

The Address—Mr. Pearson

increase in foreign investments in Canada, the taking over of our capital resources in the same period?

Mr. Pearson: Yes, Mr. Speaker. This will keep me a little longer, but if the hon. gentleman will look at the figures he will see that our position here has deteriorated also in this regard.

What has been the cost of the inability of the government to put into effect good policies which would have made for growth during this period? This is why Canadians today are without hundreds of thousands of jobs that they ought to have, that they have a right to have and that they would have if the rate of economic progress under a Liberal administration had continued. This is why the government goes more and more into debt, and why it cannot now afford to do a lot of things the country needs.

Now, they boast that 1962 looks like a better year. Is the kind of improvement we have had this year good enough for the government? It is not good enough for the Canadian people. The Prime Minister talks about faith in Canada. I say that to be satisfied with the probability that things are going to be a bit better is not faith in Canada. It is an insult to Canada. So is complacency about unemployment and satisfaction with one of the lowest rates of economic growth in the world. The Prime Minister and his colleagues boast about recovery when our production per person in 1961 is actually less than it was five years ago. He and his colleagues think a government with a record of that kind is good enough for this country. We Liberals have higher standards, more faith, more confidence in Canada. We know, because it has been proven before this government came into office, that Canada can achieve great things and that our economy can be the envy of the world. It was and can be again, and with a different government it will be.

Nevertheless, the throne speech makes the smug, complacent claim that, thanks to the government, our economy is recovering. Well, I am glad they said that. It clears the air. The government is taking credit for the recovery we have had. This recovery has not been the kind, I should think, that would make any government proud, but let them take all the comfort from it they can. Let them remember this, if they claim responsibility for the economy at one moment, they must assume responsibility for it at other moments. If they want the people of Canada to think that because unemployment is not quite as bad as it was last year, they are responsible, then whom do we blame for how bad it was before that and still is? The record, Mr. Speaker, is now

[Mr. Campbell.]

absolutely clear. The government thinks that the state of our economy is something about which the government should boast. By its own admission, it is responsible, responsible not only for its talk but for the facts, the facts the Canadian people know. The economic slow-down, the decline in our production per person, the chronic unemployment, the lost production, the missing jobs, are all things about which the people know and are all the failures of these wasted years of Tory government. They are the cost of not growing.

No calculation is possible in terms of frustration, loss of human dignity, lessening of incentive and ambition on the part of those who have been unable through work to participate in what growth we have had. However, we may make a calculation in terms of financial loss. We find it in the figure of \$900 million depletion in the unemployment insurance fund; we find it in the figure of \$250 million spent as the federal share of unemployment assistance; we find it in the figure of \$5 billion of goods and services lost in 1961 because of joblessness, more than \$100 million a week.

May I continue the record of hard economic facts? I have been asked to put these facts on the record, and I am glad to do so. Expenditures go up and up. In the first eight months of 1961 alone, they are up 8.9 per cent. The Minister of Finance estimated last June they would be up 7 per cent. Revenues are up only 1.9 per cent, and the minister's estimate was 2.6 per cent.

Another hard fact is that while under Liberal government from 1946 to 1957 the national debt was reduced \$2.4 million, under 4½ years of Tory government the national debt has increased by nearly \$2 billion. Do not believe Tory spokesmen who tell you over the years that the national debt has decreased per capita, because it has not. In 1957, it was \$664 per person, and in March 1961 it was \$688 per person. I commend these figures to the Prime Minister.

Another hard fact is that taxes have increased along with deficits. It is a Tory fairy tale to say that they have not. Those who try to deceive us on this score must have guilty consciences. The Prime Minister, of course, promised to reduce them, and we remember that promise. The fact is that since assuming office the government has increased taxes by more than \$150 million each year. During the last financial year, in spite of a quarter of a million increase in our population and a huge deficit, the per capita tax rose \$12 to \$190. The Prime Minister said he would reduce taxes by \$120 per family, but he has increased them by \$36.