

ment has completely failed to manage the Canadian economy. That is what they are saying.

I said we have inflation. I am not going to produce all the statistics back to the period prior to the controls program, how we have re-emerged and the forecasts, contrary to what the government says, are that things will get worse. Farm prices are down. Farm costs are up. Food prices are up. Almost everything you can mention is up in price for the consumer. As I said, Canadians from coast to coast, no matter in what province, are experiencing unemployment in figures unparalleled since the days of the great depression.

The confidence that is now being withdrawn by the international community is more or less a direct response to the failure of the Prime Minister of Canada (Mr. Trudeau) and the premiers. However, the blame rests largely with the Prime Minister because it is he who called the conference which took place in Ottawa last week.

**An hon. Member:** Oh, oh!

**Mr. Broadbent:** I hear a Liberal scoff. He was probably there with the movie crew that was preparing the election propaganda. The conference was prepared by the national government. They had the obligation to bring to the premiers of Canada, representing all parties, proposals for the short run and long run to deal with both inflation and unemployment. They did no such thing during the three days of electioneering that took place last week.

I want to avoid general statements as much as I can. I want to deal frankly and candidly with an assessment of the economy and the attitude now being expressed not only by the Prime Minister and the Minister of Finance but, I regret to say, by virtually every premier, with one exception. It will surprise no one when I say the exception is Allan Blakeney of the province of Saskatchewan.

I hope tonight we can engage in a serious debate about methods of managing the economy. I want to provide the case for managing a mixed economy. What dismayed me beyond words about the conference last week was that we heard, time after time, what can only be described at this point in the twentieth century as mindless economic clichés. We heard them from the Prime Minister, the Minister of Finance, and the premiers of Alberta, British Columbia and Ontario.

What do I mean by that? I mean there is a new convention of wisdom establishing itself at the highest level of political debate in Canada. It is as though we had not lived through the 1920's and 1930's not only in North America but in the world. The prevailing words at the conference in Ottawa, and we hear them from the Conservative party and the government, were that we must get back to free enterprise, that the government must withdraw from activities in the economy. You can hear the cheering on both sides of the House.

**Some hon. Members:** Oh, oh!

**Mr. Alexander:** Don't stretch it, Ed.

**Mr. Woolliams:** I didn't hear a word.

### Finance

**Mr. Broadbent:** Let me be clear. A Liberal backbencher is concerned I have left the impression that he is agreeing with the argument I made. I do not say that at all. I am saying that when I used the words magical cliché, free enterprise, and government withdrawing from the economy, some Liberals and Conservatives cheered that notion.

● (2032)

**Mr. Woolliams:** It is like the gas exploration in Saskatchewan; it is all dried up.

**Mr. Broadbent:** Mr. Speaker, it is just incredible. The same phrases were uttered by Herbert Hoover in 1929 just weeks before the stock market crash. He was saying in effect, "We must leave businessmen to manage the economy, and if governments would only do what they are supposed to do"—which for him was nothing—"that would be wonderful."

Just weeks afterwards the stock market crash came. Within months there was the beginning of the greatest depression of the century. What we are seeing now, coming from the alleged spokesmen for the vast majority of provincial governments, for the Minister of Finance and for the Prime Minister, is the same kind of cliché. There was at least a reason for Herbert Hoover thinking that way and there was a reason for R. B. Bennett's view as well—they did not live through a great depression. They did not have the experience that we have had—

**An hon. Member:** Have you?

**Mr. Broadbent:** Mr. Speaker, the level of ignorance that prevails in this place boggles the mind.

**Mr. Woolliams:** I could not agree with you more. I have never heard such illiteracy.

**Mr. Broadbent:** It is as if they were sitting on the *Titanic*, laughing away, and drinking champagne as was done at that time, and just as Herbert Hoover and his benign acceptance of the market system conveyed the impression that all would be well.

**Some hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Turner):** Order, please. It looks as if it is going to be a long night. I suggest we all listen. Everyone has twenty minutes.

**Mr. Broadbent:** What I say on behalf of my party is that it is time a few people for once uttered the reality that we are living in a mixed economy. The most significant economic force in Canada today, whether it be at the provincial or federal level, happens to be with the governments of the day. That is the reality. It is a reality that has changed much from the 1920's and 1930's. Instead of withdrawing from investment at a time when we have one million unemployed, and instead of saying that we must turn everything over to the private sector—which is not investing and has not invested at signifi-