

*The Address—Mr. Pearson*

that during the first eleven months of 1958 total employment was lower than in 1957 on the basis of a month to month comparison except in one month, namely April. Indeed, average total employment for the eleven months was 27,200 below what it was in 1957. I suggest that before he goes on the air again the minister get his facts straight. If he wants them we shall be glad to give them to him.

Moreover, Mr. Speaker, the problem of unemployment will continue to be serious during the coming months. In 1958, on the average, about 6.5 per cent of the labour force in this country was unemployed and seeking work. In 1959 our labour force should increase by about 2.5 per cent. This means that on the average approximately 9 per cent of our labour force will be unemployed unless the volume of our national production increases. Therefore a rapid upsurge in that production will be required in 1959 to reduce the volume of unemployment to what is considered a normal level. The economic outlook for 1959 presented by the ministers does not contemplate any such rapid pick-up.

On that basis, therefore, we can expect—no one gets any pleasure out of saying this—that unemployment will remain a serious problem in 1959. Yet the speech from the throne barely mentions the problem; it shows no realization whatsoever of its seriousness as a human as well as an economic problem. Because of the seriousness of this problem I would hope that the Prime Minister would consider interrupting this throne speech debate and producing at once in this house the measures which the government proposes to put forward to deal with this matter. The throne speech debate is important, but it can be postponed so that we can receive at once, without delay, the government's proposals to deal with this serious and continuing problem and all the matters that will be related to it.

So much for the unemployment aspect of this problem. What about the parallel danger of inflation, which was also barely mentioned in the speech from the throne? That danger, Mr. Speaker, with all that it means to the welfare of every man and woman in this country, is becoming more and more serious. The consumer price index rose from an average of 121.9 in 1957 to 126.2 in December of 1958, a 3.5 per cent increase, not in a time of boom and development but in a time of recession.

In one year, Mr. Speaker, the old age pensioners have lost about \$2 of the \$9 increase granted them by this government, and soon that increase will all be gone. I can see the Prime Minister scribbling away.

I know what he is going to say. He is going to say, "You did not grant them \$9; you gave them \$6." The Prime Minister gave them \$9, but they are going to lose it all before the next election.

**Mr. Starr:** Is that a hope on your part?

**Mr. Pearson:** Certainly it is not a hope, but it is a calculation based on facts, and it is a warning to the government to do something about it.

**Mr. Starr:** You said it with glee.

**Mr. Pearson:** If my hon. friend and his government will do something about the cost of living then perhaps the possibility will be avoided. If they do not, in the light of what happened last year, and if that continues, what I have suggested unfortunately may come to pass, will come to pass.

**Mr. Starr:** Why do you not offer something constructive, then?

**Mr. Pearson:** That is your job.

**Mr. Starr:** You have not got anything; you did not have anything in 1954 and in 1955 and you have nothing today.

**Mr. Pearson:** I would remind my hon. friend that he now belongs to the government, and under the British system of parliamentary responsibility the government of the day is responsible for making proposals to deal with this matter. I, Mr. Speaker, am pointing out the facts of the situation, which the members of the government apparently do not understand, in the hope that if they get possession of the facts perhaps they will do something about correcting it.

**Mr. Green:** Have you any proposals?

**Mr. Pearson:** Have you none?

**Mr. Starr:** You are just as empty as you ever were.

**Mr. Pearson:** Mr. Speaker, in the face of this serious situation the government seems quite unable to decide what to do or even to make up its mind which is the greater danger, inflation or recession. The Minister of Trade and Commerce (Mr. Churchill), however—and I must be fair to him—has certainly made up his mind. He saw fit to make this quite extraordinary statement, and I refer it to the Minister of Labour (Mr. Starr) too. He will find it interesting. Over the air on January 8 in the particular program I have already mentioned the Minister of Trade and Commerce was asked this question by the chairman of the press conference program:

Now, which of these two, unemployment or inflation, do you regard as being the greatest threat to our economy during 1959?