

*The Address—Mr. Pearson*

**Mr. Pearson:** That is right, though I should like to think we are a little ahead of them in this trend toward prosperity and stability. I am merely suggesting this is a desirable state of affairs and that we should do our best to continue it and improve on it. The Economic Council, which is the important agency set up on the initiative of this government, has in its first report concluded that it is realistically possible for the standard of living of the average Canadian to improve by more than 20 per cent in seven years. This can be done but only if we face and overcome certain serious problems and obstacles. So there is no occasion for complacency or smugness and there should be none; I assure you, Mr. Speaker, there is none in the ranks of the government.

Among the problems we have to face is the problem of maintaining and increasing our trade. Even while it is mounting—and it is mounting—our prosperity in the field of international trade often depends on forces outside this country which we can never control though, at times, we may influence them. There is the problem of the balance of payments which remains a worrying one. There is the problem of the best utilization and conservation of our national resources which is becoming increasingly important. There is the development of research and technology—a paragraph on this appears in the speech from the throne. There are measures to increase the competitiveness and efficiency of industry in this country; I am glad the right hon. gentleman had something to say about this, because it is from the continued increase in our industrial exports that we have to find the jobs required in the years ahead. The magnitude of this problem is shown by the fact that in 1964 the average employment in this country was 6.6 millions. In 1970 the report of the Economic Council says, with the growth of the labour force—and the growth of the labour force in this country is greater than it is across the line in the United States—and providing for a level of unemployment down to 3 per cent, employment will amount to 7.9 millions. This means that in six years we have to find jobs for one and one-third million Canadians. This is a vitally important factor as we face the economic problems ahead.

The most important factor in our economy, in our economic progress is full employment, and not only full employment, vital though that is, but the full employment of our human resources, which is something additional and which is referred to at some

length in the speech from the throne. We must have the scope and the opportunities which are required in this age of technological change—and we in this country are very backward in this field compared with the United States. One quarter of the Canadian labour force is now engaged in work of a skilled nature. This may seem a satisfactory percentage but it is only half as many as are employed in the United States in skilled occupations, and this means we are not making the most of our most important resource, which is people. This is shown not only by the figures I have given but by pockets of poverty and idleness amidst general affluence and activity. There is a persistent minority now lacking the mobility or suitable training to enable them to share in the expanding opportunities of our age. The growth of our gross national product does not automatically cure this situation. Indeed, its growth can underline and expose this particular problem because economic growth as well as economic stagnation has its casualties, and the casualties in our country can be whole regions as was pointed out eloquently yesterday by the seconder of the address (Mr. Chrétien).

● (5:30 p.m.)

The economic foundations of whole communities can be knocked away almost overnight by new industrial processes, by automation, by what we call progress. Wide areas of farmland can become derelict and decaying; urban slum islands can develop in the richest of cities. The affluent society has given a new meaning and a new dimension to poverty; because as technology advances and business and the economy become more complex, the individual finds it harder to get a second chance. It used to be much easier 50, 75, 100 years ago when society was less complex and more mobile, but now he finds it hard to get a second chance when things go wrong or have never gone right for him, for reasons over which he may have no control and of which he might not even have any understanding. Once trapped outside the affluent society, it is hard to get back in without the new skills required, and the worker often has no chance to get these.

It is here that the state must move in more vigorously than we have done in the past few years, in the name of both social justice and economic progress; because economic progress must include the fullest possible utilization of human resources. Poverty now prevents this, and the proof that there is poverty in this affluent country is shown by the statistics of family income. Perhaps, Mr. Speaker,