

*National Economic Development Board*

The second thing this perfunctory bow to planning shows is a recognition of a principle which we in this party have been stating in Canada for decades, namely that the multiple decisions by irresponsible private corporations will not necessarily produce socially desirable results. It is necessary for the public well-being that the government should be responsible for decisions in order that they meet the needs of the Canadian people. Finally, it is recognition also that intervention by government in public planning is essential to the welfare of Canada.

I say, for the reasons I have given, that the kind of cocktail planning now proposed cannot possibly do the job. This is a first, faltering step. The people of Canada will probably accept it, as members of this house are forced to accept it, as a first, faltering step. But the people of Canada will not be fooled and we in this house are not being fooled into believing that this constitutes constructive planning in any real sense of the word. A planning board, I submit, must have the power to set a plan for a definite period of time. That period could be three, four or five years. It might be a continuing period or a period which would end when a new period began. By this I mean we could have a plan for five years, or six years, or four years and then, at the end of it, have another plan for four, five or six years. Alternatively, we could do as the French have done, intelligently, it seems to me, and have a four-year plan, for instance, which would be a continuing plan; that is to say, every year would be the first year of a four-year plan; the plan would be revised at the beginning of each year but always for a four-year term as progress was made in thinking about the country's economy.

The planning commission must be able to do that over a period of years, otherwise I predict that such an agency would be tempted to find ways and means of patching up errors which had been made in the previous month, or the previous year. Instead of considering the economy as a whole and planning for its progress on a long term basis, it would merely say: we have a foreign exchange calamity, so perhaps we can solve it this way, or, we have this shortage of such and such tomorrow, perhaps we can solve it that way. And, of course, there would not be any planning at all. Planning must be concerned, second, with all the phases of the economy. It must be concerned with production in its over-all aspect, and with the location of industry in order to meet the regional needs. Third, it must have the authority to establish a rate of growth for each year in order to

have full employment without inflation. That is the primary objective of economic planning. Fourth, it must have the authority to relate the size of investment for social capital to production by private industry. It must have authority to try to relate the expenditures and the production of social capital as against expenditures for conspicuous consumption, or, in other words, expenditures on hospitals and homes as against expenditures to produce status symbols, as they are now called by the sociologists. It must also have the authority to make plans with regard to our external trade as part and parcel of the total sphere of economic planning. Because planning with regard to production has no meaning unless it is related to our exports and to our imports. Unless there is some effective, constructive and positive way in which external trade is integrated with the domestic economy, in which external demand is integrated with domestic demand, and our relationship to the balance of payments and balance of trade is likewise integrated with investment and production at home, economic planning would often be self-defeating.

Mr. Speaker, let me pause there to say that only with that kind of planning can you find the solution to the crippling increase of foreign control over the Canadian economy.

**Mr. Martineau:** Would the hon. member permit a question?

**Mr. Lewis:** Well, I do not know whether I should. I have not many minutes left.

**Mr. Martineau:** Would the hon. member tell the house whether the implementation of planning boards such as he has suggested can be made without the imposition of state controls and various other measures?

**Mr. Lewis:** The minister is using what teachers of language call evocative language. He thinks that if he says "state control" he will bring down some kind of frightening ghost which will put fear into the hearts not of his colleagues or of hon. members opposite, but of the people to whom he intends to appeal for votes.

**Mr. Martineau:** Just answer the question.

**Mr. Lewis:** Let me say to the minister that it is not possible to have any kind of law without the people of the country obeying that law. Every time the minister proposes any legislation he necessarily proposes sanctions to impose that legislation—except that he does it for bad legislation and I am suggesting that it be done for good legislation. But, Mr. Speaker, there is an element of some relevance in the minister's question and his question gives me the opportunity to deal with the point.