

Income Tax Act

absorb goods. Under co-operative methods, members own a share of the co-operative and derive certain benefits therefrom. They are able to buy products at favourable prices.

Let us consider what happens in a general way. If Canadians are really to be able to participate in the economic development of the country, it is certainly not through a disrupted fiscal scale. That is just not so. The principle is false from the start. There should be no taxation when there are no earnings.

Mr. Speaker, when we know that three out of five Canadians are directly dependent on unemployment insurance and social welfare, it is not surprising that their ambition loses its edge and their interest in participation fades out.

As a matter of fact, three out of five Canadians are waiting for the monthly pittance offered by the government to keep them alive, but they don't have any interest because they do not participate in the economic development of our country.

In the case of co-operatives, 800,000 Canadians have made great efforts to attempt to invest in Canada and bring in benefits to their fellow citizens. It is hoped that, at least, the government will not kill this movement, drive it to the wall, but that it will deign answer in the affirmative to the leader of the co-operative movement in Canada by bringing in the required changes to this law which, unless it is amended, will be far from being a forward step.

For the government, it will be a tremendous reform since it sees in it another step towards socialization and the disappearance of private enterprise. But for all Canadians who believe in the value of the human being, in his freedom and his right to achieve his own ideal, for all those who still believe in private enterprise, the legislation represents a step backwards instead of progress.

Therefore, once again I strongly urge the Minister of Finance—who is not here but should be since he is the mover of the bill—to reconsider the parts of the bill relating to the Canadian co-operative movement so that the government will prove to us at least once that it is for private enterprise.

[English]

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, it is my submission that the amendment proposed by the hon. member for Edmonton West (Mr. Lambert) which the House is now debating should be disposed of immediately. It reopens matters that were raised in the budget debate which took place in June. It attempts through the back door, as it were, to reintroduce matters that have been discussed both inside and outside the House throughout the course of this year. I also say, with respect, that it attempts to capitalize on the fiscal and commercial difficulties faced by Canada and all other trading nations as a result of recent United States action in order to create some political advantage for the opposition party. It is, in effect, an attempt to stave off decision on this important bill to amend the Income Tax Act. It is a stall and nothing more than that, and it is in that light that it should be disposed of.

We all know that the question of tax amendment and tax reform has been before the Canadian public for a long time—a great number of people think, for too long. The

[Mr. Fortin.]

fact that this matter has been under consideration for over ten years has resulted in uncertainty as to what will finally be decided. It has, I think it can be easily proven, delayed important decisions in the private sector. In the last year or so the imminence of major amendments to our tax legislation has created an atmosphere wherein some people have delayed taking decisions of a business nature that should have been taken earlier and which are important to the development of Canada.

• (4:20 p.m.)

What I am saying, Mr. Speaker, is that we are now seized in this House with a major proposal for the reform of the Canadian tax system and we must address ourselves to that proposal. It is in the interest of Canada and all our fellow citizens that we now proceed with a detailed consideration of this major tax reform measure, and we should permit no political party or expediency to divert us from that purpose.

We are now approaching the point where I hope a vote can be taken on second reading. I trust it is within the wisdom of hon. members to agree with me that the amendment of the hon. member for Edmonton West should be given short shrift, and I hope we can then proceed with the important vote on second reading. We all know that this is merely a step along the way in the legislative process. The significance of second reading is that it advances this important measure to the next stage, consideration by committee of the whole.

At that stage we, as individual members of this House, can perhaps make our best contribution for many months. We can express our opinions on the detailed provisions of this important tax amending bill. It is beyond question that many of the detailed provisions of this immense statute will require careful consideration. We are all aware of the size of the statute; it is in excess of 700 pages and it contains hundreds of clauses, many of a very complex and detailed nature, which touch on and deal with every aspect of our taxation system.

The whole question of tax reform has been before the Canadian public for many years. Since the publication of the white paper in 1969 there has been intense public discussion. The publication of the budget proposals in June of this year brought the discussion to a head, gave it a new direction and, more importantly, incorporated the suggestions of the government in the form of a draft bill which now has been extended in Bill C-259 which is before us.

It is no wonder that people with great knowledge of the taxation system and its implications for the whole of Canadian life are making detailed and responsible criticisms of the contents of this bill. Many hon. members are aware that important submissions have been made to the government by public organizations, by co-operative movements in Canada, by credit unions, by the Canadian Manufacturers Association, by the Canadian Bar Association, by the Canadian Institute of Chartered Accountants and by many others who have a more particular interest in different industries and businesses in this country.

As a result of the consideration given to this bill by our fellow citizens and these important organizations, many good proposals have been made for change and improvement. In any case, I have no doubt that hon. members of