

time, and gives emphasis to the remarks that have been addressed to the government from financial experts and from hon. members in the house which, I can recall, were treated with contempt not so long ago by the hon. member for Davenport (Mr. Gordon), who said everything was rosy and that he was not worried at all about the situation. This was the reaction of the former minister of finance.

We do not know the exact nature of the tax increases, and I find the statement by the Minister of Finance to be an odd way of proceeding. The minister should have announced that he would make a budget speech on a certain night. I think this would assure the country that these matters were being attended to finally. It would have been far better had the minister stated that one week from next Monday or next Thursday he would make a budget speech, at which time he would disclose the tax increases.

Mr. Sharp: May I just ask the hon. member a question. Does he not think it would be desirable, as I said in my statement, for this to be a matter of consultation among the parties in the house?

Mr. Lambert: Again it is difficult for me to say, not having seen the minister's statement in advance.

Mr. Starr: The government is again absconding from its responsibilities.

Mr. Lambert: But I must say that we are in a very singular position, and on behalf of my colleagues and myself I must reserve our position until we have studied the minister's statement. May I say, for instance, that the Minister of National Health and Welfare will be absolutely astounded at the fact that additional taxes will be imposed to cover the cost of the medicare program after it has been said that this will not be done. The minister tells us that to the extent that medicare is implemented additional taxes will have to be imposed. All he is doing is agreeing with what was said at the time the medicare proposal was introduced by the government. I must say that we find ourselves this morning in an extraordinary position.

Mr. T. C. Douglas (Burnaby-Coquitlam): For weeks the members of this party have been urging the Minister of Finance to make a statement on what measures the government proposes to introduce to deal with the very serious inflationary situation which obtains in this country, and the minister has

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constantly delayed doing so. Now he has made a statement in this very strange and unusual manner. He has told the house that we are going to have some temporary tax increases brought down, but he did not say when. This creates a great deal of uncertainty in the country and particularly in the business community.

The minister says he is prepared to have consultation with respect to the time when this will be done. I submit that the time for consultation was before the minister made his announcement this morning, so that today he could have announced that on a specific date he would bring down a supplementary budget. We have now become accustomed to supplementary budgets. The minister brought down a budget in 1966 and then had to correct it by a mini-budget in the fall of 1966. He brought down a budget in 1967 and now apparently is going to bring down another budget to offset the damage done by the first one, and this is being done even before the first budget has passed through the house. Surely what we are witnessing is the need for action on the part of the government at the present time as they flounder around in a morass of ineptitude.

• (11:20 a.m.)

The minister has announced really two things. The first is that he is going to have to introduce some temporary tax increases. It will be remembered that the minister had one temporary tax increase before, when he introduced the 10 per cent refundable tax on corporation profits. This was later cancelled. However, a very considerable sum of money was collected and I think we have a right to know, and to know very soon, whether that money is going to be refunded in view of the inflationary effect such action would have. I think we want to know also, if there are going to be any temporary tax increases, what particular segments of the Canadian economy are going to bear the burden of these tax increases.

The other thing the minister has announced is that he wants to have some restraint on the demands on the capital market, and he is seeking to work out some arrangements with the provincial governments in this regard. I presume such arrangements will extend down to municipal governments as well. I feel there are two points which have to be kept in mind here. The first is, are all the restraints on access to the capital market to apply only to the public sector of the economy? All across this country high rise,