

a wartime rise of over 30 percent in both the United States and Great Britain, and one of 74 percent in Canada from 1914-1919).

The pressure of rising costs of essential goods was reduced by the Board in a number of ways. Whenever possible, increased costs were distributed among various sections of the trade, wholesalers, distributors, retailers--in order to minimize the pressure for higher consumer prices. Cost reduction and simpler methods of production were studied and recommended; many were voluntarily introduced by industry, but, where necessary, formal simplification orders were issued by the Board. Simplification of production in Canada aimed at reduction in the number of lines manufactured, at streamlining both manufacturing and distribution methods, rather than prescribing utility or standard types of goods.

Rises in the cost of essential imports were offset by payment of subsidies, by remission of some of the duties and taxes on imports, or by taking losses on Government bulk purchases of raw materials.

In addition to price levels, the Board was also directly concerned with the volume of goods and services available to civilians. In order to offset shortages due to war production needs, the Board instituted the directed production of some textiles in short supply in 1943. Production of certain household appliances and farm machinery was also directed. Direction of production was accomplished by allocating the total output required between the various manufacturers and arranging for material and, in many cases, for labor priorities.

To ensure the equitable distribution of commodities in short supply, coupon rationing for sugar, tea, coffee, butter, and gasoline was instituted in 1942. Meat and preserves were added to the rationed list in 1943. Permit rationing was employed in the case of commodities essential to certain groups: electrical supplies, farm machinery, shotgun shells, etc. Goods in short supply were allotted by wholesalers to merchants in accordance with their prewar requirements in order to ensure equitable distribution.

Effective control of all supplies was maintained through the close cooperation of the Wartime Prices and Trade Board and the Wartime Industries Control Board of the Department of Munitions and Supply--which controlled the production and distribution of basic materials and services for war production.

The control of wages and the effective organization of the labor supply directed by the Department of Labor, and the wartime fiscal policy which regulated the volume of consumer demand, were likewise decisive factors in the wartime battle against inflation.

Continuing Controls

The Wartime Prices and Trade Board continues its anti-inflation program in Canada today. The emphasis now is on the progressive relaxation of emergency controls, leading to the re-establishment of a free price system as soon as domestic and world conditions no longer contain serious threats of inflation to the Canadian economy.

The price and wage controls still in force are under constant review and adjustment to meet changing conditions. In order to stimulate economic incentive for full peacetime employment of Canada's resources and manpower, the present aim of the Board is to retain controls only to the degree essential in combating inflation.