

The Address—Mr. Pearson

The Prime Minister on this occasion said he was sure that 15 per cent of Canadian imports could be shifted from the United States to the United Kingdom.

In answer to a reporter's question he is reported to have replied, and I quote:

I would never have enunciated such a principle last July, if I had not thought it possible.

Furthermore on Friday, October 25 last in this house, as reported at page 399 of *Hansard* of that date, the hon. member for Essex East (Mr. Martin) asked the Prime Minister whether he was going to discuss with the United Kingdom Prime Minister his proposal—the word used was “proposal”—to divert Canadian purchases from one friendly country to another. Did the Prime Minister on that occasion object to the word “proposal”? Not at all. He merely replied that he would discuss all matters of mutual interest with Mr. Macmillan.

During the election campaign the Prime Minister more than once referred, and with some satisfaction I think, to his plan to divert 15 per cent of our imports from the United States to the United Kingdom. It seems to me it is perfectly clear, therefore, from the Prime Minister's own statement that the objective was not merely to increase United Kingdom exports to Canada but to divert Canadian imports from the United States to the United Kingdom. It was diversion; there is no doubt about that. Nor was there any doubt left in people's minds that this was a policy of this government, an objective to be achieved, a governmental purpose to be realized.

It was only nine months later, after the election, the Prime Minister apparently decided that his statement really had nothing to do with policy or purpose; the 15 per cent diversion was merely something that might conceivably happen in some way outside government policy and if it did that would be just fine. But that was not the impression created in the country, and I have here a good many newspaper quotations which make it quite clear beyond any doubt that the impression created in the newspapers of this country was that there was a government policy, a government proposal, a government objective to divert \$620 million worth of business from the United States to the United Kingdom. Even Mr. James Duncan, who has been pretty close to the government and who I am sure has been a great help to it in these trade missions, is reported in the *Globe and Mail* of January 22 as having talked of the Prime Minister's 15 per cent diversion proposal.

What did my hon. friend's own colleagues in the government say about it? Well, the

[Mr. Pearson.]

Minister of Finance (Mr. Fleming) in this house last October 23, as reported at page 308 of *Hansard*, said that the policy of the government was “to seek a diversion of trade”. Later on during the election campaign, on March 19 in Vancouver, as quoted in the *Vancouver Sun* of that date the hon. gentleman went a little further and referred to the government's “decision”. That is the word he is quoted as using. He referred to the government's decision to shift 15 per cent of Canadian trade to the United Kingdom from the United States and he even added, and these were really quite astonishing words, that the Americans welcomed this loss of \$620 million worth of business; they would realize it was for everybody's good.

Mr. Fleming (Eglington): That is not an accurate report of anything I said.

Mr. Pearson: I will send the newspaper story to my hon. friend. Then the Minister of Trade and Commerce (Mr. Churchill) on his arrival in London with the Canadian trade mission is quoted as stating its purpose to be a diversion of \$620 million worth of purchases from the United States to the United Kingdom. He called this the Prime Minister's goal and described it as a “thoroughly practical” one.

Mr. Churchill: What are you quoting from?

Mr. Pearson: I am quoting from newspapers and I would be very glad to send these clippings to my hon. friend.

Some hon. Members: Oh, oh.

Mr. Pearson: If my hon. friend doubts the accuracy of these reports he should have denied them when they appeared.

Mr. Churchill: I never even heard about them until now.

Mr. Pearson: When we were debating this matter in the House of Commons last autumn my hon. friend was in his place and he intervened in the debate. Why did he not at that time characterize our description of this policy as inaccurate and unfair?

Mr. Churchill: I have all the way through. I have been doing that for months, and you know what the results have been.

Mr. Pearson: No; at that time there was not a word from any hon. member opposite as to the inaccuracy of our description of this 15 per cent diversion as a governmental policy, a governmental proposal and a governmental objective. Indeed, members of the government accepted that statement and took all the credit they could out of it during the election campaign.

What was the impression left in the United Kingdom? I will just quote from the London