

enterprise and substitute a system of state control over all economic decisions. That is a phoney issue, because, in the year-end interview that stimulated this controversy, I made absolutely no mention of free enterprise. I spoke about the free market. There is a difference.

The fact is that for over 100 years, since the Government stimulated the building of the Canadian Pacific Railway by giving it Crown land, we have not had a free-market economy in Canada, but a mixed economy -- a mixture of private enterprise and public enterprise. It is precisely because it has been a mixture that we have had the prosperity we have enjoyed.

Moreover, it has been with the support and encouragement of the business community that the Government has continued to enter the market-place to promote growth and stability. Among many examples are the creation of the Canadian Wheat Board, the negotiation of the Canada-U.S. Auto Pact, and the Government's heavy investment in Syncrude.

Until I heard the shrill comments made by some businessmen during the past few weeks, I had thought that the Great Depression of the 1930s had destroyed forever the notion that a free-market economy, if unassisted by governments, would produce by itself the ideal state of steady economic growth, stable prices and full employment.

The Depression convinced most people of the necessity of government intervention on a broad front, in the interests of overall economic stability. It was also recognized that governments had to intervene in the economy to redistribute income, for example, and to make sure that private industry acted in the public interest.

The classic notion, as you know, was that the free choice of the consumer ruled the economy. When pioneer homes in Canada were lighted by candles, for example, it was thought that the choices made by consumers among the products of competing candle-makers would determine the price, together with the proper level of production and employment. Little thought was given to the possibility that some manufacturer might succeed in cornering the market on candles, thus depriving consumers of a meaningful choice; or that a union of candle-makers might achieve monopoly control over the price of labour in the industry; or that shoddy or hazardous candles might be placed on the market and sold to an unsuspecting public; or that an adequate supply of candles might not be made available by manufacturers in remote areas, where profit prospects were unattractive. Little thought was given to the possibility that

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