

said what we should complain about was not the man who makes a profit, but rather the man who does not. Because, he said, after all his business goes broke and he ceases to be an employer.

And now I go on from the *Economist*:

There is a conspiracy of labour, capital and the state to deny enterprise its reward. The state takes it away in high taxation. All economic progress is, by definition, labour saving; yet the attitude of the trade unions, successfully maintained, is that they will permit labour-saving devices only provided that they do not in fact save labour. Nor is the attitude of organized capital any better. The embattled trade association movement has had great success in building up a code of industrial good manners which puts any attempt to reduce costs and prices by greater skill or enterprise under the ban of "destructive competition." The industrialist who discovers a way of making better things more cheaply (which is what he is sent on earth to do) is deprived by the state of all pecuniary return and by his own colleagues of any social reward. Instead of a carrot he gets a raspberry.

And there is one further quotation from the *Economist* I wish to read:

Britain finds herself today between two great competitors both of whom, in their different ways, keep a sharp edge on the motives that lead to action. In the United States, glittering prizes have always been offered to the ambitious, and they glitter no less today. Some attempts have been made in America to encase the stick in velvet, but they have not gone very far. The difference in welfare between employment and unemployment, between success and failure, is still unmistakably sharp, and to offer to the incompetent the protection of restrictive practices is (with the time-hallowed exception of the tariff) contrary both to the law of the land and to the prevailing morality. The Soviet economy made an original attempt to do without incentives or sanctions, but it has long ago re-introduced them. Nowhere in the world today is a bigger premium paid for skill or intelligence or effort or (within the limits of a planned economy) enterprise. And nowhere, certainly, are the penalties of incompetence or laziness more sharp.

I want to come back now for a few minutes to these two kinds of economy, the so-called planned and the so-called unplanned. In the first place let me say that the idea that an unplanned economy is unplanned is sheer myth. Nobody believes that a business could last for one week if it were not planned. Every business is planned. The difference between the fully planned and what is sometimes called the unplanned economy, or what I call the private enterprise economy or the free enterprise economy, is this: it is the difference between a few people planning for all, with thousands and thousands of officials and people planning for themselves—and it will be noted that I am not using the word "bureaucrats".

Mr. ILSLEY: It is an improvement.

Mr. MACDONNELL (Muskoka-Ontario): They have thousands and thousands who come under them to carry out their will.

I should like to give some figures I have here to show what has happened in England in that respect. In England apparently civil servants increased in number from 1,450,000 in 1939 to 2,130,000 in 1946. And I should like to remind hon. members of the remark made in the house not long ago by the hon. member for Stanstead (Mr. Hackett) when he pointed out that this huge mass of officials has invaded office buildings in a flood, so that not only are they themselves withdrawn from useful work, but they are actually an obstruction to other people who hope to do productive work.

Mr. COLDWELL: How many of those officials are there because of the war?

Mr. MACDONNELL (Muskoka-Ontario): I cannot answer that.

Mr. COLDWELL: Because our own figures have gone up, too.

Mr. MACDONNELL (Muskoka-Ontario): Yes, and I am glad my hon. friend mentioned that, because our own figures have gone up enormously. I believe they have gone up, roughly speaking, in the civil service, from 75,000 to 150,000. And I think that does not include special boards.

Mr. McCANN: It is 133,000.

Mr. MACDONNELL (Muskoka-Ontario): We should have had that figure before, because we have not heard it up to now.

Mr. McCANN: That is the official figure from the bureau of statistics.

An hon. MEMBER: It does not take into consideration crown companies.

Mr. MACDONNELL (Muskoka-Ontario): As I said, in the fully planned economy we find a few people at the top and a mass of civil servants to carry out their will. That implies two things; it implies, first of all, that you have comprehensive wisdom at the top, which, I maintain, just does not exist. And secondly it means that when you have that planning at the top, you must have your planning carried out.

For instance, if certain decisions are arrived at regarding labour, then I think it is quite clear you cannot have collective bargaining in force. There may be some question raised as to that, but that is my belief.

From what is happening in England, a country which we think of as the home of freedom, I think it is clear that you have