

The Address—Mr. Diefenbaker

as they have arisen. We intend to continue to do so. We realize the unemployment problem as it is. We have acted. We are now criticized for having acted in effect because, having placed \$750 million in one stream, namely the housing plan, naturally there would be inflationary influences. I believe our first responsibility is to assure that everything will be done in order to meet the situation of those who, by reason of condition over which they have no control, find themselves unemployed. That is what we have done. We did it in connection with unemployment insurance. We extended the period. We did it in connection with the winter plan. We have done it in connection with housing, with public expenditures and with public works. That course we intend to follow in the days ahead.

As far as the Canadian economy is concerned, I have already told the story of the recession coming earlier than in the United States. We have had deficits. There is no suggestion of over-expenditures anywhere. We were obliged to meet the heritage of unemployment and worsening economic conditions which was left to us. The problems we face, as I said a moment ago, are unusual. No economist has an answer for them. I refer to unemployment and at the same time rising costs and inflation. Inflationary fires have burned since 1945. They have burned more rapidly than at any other time during the last year and half. The unemployment insurance fund has been reduced.

Mr. Martin (Essex East): It has been almost depleted.

Mr. Diefenbaker: We are obliged to do that. We must meet a situation today that among other things contributes to a deficit. But I believe the people of Canada as a whole want us to make the necessary expenditures to meet the spectre of unemployment as it is found. As I said a moment ago, and as the President said today, we are on the way out.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Oh, not in that way. We are on the way out of these difficulties. Recovery has been slower than had been anticipated because of the effect of the United States economy on ours. But as the President said in effect, we are on the way to a new plateau of full recovery. What we need today is not the kind of picayune attitude exhibited by the Leader of the Opposition but more hope and less fear. This amendment is one that was conceived in fear. Fear engenders fear. We on this side of the house have confidence in Canada, her present and her future. I simply conclude where I began with the

words of the Leader of the Opposition when in that article in the *London Times* he expressed the situation in a way that any one could understand.

Mr. Pearson: Would the Prime Minister permit a question?

Mr. Diefenbaker: I am finishing now.

Mr. Pearson: I wanted to ask the Prime Minister if he would deal with one point before he finishes.

Mr. Diefenbaker: I know the Leader of the Opposition does not like this. I do not think it is good sense to endeavour to fill the hearts of people with fear. It is all right to make fair and strong criticism and to make suggestions as to what should be done. That is what parliament is for. The speech today was a sorry catalogue of the planting of fear in the hearts of people. You cannot build the cornerstone of political hopes for the future by endeavouring to place people who today have fear in a position of having greater fear, those fears created by the kind of speech that was delivered here today by the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, I wonder whether the Prime Minister would deal with a point I raised in my speech in good faith when I asked him if he would consider interrupting the throne speech debate in order to bring forward the legislation with respect to unemployment which the government proposes to bring forward this session.

Mr. Diefenbaker: Having regard to the trend of the mind of the Leader of the Opposition today I will have to give the fullest consideration to that, because I would suspect that the purpose would be to instil greater fears in the hearts of the Canadian public.

Mr. Pickersgill: Legislation is not ready.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to join the others who have congratulated the mover and seconder of the address on having presented very excellent arguments based on a very difficult and weak case. I do want to say to them most sincerely that I feel each one of them did a first class job in carrying out that important duty, which the Prime Minister had assigned.

Most of my remarks will refer to domestic problems—problems facing the Canadian nation—but before proceeding I want to say that I believe the conquest of outer space which we see going on at this time is the most important thing which is happening in the world to-day and that as people look back on this time I am certain the actions of the free world in this regard will be very