

Announcement of New Tax Increases

air conditioned office buildings are being constructed, supermarkets are being built, motels and hotels are being constructed, some of which could be postponed. There is little value in asking the various governments, federal, provincial and municipal to restrain their demands on the capital market if the private sector of the economy is to continue to invade the capital market and continue this inflationary trend.

Mr. Speaker: Order. I think I have to remind the hon. member that according to the standing order the comments to be made should be brief. Perhaps the hon. member for Burnaby-Coquitlam could bear that in mind.

Mr. Douglas: In view of the unusual statement which has been made by the minister, and his failure to proceed in the proper way, it seems to me that some statement is necessary. The concluding remark I wanted to make was that I hope when the minister brings down his statement he will keep in mind the fact that cutting down capital expenditures, without some restraint on the private sector, will have an effect on the employment situation in this country. Unemployment in October is up 60,000 over last year. Employment in the construction industry has fallen by 33,000 in the past month, particularly in the field of house construction. It should be kept in mind that the government should not take steps now which might have been applicable six months ago but which taken now will create further unemployment in midwinter.

I hope the government is now going to grapple with the problems with which they should have been grappling several months ago. I hope we will have this statement fairly soon. So far as we are concerned, we feel that the government's immobility and impotence has been demonstrated in the past few months and we fear the steps they are going to take now are going to be too little and too late.

[Translation]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we have just heard from the Minister of Finance (Mr. Sharp) a very carefully worded announcement that is most significant for the Canadian people. On the eve of Remembrance Day Canadians will have to mark another day of mourning. On the whole, the minister announces another austerity program.

Not so long ago, on June 24, 1962, when the Conservative prime minister of the time

[Mr. Douglas.]

announced a mock austerity program, I recall hearing the Liberal members raise a hue and cry against the administration. Today, we are at the same point as we were then, which means, Mr. Speaker, that the more things change, the more they are the same. The minister announced that to remedy the situation and prevent the constant increase in the cost of living, he will levy temporary taxes. Now we know that there is nothing more permanent than what is temporary.

The minister wants to fight the rise in the cost of living by increasing the taxes, even though everyone knows that every rise in the cost of living brings about a decrease in the consumers' purchasing power. That is why, I wonder how the government hopes to ease the economic depression we are facing with such methods.

Therefore, Mr. Speaker, I have little hope that the situation will improve, because the government has no true solution to the present problem.

[English]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, it is difficult indeed to comment on so important a topic as the one raised by the Minister of Finance this morning. This is particularly so when one has had no advance notice of the announcement, and when the minister started off so discreetly and gently and in such a quiet voice that one realized only part way through his statement the seriousness of the problem being raised.

The government has produced a financial crisis. One wonders how much more serious it is than the indication we have been given in this most unusual notice this morning. There have been clear warnings in the past. One also wonders whether the policies this government has implemented that have brought us to a crisis in national unity are producing the massive outflow of capital from this country that has been suggested in the last few days.

I suggest that this question of a budget should be clearly and quickly discussed with the house leaders of the other parties. Perhaps the crisis has reached the point where we will need some form of national government. Maybe the government is prepared to go to the people shortly with the financial crisis as the basis for a very sudden election. There is a great deal more involved here, Mr. Speaker, than a gentle warning that taxes will rise and expenditures cut. Consultation is absolutely necessary, and I trust that this