caisses populaires and determines that contrary to small corporations, the caisses populaires may benefit from an accumulated income after taxes, which means that if a caisse populaire or a corporation has a taxable income of \$50,000, its accumulated income after eight years would reach \$400,000 and would be liable to the rate applicable to other so-called public corporations, according to the definition to be found in Bill C-259.

Now, the Minister of Finance having recognized the merits of the request of the caisses populaires said this: If, by any chance, your taxable income is \$50,000, you will pay \$25,000 in taxes and thereafter that amount of \$25,000 will be deducted from your income for the purpose of computing the business limit. This means that before reaching a total business limit of \$400,000, according to the examples given and those I have in mind, a period of 16 years instead of eight would have to elapse.

Moreover, the amendments provided for the payment of tax at the rate of one tenth per year, so as to enable the Caisses populaires, the co-operatives and the credit unions to become acquainted with the new responsibilities that will automatically be theirs under the act and to enable them also to plan their finances according to the new income tax act.

We achieved something reasonable there. I believe the caisses populaires find that satisfactory in general. Of course, there is not a taxpayer who is always pleased with his lot. Our taxes are always too high and we always believe that we pay more than our neighbor.

However, I believe the government did its best. The amendments are most acceptable and I hope the caisses populaires will also accept them.

Mr. La Salle: Mr. Chairman, like many other hon. members, I would like to express my views on the sections which we are discussing tonight, and which are extremely important for the Canadian people.

Several hon. members have already asked the minister to show greater understanding towards the co-operative movement, which includes credit unions and caisses populaires.

I believe it is the duty of every member to ask the government to give special attention to co-operative movements, in view of the aims which they pursue.

I do not think it is necessary to state the origin and objectives of these movements again. Representations have been made to the government on several occasions asking them to safeguard the special nature of co-operative movements. I still believe that those representations were definitely justified. I therefore hope that few hon. members will hesitate to take part in the debate on those sections in order to sensitize the minister to the requirements of co-operative movements.

• (8:50 p.m.)

True, some corrective action has been taken following representations by those movements. Yet it seems that that action could have been still more favourable to co-

operative movements, caisses populaires and credit unions.

I would like to point out particularly the objectivity of the briefs which were submitted. I have read attentively many of them, and they make one realize to what extent those movements respect the government. I am pleased to see that those organizations have not tried to run down or criticize the government, but have rather given a positive approach to their representations, and that explains already the step made by the hon. Minister of Finance (Mr. Benson) in favour of these movements. But a new and more precise orientation for the benefit of these movements still must be asked of the minister.

It is obviously important that each member does not limit his efforts in order to sensitize the government and the minister responsible so that these corrections to be made as soon as possible. If I understood him well a few moments ago, the Parliamentary Secretary to the Minister of Finance (M. Mahoney) confessed that the government is still considering the possibility of submitting new amendments if necessary. I dare believe that through the co-operation of all members who understand what a co-operative movement is, for they have some in their respective constituency, the government will meet the request of these co-operatives, account taken of the interests these movements represent. Some members from the province of Quebec will doubtless express their views on the co-operative movement in their area, but I am too familiar with the work of the caisses populaires not to make a few remarks. They have always fought for public interests, and like all co-operative movements generally, they have the right to expect the government to protect and help them, as we all should.

I ask that all members spend a few minutes and try to make the minister aware of the interest the people have in this movement, and of the consideration it deserves.

The Caisses populaires Desjardins in the province of Quebec were, in a sense, a school of thrift. They taught thousands of Quebecers the need to save, why there was a need to save and how to save. I also know that these movements have succeeded in inducing Quebecers to go into business and this through the efforts of the Caisses Desjardins which have given all kinds of assistance to low income people.

We are all aware in Quebec that the Caisses Desjardins have achieved marvels. Going through the caisses populaires' history we find that at the beginning they were not taken seriously by some businessmen who thought they were of interest to middle-class Canadians only.

Today we realize that from an economic viewpoint, the organization has been most successful in the province of Quebec and we are happy with it as with the co-operative movement which through efforts of its own is pursuing the most commendable objectives. I think the performance of our co-operative movements, of our savings funds and credit unions is of the noblest kind.

In view of the aims of those organizations, I think it is my duty as member for Joliette to ask the government to allow them to preserve their particular character and to find a way of giving them still greater assistance.

There are people who claim that the Caisses populaires today will agree to pay taxes because they are on a sound-