

### *Employment Programs*

In wartime it was legally possible for the Canadian government to deal with every phase of the Canadian economy. Daily orders in council under the authority of the War Measures Act disposed of the most minute economic details, most of them items clearly within the constitutional competence of the provinces. Today's proponents of controls have religiously ignored the constitutional issue. If they are serious, if their advocacy of controls is in good faith, they have the obligation to answer this question: What is to be the legal basis for the action by the federal government which they propose?

Assuming a legal basis can be found, will controls work? During the war we had a massive national consensus, a will to win, a willingness to sacrifice. Even with that we, and for that matter every other country whose economic experience lay in free markets, had our grey and black markets. Does that national consensus exist today? I think not. If it did, the support for voluntary restraint would have made the efforts of the Prices and Incomes Commission a greater success. Current experience in countries with controlled economies and, indeed, established traditions of controls would tend to confirm that, without the support of a national consensus, mandatory economic controls do not, in fact, work well. Like so much other socialist dogma, the fact bears little resemblance to the theory.

The lesson of our wartime experience is that selective measures very quickly become comprehensive; that continued successful regulation of a given activity depends on the regulation of an increasing circle of decreasingly related activities, that general guidelines breed detailed directives; that simple, broad objectives evoke complicated, detailed controls. The lesson of our wartime experience, if we care to recall it, is that Canada with a controlled economy is a very different Canada from Canada today. It is not one to which those who care to remember would cheerfully return. Let us keep that in mind when aggravation with the uneven operation of our economy tempts us to cry "crisis" and to demand direct state intervention.

The government has not rejected the possibility that specific controls, within its lawful competence may be needed and that particular intervention when collective bargaining processes break down may be unavoidable. I, personally, doubt that controls would produce the benefits that their advocates envisage, but I have no doubt whatever that their cost would be paid in terms of individual freedom. Some unevenness in the operation of the economy is the price that Canadians pay for a great deal of personal freedom in our economic decisions. To date it has proved a price well worth paying. Given the will to make our free economy work, we can continue to enjoy that freedom; but that will must be shared by all sectors, government, business, labour. Immoderate demands on the economy by any sector may very well confront us with a very different economy and a very different way of life than we have heretofore enjoyed.

The Minister of Finance will be bringing down his budget two weeks from tomorrow, on June 18, barring some major unforeseen event. I understand that it is

[Mr. Mahoney.]

intended that the six day budget debate will commence the following Tuesday, June 22, and, allowing for the St. Jean Baptiste Day holiday, will terminate on Wednesday, June 30. We will, in the budget and ensuing debate, be in a position to discuss the economy in a prospective, rather than retrospective, way.

Meanwhile, we will note with interest any and all responsible suggestions forthcoming from all sides of the House during today's debate, as we have noted and considered those made during earlier debates on economic issues. I do hope, however, that in advancing ideas all hon. members will bear in mind the facts of Canada, including in particular the fact of the fastest growing labour force in the free world; the fact of a free enterprise economic system that an overwhelming majority of Canadians want to see strengthened and preserved, not subverted and destroyed; the fact of our partnership in an international trading community and capital market; the fact that there are legal limits to the legislative power of the federal Parliament and to the executive power of the federal government.

The government cannot, in making its budgetary decisions, divorce itself from these realities. Suggestions that ignore these realities, whatever their credentials in abstract theory, are grossly irresponsible, and the more highly placed their proponents are, or are imagined to be the greater the element of fraud, deceit and political expedience in exploiting them.

**Mr. Lundrigan:** May I ask the hon. member two very simple questions? First of all, was he speaking for the government in making his remarks? Secondly, has he seen any contingency plans that the Prime Minister and several other ministers, namely finance, labour and external affairs, have referred to nationally? If he has not, perhaps he can say why all of these remarks by these hon. gentlemen about contingency plans for the control of prices and wages were uttered, in view of the speech the hon. member has just made?

**Mr. Mahoney:** Mr. Speaker, I did note in my speech that the government had not rejected the possibility that controls would be required in emergency situations. Certainly, in response to questions here in the House the Minister of Finance has indicated that since these controls have not been introduced, obviously the government does not deem that the emergency they are designed to meet in fact exists.

**Mr. Jack Marshall (Humber-St. George's-St. Barbe):** Mr. Speaker, I should first like to congratulate my colleague, the hon. member for South Western Nova (Mr. Comeau), for introducing the motion today, one which is very timely in view of the critical situation of student unemployment, to say nothing of unemployment generally. Everyone recognizes that the student unemployment problem has reached critical proportions: almost two million of our young citizens, approximately ten per cent of the population—a portion of our population to which we will look for the future leaders of this country—are denied employment opportunities because the government