

National Economic Development Board

Labour himself with regard to our proposal. I well remember the night he spoke. He was not as serene as he is tonight. He was scornful; he was angry; he would not have anything to do with the sort of council the Liberal party was then proposing and which the present government has now belatedly adopted.

Here is what he said as recorded at page 4166 of *Hansard* for May 23, 1960:

—the problems we have to face are not problems that can be solved by any committee.

Then he also said, as reported at page 4163:

—I submit that because of the diversity of interests, the job of the committee would be impossible from the very outset.

And at page 4162 he said:

This government does not intend to set up committees in order to shirk its responsibilities.

I think in fairness I had better give his words in their full context, and we all remember the emotion and the scorn that attended this declaration by the minister on behalf of the government at that time when he said:

—I submit that because of the diversity of interests, the job of the committee would be impossible from the very outset. What would its job be? It would be to develop economic policies. Surely what that would amount to would be the setting up of a cabinet outside the cabinet; a committee set up as a government outside the government, bringing forth policies on a national level.

There are some people in the country who believe, having in mind the serious character of our problems and the slow way in which they have been resolved, that it might have been a good thing at that time if we had had a cabinet outside the cabinet.

There is no doubt, Mr. Chairman, that if we are going to meet the serious problems facing us, we have to recognize that the time has come to create effective machinery for the co-ordination of plans and forecasts for the main sectors of the economy. The time has come when there should be the fullest study made, at the centre and on a regional basis, of plans and prospects for our main industries.

An hon. Member: What are you reading from? Who wrote it?

Mr. Martin (Essex East): I will tell you who wrote this. It is to be found in the speech I made in this house on May 19, 1960. I said then and I say now that there is a need to correlate these plans with each other and with the plans for the public sector, and we must see how those plans contribute to and fit in with the anticipated future of the economy as a whole, including the nation's external balance of payments.

I say to the hon. member who interrupts me that if he will give this matter the consideration which it deserves, and which is implicit in the statement of the Minister of Finance himself, he will perhaps be convinced that if this step had been taken when the proposal was first made in 1958 and later in 1960 we would not have had such serious levels of unemployment.

If this step had been taken, and if Mr. Coyne had been listened to, it is possible we would not have had the regrettable, unseemly Coyne-Fleming debacle that did so much to discredit this government and country. In that connection let me read what Mr. Coyne did say. He said:

We can have economic growth without inflation, full employment without inflation, a rising standard of living without inflation, increased social services and various forms of government services without inflation, and a balance in our international accounts without inflation—and without unemployment. All this is within our power to achieve—

Those were his words, spoken in Hamilton on May 12, 1960. I say that had there been this kind of board, where the governor of the Bank of Canada could have discussed his particular point of view with other experts—the kind of experts my hon. friend has spoken of—with representatives of labour, management, agriculture, the universities and other segments of opinion in our country then these, among the ablest minds in our country, would have been able to present the government with a blueprint, which might have offset much of the severity of the problems we now refer to when we speak of the period of emergency, the period of austerity into which the government has plunged this nation by its mismanagement of our affairs.

One would have thought, listening to the Minister of Finance tonight, that there was no austerity and no emergency. He spoke as though everything were serene, as though the government had steered our ship on to high levels of employment, that the external balance of payments problem had been resolved. Instead, we face serious situations. The minister, while he did pay lip service to the special mission of the productivity council, failed to observe that it came to the conclusion, after examining the nature of the economies in several western European countries and the United Kingdom, these countries, without abandoning private effort—although in some there had been an increasing amount of mixture of the public and private sector—had sought to meet the problems of the modern day in this developing industrial and technological period by recognizing the necessity for a form of planning,