

The Address—Mr. Martin

arguing that deficit should be reduced? Everyone who operates an ordinary bank account recognizes that when the flow of income is reduced the deficit position, if there is one, will be worsened. I mention this only because it seems to illustrate the lack of depth of understanding of members opposite. This is so often evident in the comments and proposals to which the Canadian people are subjected, either in the House or outside it—a real lack of understanding of how economy operates and how the system of government expenditures and revenues form a part of it.

It seems to me further that this kind of irresponsibility is all too typical of so much of the negative criticism which has the effect of creating increased pessimism across the country. Yet this is the type of criticism we continue to hear from the opposition benches, criticism which is not accompanied by careful, rational suggestions for improvement. I say the Canadian people are entitled to more from those who occupy a key opposition role in our governmental system. We are hearing a great deal these days and months as to how poorly Canadians seem to be doing economically. This is enhanced to a large extent by the irresponsible statements coming from senior people on the opposition side. This, in turn, creates more and more sensational headlines. It results in leaving with Canadians a greater sense of insecurity and concern than is justified to some extent, under the circumstances. This leads to a position where many members of the public create in their minds fears and concerns which are quite unwarranted.

● (1252)

Some substantial Canadian financial publications of recent date have indicated that there is a turn coming in the economic picture in Canada. Some of these things may result from government actions. Later today we will hear from the Minister of Finance (Mr. Chrétien) who will give Canadian people, hopefully, some indication of how the control system is eventually going to be phased out and what methods will be used to accomplish this. In a sense this will provide a blueprint for the next several years and will give Canadians, both businessmen and consumers, an indication of what form of continuing regulation they may anticipate, if there is to be any at all. This will assist business to make investment decisions of a long term nature, as well as assisting ordinary Canadians to make their personal business decisions and investment plans.

The pipeline decision was made by this government some time ago. It was satisfactorily negotiated with the United States. Hopefully it will come to fruition in Washington in the near future. It will be a new major incentive to the Canadian investment program, and it will spill over to many, many other areas of the economy. As I indicated during the debate on this issue, the potential effect of this pipeline on our economy in all parts of Canada is going to be a very significant boost, not only to the actual dollar picture, but to the general morale of Canadians. Attitudes are improving in the country. The pessimism which seems to have prevailed in our business community as recently as several months ago is waning. It is waning in the face of hard information to the extent that any business

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forecasts can be hard information. The best economic minds are now indicating that improvements are on the way.

The opposition knows, although they will refrain from mentioning it because it is not in their political interests, and most Canadians know that the economy of Canada does not operate in a vacuum. It is dependent on what goes on in the western hemisphere, particularly with our neighbours to the south. Generally the signs of a turnaround are coming. A new onset of capital spending is anticipated in the second half of next year. By 1978 housing starts are anticipated to go up to 255,000 units, compared to some 235,000 units this year—a significant increase.

There are areas in this country which will continue to have troubles which may well worsen as we move into the 1980s, regardless of how strong our economy becomes. I am referring to the balance of payments situation, that is, the amount of cash going out of the country as compared to the amount of cash coming into the country. Cash goes out not only for the purchase of goods and comes in not only from the sale of goods. Every time Canadians travel abroad and people from abroad do not travel in Canada, we have a double effect on the balance of payments picture. In other words, Canadian dollars go out of the country and foreign money does not come in. I hope we never have to discourage Canadians from travelling where they wish, but we must do more to encourage people from outside this country to come and see what we have to offer in Canada.

In Europe today the cost of living and the cost of travelling for a tourist is far more than it is in Canada. During this past summer I witnessed that. There is a tremendous opportunity available to us to encourage people to come and see Canada. Frequently Europeans hear about the United States, but Canada does not tell them enough about our great country and the facilities we have. This would be of interest to them.

Mr. Speaker, may I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

● (1402)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Martin: Mr. Speaker, when I spoke before the luncheon adjournment I mentioned that one of the ways in which we might be able to help our balance of payments situation would be by encouraging further inflows of tourists from abroad, and I mentioned in particular the European continent where the cost of living and the cost of travel is fantastically high. In fact, it far exceeds the cost in this country. I believe that this country could offer a bargain to prospective European travellers in that respect.