

*Income Tax Act*

and here is what they advocated to get the economy moving again and to settle the monetary problem:

As regards the fight against unemployment resulting from inadequate total demand, the report points out that the methods to be used will necessarily be different in each country in accordance with the structure and the degree of development of the economy.

Among the measures that can be used, the experts mention the expansion of credit facilities, the lowering of interest rates, the adoption of an appropriate tax policy, the carrying out, under the government, of industrial research and the development of new industries and new products.

It was the Liberals who issued that release in order to solve the unemployment problem.

It said further down:

Under certain circumstances, the government may also deem it necessary to affect investments to the purchase of surplus stocks of goods which tend to have a harmful effect on the stability of the market. When the level of total demand goes down, the government can try, through various means, to increase personal consumption expenditures.

And here, between brackets, the ways to do it are indicated.

It was the Liberals who at that time advocated those solutions. They seemed to know some solutions other than taxation. They said:

—decrease of personal taxes, increase of social benefits, consumption subsidies, reduction of commodity taxes, etc.

At that time, the Liberals knew other formulas. Why are these not tested in 1963? At the present time, we are facing unemployment problems in depressed areas. All across the nation and especially in Quebec, there are depressed areas. The situation is becoming tragic. As far as unemployment is concerned, 40 per cent of all depressed areas in Canada can be found in the province of Quebec alone. I think the situation is becoming tragic. That is why it is most urgent to find other solutions than those applied up to now.

Since the Liberals are now trying to solve the problem, why are those suggestions not being followed instead of allowing our country to remain under the control of foreign interests when other means could be used. Besides, I shall have the opportunity to quote other statements made by the Liberals which will give cause for reflection to my friends opposite with regard to the monetary system.

It will be remembered that according to the Liberal program of which we heard so much during the last election campaign, the financial system was to be improved.

Do you want some solutions? The Social Crediters have suggested a few, such as first of all, incentives to consumption.

Factories are built when those already in existence cannot be properly operated so as to provide regular work by reducing the work

week, because we have a surplus of commodities which remain unsold. This does not prove surely that the needs of Canadian consumers are met.

It has been established that people in depressed areas who draw social security or unemployment insurance benefits are certainly unable to meet the essential requirements of their families.

Therefore, there is actually over production in certain fields but it is due in great part to underconsumption.

That is why I am convinced that the suggestions made by the Social Credit members in this house should be considered much more closely than they are at present.

I believe that income tax exemptions should be granted to the consumers instead.

Did the President of the United States not declare, only three months ago, that he was considering the need to promote consumption, in order to give a new impetus to certain consumption industries in the United States and reduce the taxes that are a burden for small wage earners? There must have been some experts in the United States to give such advice to the President.

It is the most suitable formula to promote consumption. It would especially be necessary to encourage the establishment of new industries, and this particularly in our country, so as to solve our unemployment problem to some extent.

The Liberals are well aware of this. I have in hand their program on full employment which was widely distributed throughout the province. Here is what they say about the unemployment problem and finance in our country:

Taxes will be reviewed to encourage enterprise and to remove impediments to the development of business.

The financial machinery of the country will be improved in order to provide additional capital for industrial development.

To improve the operation of our financial system to provide additional capital for industrial development. Why not use an institution which belongs to the Canadian people, namely the Bank of Canada, to find the necessary capital investments for the development of our national resources?

The Liberal program also states:

A Liberal government will resolutely assume the political control of money and credit and will use them to foster economic development while maintaining stable prices.

That was in the Liberal party platform, Mr. Speaker, before the election held last April 8.

That is what we advocate also. The government should exercise its sovereignty in other ways besides levying taxes or, for instance,