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ADDRESS OF

MR. R. C. BERKINSHAW

President, Citizens' Research Institute of Canada

AT COMBINED ANNUAL MEETINGS OF

TORONTO BUREAU OF MUNICIPAL RESEARCH

AND

CITIZENS' RESEARCH INSTITUTE

TORONTO, APRIL 27th, 1943

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MR. CHAIRMAN AND GENTLEMEN:

I appreciate the opportunity of speaking to you to-day in my capacity as President of the Citizens' Research Institute of Canada. What I have to say cannot by any means be classified as a speech. It is merely a composite of a few thoughts which I put together yesterday on my way back to Toronto by plane from a very interesting and constructive visit with the Rubber Director in the United States to a large Plant, way down in the deep South, where some of the raw materials and two of the types of synthetic rubber which we are undertaking to produce in Canada, are now being made. As you may know, my time is almost entirely absorbed in this special and urgent war programme. I must also admit that in concentrating my whole attention on that one single objective, I have had to neglect such interests as those of the Institute; in fact, I would much rather talk to you about my present work, of which I should know something by this time, than speak about matters which, while more closely related to the work and functions of the Institute, could be much more adequately and capably considered by many of those present to-day.

The 23rd Annual Report of the Institute has been presented to you to-day, and I do not need to further elaborate on the statements made by Dr. Brittain and Mr. Rogers, President of the Toronto Bureau of Municipal Research, in connection with the work of the Institute, except to say it is

our conviction that even in these strenuous times — but more especially looking forward to the years of reconstruction which must follow the war — a vigorous and virile programme of independent research, with adequate publicity given to its findings, will be of vital importance, and the need for continuing, without interruption, the work of the Institute follows as a natural corollary.

Indeed, those of us who have in the past devoted some time and interest to its affairs are of the opinion that the greatest care must be taken to see that the standard set by Dr. Brittain, as its main motivating factor over the past 23 years, is adequately maintained and fully sustained.

As Canadians, our present main consideration is the successful prosecution of the War. All our efforts, our energies and our resources must be directed toward that end. But, to-morrow's task is also part of to-day's and while concentrating on our main objective

we can — indeed, I think we must — give some consideration to the post-war period. It is often said that winning the Peace will be harder than winning the War.

Let us, therefore, at least be well prepared for the leadership that we must

give toward winning the Peace, within and without our own borders. Independent mediums of thought and research such as the Institute, can serve to point the way, untrammelled by affiliations of party or class and uninfluenced by sectionalism or any other "ism". The Tax Conference Reports (Nos. 198-200), which have recently been published by the Institute under the title of "Much is Heard about Post-War Planning and Reconstruction" are instances of what I mean. Of course, we do

not know how long the War may last. It may well last many years. Nor can we foretell — with any degree of accuracy or precision — the pattern into which the post-war world will fall. But, we can certainly assume that one of the main problems will be a struggle between what we may call ideals of individualism vs. collectivism; a completely controlled economy vs. free markets, freedom of enterprise, association and so forth.

Now, since for nearly two years I was doing some special work for the Canadian Government related to war-time controls of materials and services, Mr. Rogers suggested that for the purposes of this meeting I might express my views on the subject of post-war controls, their discontinuance or their imposition, and I suppose I can safely do that because I am no longer connected with that phase of our war-time activity.

At present, the types of control fall into five categories:

- (1) There is first the control of persons as to the nature of their work, their wages, the prices they pay for supplies, the amount of supplies they can consume, the amount of rent they shall charge or receive, etc.;
- (2) There is the internal control of business and industry on the basis of its essentiality or non-essentiality and if considered essential, the order of priority into which its requirements fall;
- (3) There is the control, for war purposes, of materials — such as metals, lumber, rubber; of foods, such as bacon, cheese, etc.;
- (4) There is the control of transportation and communications for Allied War purposes; and,
- (5) The control of finance through the control of foreign exchange and through the imposition of income and excess profits taxes.

There should be no question as to the necessity of these controls in war-time; in fact, I am convinced that it is impossible to undertake a War of this magnitude without the imposition of such restrictions. But, business, industry, finance, labour and even the Government look forward to the time when these controls can be terminated. The question is —

which of them can be dropped or lightened and which must be continued or even strengthened if they are not to develop chaotic conditions at the end of the War. My own thoughts on that subject are that most, if not all of our war-time controls should be removed in the post-war period, but that removal must, obviously, be on a gradual basis. It would be disastrous to take the lid off too quickly. There are fields in which, of course, state action can function to a better advantage than individual or corporate effort, without in any way infringing on individual enterprise — where the state can find abundant scope for action.

