

Robin Hunter and John Barr represented the U of A at the Laval University Congress on Canadian Affairs held last month. "The Canadian Economy: Where are we Going?" was the topic. Yes, it was another conference but both delegates seemed to attain some satisfaction from this one, although the differences in political points of view are obvious. C.A.

## A PLANNED ECONOMY?

by John Barr

Robin Hunter and myself were privileged in being able to attend the Second Annual Laval University Congress on Canadian Affairs. It was quite an experience for both of us. I do not want to belabor your ears with the particularly nauseating cant that always seems to emanate from returning delegates—such as "... a very rewarding experience ... mutual exchange of views ... contributing towards co-operation and understanding ... learned about far-away people and their strange customs ... brotherhood of man ... etc., etc., etc."

What then did the Laval Congress accomplish? Certainly it was worthwhile: that much is indisputable. Not because it gave me any particular insight into the thinking of those people in the other parts of the country—that I can get from a history or sociology text. More, I think, because Congresses such as the Laval Congress especially when they are dealing with concrete, practical phenomena, (unlike certain NFCUS Conferences I can think of, with themes like "The role of the student in Canadian Life"—ecch!), tend to bring together representative opinion on a question and crystallize the arguments relating to it.

The theme of this year's Congress was "The Canadian Economy: Where are we Going?" Providing that the delegates to the Congress were representative of the thinking of

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most student intellectuals concerned with economics and politics, (which is by no means clear), then it would appear that we are going Left—and the faster the better! The preponderant majority of delegates were either members or supporters of Leftist groups—the NDP, the Left wing of the Liberal Party, ban-the-bombers, etc. It was their opinion that only the State could solve the problems of the Canadian economy.

"Planning", their Statist remedy for all the ills heir to the flesh, is essentially a Socialist panacea, a cure-all that will somehow (or so we are informed) marshal the resources of the nation in attacking our economic problems—and to hell with the consequences. There are no dangers in "Planning", the Leftists assured us; that is only a reactionary delusion, meant to place

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unnecessary obstacles in the path of progress.

While I sat through the Congress listening to the many Leftist speakers propound their remedies, I found Lord Acton's old phrase running through my mind: "Power corrupts; and absolute power corrupts absolutely." The Socialists, however, because they do not acknowledge that the State can pose

any significant danger to freedom, have never read Acton—or, if they have, they have ignored his advice.

One theme was hammered at by the Left with numbing repetitiousness: Society is in fact run (C. Wright Mills told us so!) by a right-wing axis of businessmen (a small clique of them, who control monopolistic industry), militarist, and—who?—Swiss Bankers and Zionists? No, there were no doctrinaire Social Crediters there to add the last two categories to the unholy alliance. Anyhow, we were informed, this small clique of crass and greedy manipulators controls our economy, and directs it in such a way as to satisfy, not public needs, but their own greedy ends (John Kenneth Galbraith told us so!)

The thing to do, then, is to transfer this overwhelming power from the hands of irresponsible private bureaucrats into the hands of irresponsible public bureaucrats (that is my interpretation of the plan; for the official diagnosis and

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cure, see the NDP Party Program, Vols. 1-10 inclusive). I was amused no end to hear the Left wail about the evils of private monopoly, on the one hand, only to recommend that imperfect, private monopolies be converted into perfect, public monopolies, on the other! I saw a contradiction here; but then, I am not a dialectician.

Fortunately, we were confronted with an alternative to planning, the form of a less dubious palliative: the expansion of trade. Mr. Peter C. Newman, MACLEAN'S Ottawa Editor, Mr. John Davis, MP (Liberal, Coast Capilano), and Mr. Claude Beaubien, Vice-President of AL-CAN, all brought forward the sound suggestion that the real economic problem confronting Canada was less under-Planning, than it was under-Production. Unutilized resources lie dormant in the Canadian economy, they pointed out, because Canada's restricted markets for foreign trade do not allow our industries to produce at maximum capacity (hence, maximum employment).

What Canada needs, therefore, more than another addition to our already over-large State bureaucracy, is admittance to broader foreign markets, wherein we can sell our products. The problem, as Mr. Newman so eloquently outlined it, is that our traditional trading patterns are being broken down: Britain is entering the Common Market, Europe, under EEC, is becoming closed to us as a large market for exports, and the United States is closing us out of her large internal markets with higher tariffs, What the Western nations, and particularly Canada, would really benefit by would be a massive reduction in the barriers to trade—i.e., tariffs, restrictions, quotas.

