

up in Congress. Now, according to the last report I have here, he has all the Republican members coming out solidly for this "new" type of economics which is not really new at all. All it is, is going back to the basic truths which were ignored during our concentration on the theories of Adam Smith, Ricardo, Keynes and Galbraith. Go back to the basic truths, which are very simple—productivity and savings.

● (2030)

I have another article here which casts some light in the darkness. It appeared in the *Montreal Gazette* on June 15, 1977, under the name of the financial editor, Don McGillivray. The article was entitled "Economists Display Mental Turmoil". Thank God they have enough sense to have turmoil in their minds. For 30 years they have dominated these western countries, and our people are paying a heavy price. I should like to quote some of the words of Don McGillivray as follows:

The tone was set by David Winch of McMaster University who told his fellow economists that they had been too successful in recent decades in selling their version of what human society is all about.

I go further than that and say that they have dominated governments, banks, business, and universities.

The article continues:

For a while their "apparatus of wizardry" seemed to be credible. But now the tricks no longer work.

"When his tricks no longer appear to work," said Winch, "the wise wizard invents new tricks."

That was what John Maynard Keynes, the great British economist, did 40 years ago when he produced the idea that the government should steady the economy by compensating for the ebb and flow of the private sector.

New economists have to escape the "mental shackles" of Keynes who failed to allow that some groups have power—especially corporations and unions—while others have not. Unemployment and stagnation result from this cleavage . . .

But he called on economists to keep watch on the government's proposed watchdog, the post control monitoring agency, because it might well "develop teeth" and grown into the "new, permanent wage and price control agency."

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, tonight I am taking this opportunity to take part in a debate which may be of great interest to the House of Commons, but I would like to say, Mr. Speaker, for those who are in the galleries and for the Canadians who will perhaps be reading my comments tomorrow that the debate will be followed by a decision taken in a few minutes as a result of a vote held at about ten o'clock. I think that Canadians will have to realize once again how useless it is to hold such a debate for such a protracted period.

Mr. Speaker, what one might conclude at the end of this three-day debate which began last Thursday is that the opposition knows perfectly well that the government has already decided for all practical purposes, since we have announced it up to a certain extent in a green paper that was tabled recently, that we will indeed get out of controls. The date for the beginning of decontrol has not been announced, of course,

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but everybody in Canada knows at present that the government, as the result of the experience of the last 20 months, has come during the past few months to the conclusion that they should consider lifting these controls.

Mr. Speaker, tonight's debate, as well as those which took place Thursday and Friday last, as well as today, has been held according to a principle of the House of Commons which enables hon. members or the official opposition to make Canadians aware of specific problems, if that is possible. They have decided, because the legislation allowed them to do so, to have a three-day debate on the controls issue. Mr. Speaker, I have been a member of parliament since 1962, I have been in the opposition for almost four years. I have been on the government side since 1968 and have been a cabinet member for about 21 months.

I would like to relate briefly one of my experiences to my colleagues in the House. When I became a minister and a cabinet member on September 26, 1975, I was given the first formal documents which precisely dealt with the economic situation, its progress during the previous months and prospects for the future. In another paper attached to the same document, some alternatives were offered to me, Mr. Speaker, between *status quo*, measures that one might have called incentives and measures that one had to recognize as well as slightly coercive.

In the preceding months, the government had had to face the staunch criticism, coming from the opposition on the one hand, but also coming from the media and public opinion in general, to the effect that inflation had become quite unbearable. Inflation had reached a level of 10 or 11 per cent. In the collective agreements in the process of being negotiated, demands were raised for increases of up to 15 and 25 per cent and there were even some for up to 50 per cent. A record hike in prices was forthcoming, Mr. Speaker, therefore, the government found itself in a position where it had to intervene.

I remember quite well, because it is still fresh in my memory, that confronted by this situation, my colleagues from the cabinet and myself decided to impose the controls. This decision was reached only after lengthy discussions, extensive analysis of the situation and that was not done easily; this decision was taken as the only means, at that time, to counteract this spiraling inflation which was undermining the economy of our country, causing restriction in the field of investments and thereby diminishing them, and also eroding quite significantly the purchasing power of Canadians.

It is quite obvious that this decision was not taken lightly and one only needs to remember that when the Prime Minister announced it, it was a very difficult decision to make because it would surely be quite unpopular.

Mr. Speaker, being a labour leader, I know quite well that when they saw the inflation situation the workers themselves realized that there must be an authority which would say to businesses and labour unions that they must sit down and keep quiet for a while. That is what this government decided in October 1975. Every individual knew he would be affected by that decision. He hoped he would be affected less than others