because it is not a response at all. It is part of the political waiting game that this government is coldly and inexcusably pursuing for what it sees as its own political advantage.

I accuse this government of playing statistical games with the Canadian people. I accuse this government of playing political games with the state of the Canadian economy. I accuse this government of inhumanity in its approach to the grim reality of mass unemployment in this country. To come right down to the topic at issue, I accuse this government of presenting to this House a budget that is dangerously irrelevant to the problems that face us today.

Some hon. Members: Hear, hear!

Mr. Stanfield: I accuse this government of economic incompetence, human neglect and social irrelevance. I ask this House, on behalf of the people of Canada, to disassociate itself from this government and to defeat this budget. Maybe then, at long last, we will be able to do something about getting the economy moving again vigorously and putting the employment situation on the road to recovery. If it will do any good, I will send the minister copies of my speeches.

Some hon. Members: Hear, hear!

An hon. Member: Give him a couple of buckets of heavy water.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, as we approach the end of this debate we should recall that in introducing—

Mr. Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. MacInnis: Yes, Mr. Speaker. Because I am vitally interested in all citizens of Nova Scotia, I wonder if the member from Vancouver would repeat the crack he made about heavy water, which is now the responsibility of the federal and provincial governments.

Mr. Speaker: Order, please.

Mr. Gray: As I was saying, Mr. Speaker, as we approach the end of this budget debate we should recall that in introducing his budget to the House on December 3 the Minister of Finance (Mr. Benson) outlined the latest of a series of far-reaching fiscal and monetary measures adopted by federal authorities since early last year to promote faster growth of production, employment and real incomes in Canada. I do not think it is necessary to again outline the substantial number of additional steps set out in that budget to provide still further assistance to individuals, regions and industries adversely affected by slow growth and, in the process, to provide a further major stimulus to expansion of the economy as a whole. However, I would like to recall and underline the conviction expressed in the budget that the economy was being set on a course aimed at bringing it back in the months ahead to the path of full employment of the nation's human and material resources.

In his December budget speech the Minister of Finance indicated to the House that there was already evidence the economy was moving toward a desirable stage of non-inflationary, long-term growth. The minister's contention has, of course, been greeted with what appears to be derision by members of the opposition parties who apparently never seem to allow themselves to be confounded by facts when they see political advantage, even though they may deny they are seeking it, in ignoring those facts.

Some hon. Members: Hear, hear!

Mr. Gray: But since the budget was introduced more than two months ago further evidence has accumulated to show that the economy is now beginning to move forward at an accelerating pace. In making a judgment on this it is useful to compare our situation with that of the United States. While Canada is affected by developments south of the border, it has also become increasingly noticeable that the performance of the Canadian economy over the past several months has been considerably more satisfactory than that of the United States. During 1969, real output in Canada rose by 5 per cent compared with only 2.8 per cent in the United States. In 1970, real output in the United States actually declined by .4 per cent. Although final figures are not available yet, all indications are that the increase in real Canadian gross national product will be around 3 per cent.

Perhaps even more important is the fact that Canada has been able to maintain this relatively stronger pace of growth while at the same time making considerably more progress than the United States or any other industrialized nation in bringing inflationary pressures under control. This is something the Leader of the Opposition (Mr. Stanfield) appears to be concerned about. In December, the last month for which figures are available, the Canadian consumer price index declined by .4 per cent and was only 1.5 per cent above the level of a year ago. The United States' index was up 5.6 per cent in December as compared with the 1969 level. In November, 1970, the industrial productuon index in Canada rose by 1.3 per cent as compared with the level in October. This is the largest increase in any month since February. I think it is of great importance also that Canadian exports rose to a record level during 1970 with a result that we built up a surplus in our merchandise trade of some $2.9 billion, more than double the previous peacetime peak in 1968.

• (8:50 p.m.)

By the turn of the year there were important signs that capital investment in Canada was beginning to pick up speed. New housing starts were running at a record annual rate of 271,000 in the last three months of 1970, double the number of starts in the second quarter of last year. In the year as a whole, construction was begun of more than 190,000 housing units. A significant increase in housing construction is also contemplated during the current year. As members will be aware, in the statement which was made in this House yesterday by my col-