

Scenario for a Planning System

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"ECONOMISTS," says an AP dispatch, "have been talking in scenarios of late, the better to protect their reputations at a time when any of a dozen variables might skew a forecast. Will the Carter programme overstimulate the economy? Refer to scenario A. Will the deep freeze in the East and the drought in the West continue? Use scenario B. Will Arthur Burns pursue a tight money policy? See C."

A new scenario has emerged in the U.S. from the Advisory Committee on National Growth Policy Processes. In its report to Congress and the President, recently issued, the scenario is that America should become a "planning nation" but not a "planned nation." A neat trick if you can do it.

The Committee advises the American people—and prospective immigrants—that the American Dream of riches for all and "every man a king" is an obsolete scenario. It is "philosophically inconsistent with today's reality." Instead we must conserve, calculate our stockpiles, establish priorities and goals, plan more carefully the use of our limited resources and coordinate all sectors of the economy.

Thus the Committee adopts the current notion that we have been too profligate and must cut down on everything—an attitude not particularly conducive to the growth and development it claims it wants.

America grew not merely because it had vast natural resources but because they were made accessible to people who spread across the continent. In many early colonies in North and South America poverty and stagnation existed despite abundant resources because feudal-type systems were imposed. When these were lifted, the "great leap forward" took place. Then the continent's resources were monopolized and economic woes started multiplying. Abundant land and resources are still there but their use and devel-

opment are hampered by monopoly, special interests, repressive taxation, government bungling—not by too many people or too much production.

The Committee wants the creation of a National Growth and Development Commission — as though the answers lie in the creation of yet another government bureau. Is there anything in our experience to lead us to believe that a new government office is going to solve our problems? One has only to look at the bureaus already established to promote our economic welfare in order to see a sad story of bureaucratic mischief, misappropriated funds, wasted millions, the creation of little empires, and a general worsening of nearly every situation that has been touched. "Urban renewal" is only one of the many nightmares produced by this sort of "planning."

The Committee is mindful that the American people feel left out of things and believe the government does not care what happens to people—a feeling that has become more pronounced in the last decade. Can it not also be noticed that the same period has witnessed a huge growth in government—including those areas that are supposed to take care of the general welfare? (Incidentally, what a travesty the word "welfare" has become! It now just means government handouts to the rejects of society, those who cannot be absorbed into the system.)

In the view of the Committee, "planning, American style" will be "different" and not have the dictatorial qualities associated with planning. What guarantee have we of that? Every increase of government so far has eroded our liberties. The Internal Revenue System has become a powerful Moloch endowed with inquisitorial and confiscatory powers. The FBI and CIA have become a grey eminence in our midst. The Department of Health, Education and Welfare is riddled with monumental mistakes. "Planned chaos" is

an apt term for much of what has occurred.

"Historically, Federal intervention has been most severe in times of *unforeseen* emergency," says the Committee. With economists admitting they don't have the answers to our problems, how can they foresee what will happen? It was the Great Depression—unforeseen by experts—that gave government intervention its biggest boost.

Planning *per se* is not to be condemned. There are areas which have to be planned, such as the construction of roads and public works. But when planning is conceived out of a misapprehension that the "bread and butter" business of society has gone haywire and must be centrally planned, then the road is open for much mischief.

There is nothing wrong with a free enterprise and free market system provided that monopoly and privilege are weeded out. If it does not tackle this task, a planning programme can only compound the troubles that plague us, as has been amply demonstrated by the experiences we have already had.

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COLLECTING THE RENT IN HONG KONG

CONTRACTS have been placed for work on a mass transit system which will run for 15.6 Km., partly under Victoria Harbour in Hong Kong. Fifteen stations will be built and the system has been designed so that it can be extended progressively in later years. Says the *Estates Gazette*, "Considerable property development is expected to take place along the route of the railway and, already sites close to the proposed stations are in demand, and prices paid are likely to be high. . . ."

An interesting feature of this common-enough instance of land prices rising with increased transport facilities is that the Crown owns the land and land values will be returned to the community—though as the years roll on, the Crown's system of high premiums and nominal ground rents tends to favour the tenant rather than the community.