

most impressive gain in recent years. The increase was at least 15 per cent in value terms, a substantial rise in automobile sales being a principal factor. The year 1971 was buoyant for housing. An estimated 235,000 new homes were commenced, well above the previous record of 210,000 in 1969.

It is true that stronger demand conditions in Canada brought a sharper surge in imports, which were 12 per cent higher than in 1970. The merchandise trade surplus was in excess of \$2 billion, down from the record high of \$3 billion in 1970. The balance on all transactions will show a surplus for the calendar year 1971, though small compared with the 1.1 billion figure realized in 1970.

• (1530)

The Bank of Canada's monthly *Review* of January points out that the real output per person employed climbed 4 per cent compared to a gain of less than 1.5 per cent the previous year, and an average advance of 2 per cent in the 1964-69 period. In 1972, notwithstanding our problems with our closest neighbour, exports seem likely to rise by 7 or 8 per cent—this, of course, assumes a strong United States recovery—while imports will advance by 11 or 12 per cent in response to strong domestic demand.

I feel that my honourable friend (Hon. Mr. Flynn), in trying to assess the reaction of the business community of Canada, should have taken into account this type of supporting evidence on which the businessman himself relies so greatly. The *Economist* of London, in its long survey on Canada of February 12, a few weeks ago, stated:

There is nothing here to suggest that a floating Canadian dollar will be a weakening one—quite the reverse, unless inflation rips out of hand expanding energy and resource exports and a steadily improving performance by Canadian industries suggest that Canada's external balance could in future be as often in surplus as in deficit. This is a change around of primary importance for the strength of the Canadian economy.

I can only say that these references to bodies and institutions that have analyzed our situation do not support the pessimism—the most desperate form of pessimism—which I have heard from the Leader of the Opposition in the Senate.

Hon. Mr. Flynn: You should have listened to yourself some years ago.

Hon. Mr. Martin: Well, in those days there was some justification. As the honourable Senator O'Leary would remark, the Canadian people corrected that situation so that we could rectify matters.

Hon. Mr. Flynn: They will certainly do so again.

Hon. Mr. Martin: My friend said that this government was inept and had not one good thing to its credit. I thought he would have at least given this government credit for some small event or some small achievement, but I heard no word of commendation from him. My

[Hon. Mr. Martin.]

honourable friend feels the Leader of this Government and the members of this government are of no value. He did have something good to say about the Leader of the Government in the Senate—

Hon. Mr. Flynn: I never said that.

Hon. Mr. Martin:—but in a very restricted context, setting the Leader of the Government in the Senate quite apart from the government itself.

What are the facts? We now have 600,000 more places to live than we had three years ago, and in those same three years, more low-cost public housing was built than in the previous 20 years. Surely that is something.

We now have laws that state that working people must be treated fairly. They must receive a minimum wage of \$1.75 per hour in industries governed by federal regulations. Women now get maternity leave, and someone who cannot obtain a job can receive as much as \$100 a week for up to 50 weeks. We now have laws to make sure that we get a fair deal when we buy something, and laws to protect us from dangerous products and dishonest advertising.

We have had strong laws applied and passed when they were needed to maintain the basic security of our country. We now have laws that make it a crime to spread hate literature. We are getting reforms to make sure that there is not one law for the rich and another for the poor.

We now have laws that make things easier for poor people, the businessman, old people and young people. Plans have been started to cut taxes for poor people and corporations. Pursuant to Bill C-259, about which the Leader of the Opposition spoke generally, both at the outset and at the end of his speech, 700,000 people were taken off the tax roll.

Hon. Mr. Flynn: That is not true.

Hon. Mr. Martin: And over 4½ million people were given substantial tax reductions.

Hon. Mr. Flynn: That is a 1969 estimate.

Hon. Mr. Martin: My honourable friend says that that is not true. I will allow him to reply to this.

Plans have been started to increase family allowances where they are most needed and to help businessmen set up businesses that will employ more people. Laws have been passed to provide more money for pensioners and veterans. People receiving old age pension assistance today in one form or another, whether in every case it is satisfactory or not, are recipients of the most generous scheme of its kind to be found in any country of the world. There have been some complaints about the social benefits, but those who believe in them recognize the extent of the government's accomplishments in this area.

Hon. Mr. Flynn: Senator Croll says it is a mess.

Hon. Mr. Martin: My honourable friend says that Senator Croll says it is a mess. The Leader of the Opposi-