As the Lever Report points out — a self-imposed discipline on our part can help in the solution of our post-war problems, but although the Government's main task would seem to lie in fostering regular capital investment, and through it regular employment, this does not imply the exercise by Government of direct control over production. It means, rather, the exercise by Government of the indirect control which it possesses through its monetary and budgetary policies. It is conceded that controls of this nature must be maintained after the War.

It has been characteristic of our war-time controls that industry and business has not only co-operated in the imposition of these controls but has contributed (in many cases, gratis) the experienced personnel required to operate them — at least to head them up. There is a danger that when the pressure of the War is over, these industrialists and business men who have so freely given of their time, their talents and their energies may be drawn back, either voluntarily or involuntarily, into their respective fields of activity in private enterprise and their places taken by others who — to say the least — would not have the same altruistic viewpoint. Those presently in charge of our war-time controls have — in most instances — brought to their work the viewpoint of private enterprise and to a large extent maintained a balance which might be lacking in a post-war set of controls. Care must be taken to maintain that balance through the continued interest of a duly qualified personnel as long as the control is necessary.

A completely controlled economy in the post-war period would, undoubtedly, mean a vast army of Civil Servants (of course, under the over-riding power of Parliament) but still having the power to direct men and women, materials and equipment into those activities which will conform to a predetermined plan. If such a situation results, it certainly means the loss of our freedom — particularly our political freedom — and

Necessity for an independent agency of research and publicity in the realm of public affairs

To-morrow's task is a part of to-day's

Individualism versus Collectivism

Types of Control

Balance can be attained only by Qualified Personnel

Bureaucracy versus Democracy

we would undoubtedly reach a position where less emphasis would be given to capacity or efficient production and where the stress would be placed on publicity and public relations. It would not be a true democracy.

There is also no reason to conclude that a profit *and* loss system would be lacking in efficiency; in fact, our past record and the contribution which business and industry have made in the present War prove that quite the contrary is true.

Mr. William H. Moore, in an address delivered to the Canadian Club at Hamilton, made some very pertinent and comprehensive statements which I might quote at this time:

“it is a matter of record that only as government was relieved of the burden of managing economic affairs were people enabled to govern themselves; and as governments have returned to economic interventions so have people lost the right of governing themselves.”

And further:

“that men, working voluntarily in the hope of reward, are more productive than those who toil at the command of the state.”

And again:

“once the state has taken possession of the means of production, there can be no political freedom.”

After the War, there is no reason why capital, labour and the consumer should not join together in an attack on the problem of unemployment and lead in the search for improvement in the technique of production and in methods of distribution, seeking in this way to expand consumption, increase employment and render greater service than ever before. So much for our domestic controls.

After the cessation of hostilities, it would appear that certain international controls will have to be established:

- (1) To ensure the feeding of the world on the basis of nutritional needs — on an orderly co-operative international plan;
- (2) To rehabilitate plants and supplies of occupied countries;
- (3) To find homes for millions of dispossessed people and to revise the existing immigration policies;
- (4) To establish financial controls on an international basis so that international trade may be resumed at once.

New after-
the-war
Controls

The main points which arise here are, of course, how to maintain private enterprise within countries and — at the same time — maintain a system of international control, and how to remove the handicaps to the free interchange of necessary materials and services.

Those are problems which deserve our deepest consideration. To find a solution, it will be necessary to examine closely all proposals which have been and are being made in order that a global programme will be reached which will be found acceptable by all Allied Nations and which will be just and fair to all enemy countries. This will form the basis upon which private enterprise and Governmental authorities can set up their short term and their long term plans.

I am convinced that to proceed solely on the basis of our own personal or national point of view — however enlightening or enlightened we believe it to be — will only make for inevitable confusion and disagreement. The way of co-operation and mutual aid is not only the road to Victory, but the path of freedom and the era of freedom will be achieved only as human welfare becomes the main concern of men and of Nations. We hope that when the War is over and the enemy has been utterly defeated that the peoples of the world will be ready for a great forward movement. The Governments of the United Nations must be prepared to lay sound, business-like plans which will assure that our advance is not merely a leap into the dark. In time of War, we desire urgently and passionately to do our utmost to help the cause, to assist our Allies whatever the cost may be to ourselves; that same spirit must prevail in us when the War is over and if we can at least approach the task of reconstructing the post-war world with that resolution in our hearts, we and those who come after us may, in time, be able to accomplish a great Victory in Peace for justice and for the common people in every part of the world.

Problem of
coordinating
International
Controls and
Internal
Freedom of
Enterprise

Mutual aid
only road to
Victory and
Freedom after
Victory

The Bureau of Municipal Research is, and has been from the first, supported by private subscriptions from public-spirited citizens. It has received no governmental or municipal grants, for the reason that its statements of facts, and suggestions as to policy, must not only be independent and unbiased, but must be so considered by the general public. The value of the Bureau to the citizens of Toronto depends on its independence as an agency of constructive criticism and citizen co-operation.