With larger markets for Canadian products, Canada can up her productive capacity, create massive new

employment and prosperity, and begin riding the crest of another boom. The Trade Expansion Act of President Kennedy may well be the tool we can use to pry the lid off the foreign markets we need, Mr. Newman said. We can use the TEA for our own purposes; but only if we are willing to reduce our own tariff barriers can we hope to persuade other nations to lower theirs. Increased exports we can have, but only at the price of increased imports.

In order to be allowed to compete more widely abroad, we shall have to be willing to compete here, at home, in Canada—often with foreign industries often capable of greater economies and lower prices. What this signals for Canada, if we decide to adopt a freer trade policy, is a massive re-alignment of the Canadian economy over a period of several years, perhaps decades. Massive movements of Capital and Labour (that means population) will have to be effected. We must be willing, therefore, to pay the price for increased prosperity: transitional unemployment on a larger scale, and re-training schemes to re-allocate those displaced; the disintegration of marginal industries as the economy becomes geared to production only in those items that it can produce cheaply and efficiently; and the movement of large sectors of the population out of inefficient areas of production and into efficient areas.

Any way you look at it, Canada is going to have to make

some stirring and painful decisions in the next few years—and very soon, too, or else we shall soon awaken to find that our nation has been left behind the more progressive and adaptable peoples, in the debris of economic history.

Naturally I cannot agree that massive large-scale Economic Planning is either necessary or desirable. Canada must become more dynamically prosperous, but must remain free as well. There are those among us who would willingly barter individual liberty for a guarantee of personal or national economic security. I am not among them.

The Laval Congress asked more questions than it answered. I suppose this is how it should be. Not too many of the delegates would agree that any one, specific, concrete proposal would be best for the country as a whole. But no delegate returned home, I am sure, unimpressed with the national economic challenges that lie before us, or with the pressing necessity for a more meaningful national dialogue concerning the solution that must be found for those problems. One thing stands: it will take many more Laval Conferences, held in the history-exuding surroundings of charming Quebec and the Chateau Frontenac, before the Left will succeed in convincing very many that it has the answers to Canada's economic ills.

I was proud to represent this University, and I want to thank those people responsible for selecting me as a delegate.

## WE HAVE THE RIGHT

by Robin Hunter

Despite some operational and administrative hitches, I found the Laval conference both rewarding and enjoyable. On behalf of my fellow delegate and myself, I would like to thank the Students' Unions of the Universities of Alberta and Laval for making our attendance possible and worthwhile.

After the second day it became quite evident that the main issue of the conference was to be economic planning as a solution to our economic problems. One fact which impressed me was the acceptance by a large body of the delegates that economic planning was desirable, and that the real issue was "what kind of economic planning?" This certainly must be considered as a real change from the attitude which would have prevailed several years ago, when debate would probably have centered around ends rather than means.

The climax of the debate on planning was reached on the last day, when a resolution (made by one of the delegates from Alberta) calling for economic planning encouraging provincial initiative, but not opposing federal initiative was passed by a healthy majority.

The case for economic planning seemed to be used on the following grounds:

With an economy vastly increased in size and complexity, yet with only a relatively small proportion of the population having any real control over economic policy, economic decisions were made which were not necessarily in the interests of Can-

ada as a whole.

Consequently the people of Canada have a right, through the democratically elected government to plan their economy to ensure full employment, a stable rate of growth, reasonable allocation of resources and a just distribution of income.

The four main advocates of economic planning speaking at the conference were T. C. Douglas, New Democratic Party Leader; Francois Albert Angers, head of the Montreal Institute of Applied Economics; M. Jean Marchand, president of the French Catholic Trade Unions, and David Lewis, New Democratic MP from Toronto who debated with Real Caouette.

Mr. Douglas outlined his party's method of economic planning. A planning board, responsible to the cabinet would be set up to do the following:

1. Find out (from an economic advisory council representing agriculture, other primary producers, commerce, industry, labour and consumers) a general picture of what is expected and wanted from the Canadian economy by various groups.
2. Find out what the economy is capable of doing on available resources and technology. This would entail a study of natural resources, size and skill of the labour force, size and type of capital proportion of private and public investment, technological ability, and consumer demand.
3. Set up a group of goals within the limits of the economy, based on the groups' choices.