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SOME POINTS ABOUT THE CANADIAN AND UNITED STATES CIVILIAN SUPPLY SITUATIONS

Note: This background material on Canada's General Supply Situation was prepared to fill requests for facts from publications in the United States. Although not intended as a complete examination of the whole Civilian Supply and Price Control picture in Canada and the United States, the material was designed to explain certain points concerning the relative Canada and United States Supply positions.

Two Countries - At times Americans and Canadians have been puzzled to discover in a report from an international agency such as the Combined Food Board that Canadian and United States consumption of a particular commodity is about the same, and yet in some big American cities the commodity will seem to have almost disappeared. Meanwhile they will read in their newspapers reports from roving American journalists that there appears to be no scarcity of this particular thing in Canadian stores.

There are different reasons for this strange situation, differing of course for various commodities. But common to almost every case of this kind is a factor which was mentioned in a statement to the Canadian House of Commons by the Minister of Agriculture, Hon. J.G. Gardiner on March 27, 1945:

"....on the other side of the line they have a greater difficulty in equalizing the distribution than we have on this side."

There are several reasons why Canada has been in a position to effect a more balanced distribution of her civilian supplies; among them are these:

1. Canada introduced over-all control of prices and distribution earlier--a most important factor in the science of price control. Canada declared war against the Axis on September 10, 1939, and in October of 1941 her policy of over-all price control was announced. Although the U.S. did not enter the war until December 7, 1941, increased war production in the United States during 1940 and 1941 pushed wages and prices up. The U.S. over-all price freeze was not introduced until May, 1942, and in some instances not even then. The freeze on farm products, for example, was not imposed until October, 1942. Once inflation gets a head start, it is difficult to stabilize prices and distribution.

2. Canada has a much smaller population -- eleven and one-half million as against 130 million. Obviously, this makes the Canadian job of price and rationing easier to handle. Also, Canada has only one big city of over 1,000,000 people, and one almost a million where the United States has about a dozen that size and many others almost as big. And it is in the complicated distribution economy of a big city that most complaints arise. Canada is predominantly a rural