

The Address—Mr. Pearson

forward to closer economic and political unity or it will lapse back into separate and competing national units or perhaps into two groups to the harm and disadvantage of the whole free world.

Indeed, the world is too small and too precarious a place for that kind of backsliding, especially in the face of a mounting soviet offensive which is as economic as it is political if, in fact, you can distinguish the two things. In that offensive soviet Russia has the advantage of central direction and control of a cohesive, aggressive, unified foreign economic policy, concerned less with financial than political considerations, and against that the Atlantic powers are groping without much success for a unity which is still largely military in character and is practically non-existent economically.

I know, as my hon. friends opposite know, that there are moves in the other direction, important and encouraging moves in Europe. But will their end result merely be the replacement of competing national units by two competing groups, one on each side of the Atlantic? Is it to be western Europe versus the United States of America in the field of trade and economics?

The British know the significance of these European developments. They know that they cannot stand aloof from them and they are working out their own association with the European free trade market. But if the United Kingdom moves across the channel how will that affect Canada and the rest of the commonwealth? Can we too make satisfactory arrangements with a European free trade area and help to bring about freer trade in the whole Atlantic area, including the United States of America? If not, what is the alternative for us? Isolation, which would be impossible, or North American continentalism, which would be bad.

Surely this is a vital problem for Canada and one which demands public leadership and action by us in the search for a solution. Lack of Canadian vision here, lack of energy and drive in working for the wider Atlantic economic area may indeed throw us into that complete economic dependence on the United States which frightens, and rightly, hon. members opposite and hon. members over here. An expansionist trade policy, with arrangements made between the commonwealth, the United States of America and Europe for closer integration in a larger Atlantic system surely is the essential objective to be sought by this country in its international economic policy. Surely that is the result which we must do our best to achieve or we will never be able to realize the vision nearer home of Canada's greatness.

[Mr. Pearson.]

I have no illusions about the difficulties and the obstacles in the way, especially across the border in the United States of America and especially in a time of economic recession when restrictionist interests and impulses are given new opportunities, but I do suggest that if we do not make progress in spite of these difficulties in this field of Atlantic co-operation we will have cause to regret the day and the whole Atlantic system may weaken and fall apart. I repeat that this is going to be more difficult now in a period of economic recession and one convincing proof that we are still in that recession is unemployment, the last matter with which I am going to deal.

I am only going to touch on unemployment. We were told categorically and emphatically in February and March of this year during the election campaign that unemployment had passed the peak. That was wrong. We were also told that it had not been in any event as severe in its impact, having regard to the total labour force, as it was in 1955. That was not correct.

As recently as April 21 the Minister of Finance (Mr. Fleming) said that "unemployment is declining at a gratifying and accelerating pace." His timing for that statement was singularly unfortunate because the official figures, those lower bureau of statistics figures which my hon. friends opposite would never accept when they were in opposition, came out just after my hon. friend spoke and they showed that as of March 22 ten per cent of the working force of this country, or 590,000 persons, were jobless, an increase of 35,000 over February.

Mr. Fleming (Eglinton): Get your dates straight. I was speaking of the situation at the date I spoke in April. My friend is talking about a different period away back before April.

Mr. Pearson: If my hon. friend had some information when he spoke which was not available to the rest of us perhaps he should not have used it in a public speech of that kind.

Mr. Fleming (Eglinton): The information which I used was available to anybody, the figures on unemployment registrations, which are what I was speaking about, as the hon. member can see if he will read the speech.

Mr. Pearson: My hon. friend says that he was talking about registrations at the unemployment insurance offices. I am talking about the bureau of statistics figures.

Mr. Fleming (Eglinton): Why don't you read the speech?