

National Economic Development Board

the blame if things do not go right. I would ask the government tonight, through the Minister of Finance who speaks for it, what assurance do we have that this proposition now before us will actually produce the desired result?

I would also remind some members of this house that while the Minister of Finance has studiously avoided the word "planning", planning is not the answer at all. After all, the best planning of those who believe in the ultimate of planning—I am speaking of governments such as those in China and Russia—has failed to increase farm production or to accomplish many of the objectives for which it was designed. Even in the United States far too many planning attempts have resulted in failure.

I think that in this regard there are a few basic principles which we must consider. The problem created both by Liberal and Conservative governments of the past arises from the mistaken belief that the change in our society from a rural agricultural society to an urban industrialized economy has resulted in such complexity within the community that the individual is no longer able to deal with these added strains. Therefore the government has felt it necessary to assume control to the point of practically telling everybody what they must or must not do. Herein lies the great danger before us.

I was interested in a passage in the book "*The Good Society*", written by Walter Lippmann, which reads as follows:

It is generally supposed that the increased complexity of the social order requires an increasing direction from officials. My own view is, rather, that as affairs become more intricate, more extended in time and space, more involved and inter-related, overhead direction by the officials of the state has to become simpler, less intensive, less direct, more general.

In this regard as well, I think the present mayor of the city of Calgary made a very profound statement when he was looking back on what he was trying to achieve in government administration at the municipal level. This is his statement:

Our policy is based on the principle that government in any form, municipal, provincial or federal, is essentially a housekeeper, providing the services that people cannot obtain in the free market and providing an atmosphere in which people, of their own free will, can, with security, work toward their own destination. Our basic function is to keep out of the people's way. It is notable that the results, from the point of view of the Calgary administration, have successfully proven this point.

Now, planning is good. But planning which reaches down from the top defeats the very purpose of a democratic society. Planning that permits people collectively to work together and plan from the grass roots up is good

This is the kind of planning we must have, and the kind of planning that such an economic development board must give if it is going to accomplish anything positive for the country.

My proposition tonight is going to deal briefly in generalities, but it is going to centre around the board that was set up not too long ago by the present government and which is known as the national productivity council. I believe that if we are going to gain a proper perspective of what this economic development board is concerned with, we must take careful consideration of what the national productivity council is, what it has tried to do, and what it has laid out in its program to do in the future. The national productivity council, established by act of parliament in December 1960, followed the pattern of some 70 similar successfully functioning ones in various parts of the world. Its purpose is to assist our economy and to improve industrial efficiency to enable Canadian industry to be better able to compete in markets at home and abroad. In this regard, parliament initially voted the national productivity council an annual amount of \$150,000, which in my estimation is just a token. Certainly it is not enough to carry on the scope of its activities. The council was clearly set up as a body completely independent from the federal government and outside the public service. I want to make this very clear, because we must not confuse its objectives with those of this board, which obviously, from what the Minister of Finance has said, will have a closer relationship with government.

A number of constructive criticisms have been levelled at the national productivity council. First, the term "productivity" means sweated labour to many unions. Next, the appointment of cabinet selected individuals greatly restrains the value of the council's potential effect. Representatives of appropriate national organizations should be accepted upon recommendation by the latter, rather than by the government. For example, the present procedure left out the industrial unions—those which were formally the C.I.O.—without a national productivity council member. The above proposed changes would immediately give the council's work a much broader and a more penetrating effect. The need for more adequate funds remains acute. The initial sum voted is clearly completely inadequate to trigger off any major drive at the national level with labour's support for raising our industrial efficiency. Amateur sports now receive \$5 million per year. If the national productivity council could have a budget of, say, \$15 million per year, then I believe it would be able to go forward and