

---

Some extreme free enterprisers have suggested that our best hope for the future lies in the creation of a true free-market economy, a market system designed according to economists' models of perfect competition. I believe they are wrong.

Such a system would involve, for example, the breaking up of some of our giant corporations and unions. Do we really want to do that, even if we could? Before you say "yes", ask yourself how Canada could be largely self-sufficient in steel, for example, if we didn't have some very large steel companies capable of amassing the enormous amount of capital needed for the job, the sophisticated technology, the managerial experience and skilled labour force. We need some large corporations, because of their efficiency, because of their unique ability to do the jobs that need to be done, because of their ability to sustain and increase our export trade.

The problem is not the existence of monopolies or quasi-monopolies in certain sectors of our economy. The problem is how to ensure that their power is used in the public interest, and is directed toward the achievement of national goals.

In that context, the issue before us is to what extent we shall be controlled by government regulation, and to what extent we shall be controlled by our own sense of responsibility. I think we all favour as little of the former and as much of the latter as is humanly possible.

Government, too, has to act more responsibly; and part of its responsibility is to learn to say "no" more often and more effectively, just as it is part of the responsibility of the citizen to restrain his demands for new grants or improved public services the nation cannot afford.

If we want or need to spend more in one area of the economy, we'll have to spend less in others. Hindsight permits the judgment that governments over the past 20 years have not insisted strongly enough on such a "trade-off" -- have not insisted that, if people demand and receive benefits like higher pensions and medical insurance, for example, we must all pay the cost by accepting either a lower level of services in other areas or, alternatively, a slower rate of increase in our individual standard of living.

If we all prefer to act from free choice rather than coercion, to accept responsibility rather than endure government regulation, then I should expect the unions and corporations, for example, to tell us how they propose to restore peace and stability to the collective-bargaining process when the control period is over, and