



AIRMAIL BULLETIN

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Gordon Stresses Need for Public Support: In the last of a series of five broadcasts on price control, Prices Board Chairman Donald Gordon last night warned Canadians that it is their choice whether readjustments needed in present abnormal post-war conditions should be controlled or uncontrolled. "We should remember that it would not be difficult to break down price control if enough people lose interest in maintaining it," he said.

If re-adjustment was to take place without government supervision "we must be prepared to accept sudden and sharp advances in prices of many necessities and a condition of near-chaos in the field of shelter." We would also have to "take the very serious risk--in my view a certainty--of a following slump in prices, in employment, in income and especially in farm incomes." This was one of the "main certainties" because "assumptions to the contrary have been so consistently disproven."

He contrasted conditions in Canada with those in the United States and other countries and pointed out that "every returning traveller tells us how fortunate we are in comparison with peoples in other lands."

"Take a really good look at conditions in the United States and decide honestly if the American boom can go on for long without a time of reckoning, without a period of re-adjustment," he said. "How long will our neighbours be prepared and able to pay such prices as 80 cents to \$1 a pound for butter, and, at the same time, be able to buy the great flow of such things as refrigerators and radios which are in the making?"

"Recent events in the United States where all price control has been removed, except on rentals, sugar and rice, are bound eventually to have a marked influence upon this country. But, it is, nevertheless, possible for Canada to avoid the painful type of sharply inflationary and subsequent deflationary adjustments which are all too evident in the land of our great neighbour.

"We need not hesitate to take some pride in our self-disciplined approach so far and in our shrewdness in refusing to buy a pig in a poke--which is inherent in the boom and bust method of adjusting an economy still distorted by the strains of a great war.

"...we now have an excellent opportunity to study the effects of the United States example before this country takes the same plunge. By holding firmly to our present course, we can have the benefit of being able to form a judgment on the wisdom of our actions simply by contrasting price and supply conditions here with those of the United States.

"It may turn out that disorderly conditions in the United States are short-lived; it may be that large scale production will rapidly stabilize prices. If that should be the development we, in this country, can quickly adjust ourselves to it. It should not take very long before the United States picture becomes clearer, and then we can choose our own time for complete decontrol. . ."

Mr. Gordon said the Prices Board had given "a great deal of thought" to the question of removing price controls in some fields, "but it is abundantly clear that the control system is too interlocked to permit any such big fields of decontrol in present circumstances of acute shortage." It would not be possible to administer "that kind of half-free, half-control system. . ."

Nova Scotia Prepares Alternative Proposal: Following a Liberal Party caucus at Halifax, Premier Angus L. Macdonald said Nova Scotia was not "wholly" satisfied with the Dominion tax proposals and would prepare alternative proposals for submission to the Dominion. Finance Minister Ilsley and Mr. Macdonald both addressed the caucus. (CP)

United States Embassy to be Enlarged: The United States government has acquired the old Quebec Building and Bank of Ottawa properties next to the U.S. Embassy on Wellington Street in Ottawa to provide space for an addition to the present Embassy building when labor and materials become available. (CP)

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