

Government Orders

more like the United States. Has he been so successful in persuading members of his own caucus as he has been in persuading some of us across here about the efficacy of this American idea?

Second, if he has been so successful, could he then go on and give us some examples of how this program is working, not just in redirecting funds in the United States but actually achieving results in municipal restructuring, for example, in cities like New York, Chicago, and other cities that find their municipal infrastructure broken down beyond the point of repair?

• (1740)

Mr. Barrett: I am pleased to have this opportunity, however brief, to disabuse the hon. member of some concepts about my attitudes to the United States and my party's attitude to the United States.

I had the privilege of taking seven years of post-secondary education in the United States. In the last two years I had the privilege of teaching at Harvard University as a socialist. I found that a great experience.

In the United States during the 1936 election campaign when capitalism ran to a dead end and the country went into a massive depression, the idea of a mixed economy was spawned, a mixed economy which by the way both Liberals and Conservatives subscribed to in one way or another in Canada until the free trade agreement. All the Liberal administrations and the administration of the Right Hon. John Diefenbaker adopted the concept of a mixed economy.

It was under either Liberal governments or Conservative governments that Crown corporations had their inspiration and their role, love them or hate them. There was a consensus in this country that the Crown corporation played a part in the economy.

The first lesson we learned in Canada about the role of government intervention in a mixed economy was during the Roosevelt administration which I admired. The Roosevelt administration saved capitalism in the United States by bringing pluralism into the economy. If the Roosevelt administration had not moved to using public sector funding at that time, capitalism and free enterprise would be dead and Canada would have been in

another form of authoritarian extreme right or extreme left wing government.

I would advise my friend to counsel himself by reading casual history of the growth of extreme right wing movements in the United States from 1935 to 1939. Some of these movements even sucked in major religious figures such as Father Coughlin and major public heroes as Charles Lindbergh. Many of them moved to what was known as the German *bunde*. They were attracted to the Nazi idea that a single effort economy at the private sector with no public enterprise would be the way to go.

If we examine the Nazi response it was a monetarism of its kind. It went into the private investment sector, into monopoly, Krupp Enterprises and I.G. Farben Enterprises. In both instances it was the private sector that benefited from privately directed public money. I am not espousing that nor do I suggest that my group or I have the Holy Grail on ideas.

It is true that the Roosevelt administration brought in North American economic pluralism. It has been a consensus regardless of what party is in power at any given time to use the public sector for some common good. In the United States they have public highways and public bridges. They even have the state telling one what side of the road to drive on. If that is not interference with private decisions I do not know what is. In the United States the government not only tells one what side of the road to drive on, but it builds automobiles to accompany that legislation.

If one wants to raise a shibboleth of the private sector being free and roaming in the United States, forget it. There has to be some order. There is order on highways and there is order in financing.

The municipal bonding program in the United States has been successful for over 50 years. If my good friend would address himself to Moody's or to Standard and Poor's, he would discover that the highest rating bonds consistently in the United States are the Fannie Maes, the euphemism for the American municipal bond. They range at 5 per cent and 6 per cent. They are not directed out of pension funds. They are shelters of capital that already exist.

What I and my colleagues are suggesting is a new idea. They find it interesting. It is an idea I have put to the Liberals and to you. If we have an indigenous pool of