

the people on what is done in the constitutionally established places of legislative business.

• (1520)

The Leader of the Opposition said that nothing good could be said about the government; that in the fields of social welfare we were going either too far or, in some particulars, not far enough, that we were not doing enough in the matter of constitutional reform; that the government had not taken sufficiently into account problems that existed in one section of the country as opposed to those in another; that we were not appreciated by labour; and that we had run counter to the Canadian business community.

The criticism levelled against the Canadian government is similar to that levelled against governments throughout the Western world. The problems with which we are faced at home find their counterpart in many particulars in other countries, including unemployment and the like.

Concerning inflation, witnesses who appeared before Senator Everett's committee stated that the problem had been handled better by the present Canadian government than by any other government comprising the 18-country membership of OECD. I believe that is generally conceded, notwithstanding what the Leader of the Opposition said in a fit of political partisanship, and in terms which were not really natural to him.

**Hon. Mr. Flynn:** You would not do that.

**Hon. Mr. Martin:** I am sure that most Canadians recognize that the difficult problem of controlling inflation has been dealt with by the Canadian government as well as, if not better than, it has been dealt with by any other country in the Western world.

**Hon. Mr. Flynn:** For a while.

**Hon. Mr. Martin:** My honourable friend says, "For a while." There are now signs that we are again moving a little toward inflation. I assure Senator Flynn that the government is aware of this.

The Leader of the Opposition said that we had high unemployment. He is quite right, but he failed to point out that between 1965 and 1970 one million new jobs were created in Canada, a figure which exceeds the total number of new jobs created in Belgium, France, Germany, Italy, The Netherlands, Sweden and the United Kingdom together, although those seven countries have a population twelve times our own. In 1971, 200,000 jobs were created in Canada.

**Hon. Mr. Flynn:** How many of those have disappeared?

**Hon. Mr. Martin:** No one will deny that the problem of unemployment in Canada is a tragic one. No one is happy with unemployment. However, I would suggest that the situation might be far more serious were it not for the government's programs designed to mitigate the problem. For instance, the local initiative program alone has created 82,500 new jobs this winter. The Department of Regional Economic Development earmarked \$907 million over the past three years towards creating new

jobs in those regions which need them most. This represents a major attempt to alleviate the severity of the problem.

The Leader of the Opposition said also that the government had lost its courtship with the business community. An article appearing in the Bank of Montreal's *Business Review*, dated January 26, 1972—this, I know, will please Senator Cook.

**Hon. Mr. Flynn:** Perhaps he wrote it.

**Hon. Mr. Martin:** The article states:

The Canadian economy, in spite of many prophecies of gloom and doom, displayed a considerable resiliency as the year wore on.

It would appear that overall demand, as measured by gross national expenditure, will show a growth in excess of 6 per cent in real terms for the year as a whole, almost double the growth shown for 1970. The *Business Review* goes on to say:

However, despite the relatively poor demand conditions in major markets, and the loss of price competitiveness resulting from the depreciation of the Canadian dollar, it is expected that, for the year as a whole, exports will show a growth somewhat in excess of 5 per cent (compared with the extremely strong 13.5 per cent increase in 1971).

What are some of these other facts?

**Hon. Mr. Flynn:** Are you satisfied with that?

**Hon. Mr. Martin:** I think that is a very good statement, and one that does not help my honourable friend's argument.

**Hon. Mr. Flynn:** Are you satisfied with that today?

**Hon. Mr. Martin:** One is never satisfied with imperfection; but there is a great difference between imperfection and the charge of absolute failure which the Leader of the Opposition has sought to level against the government.

**Hon. Mr. Flynn:** I learned it from you.

**Hon. Mr. Martin:** You did not learn it as well as I performed it. The national output increase of 6 per cent in 1971 compared favourably with 3 per cent in 1970, and 5 per cent in 1969. This represented the fastest rate of growth in any of the industrial countries of the world, including Japan. Stronger growth in production and sales has been expected in the labour market, and the employment trend has strengthened notably.

The increase in Canadian prices in 1971 was again the lowest among major industrial countries, with the broadest measure of price movements, the GNP price deflator, showing an increase of 3.2 per cent. Employment for the year rose more than 2.5 per cent, twice the rate of increase in 1970.

There are further indications of strengthening economic conditions despite the regrettable level of unemployment. Spending on consumer durables made the