

PART I.—GOVERNMENT AIDS TO AND CONTROL OF INTERNAL TRADE

Section 1.—Wartime Controls Affecting Distribution and Trade*

The pressure of war production and the high level of consumer demand continued to produce shortages of consumer goods during 1944: these necessitated special steps to ensure equitable distribution of supplies to wholesalers, retailers and to the public. The "equitable distribution policy"† of the Wartime Prices and Trade Board, i.e., the allocation of goods in short supply by manufacturers and wholesalers to their customers in proportion to sales in 1941, has worked fairly well in distributing to retailers a wide variety of scarce goods and thus affording consumers a reasonable opportunity of filling their requirements. The distribution of a few important goods is controlled more strictly through permit rationing, by coupon rationing, or through a system of priorities. To assure an even flow of raw materials into war production, the Controllers of the Department of Munitions and Supply in almost all instances have found it necessary to exercise their controls not only over the uses but also over the distribution of the materials under their jurisdiction. This has been true of the Steel Control, Metals Control, the Timber Control, the Rubber Control, the Coal Control, the Oil Control, the Chemicals Control and others. (The development of distribution controls up to 1944 is described in the Canada Year Book 1943-44, pp. 521-526.)

Licensing

In November, 1942, the establishment of a new business or the undertaking of a new line of business was prohibited, except under permit issued by the Wartime Prices and Trade Board. This control was of particular importance in the field of wholesale and retail distribution. It facilitated the policy of equitable distribution and prevented unnecessary dispersion of scarce goods.

By the summer of 1944, however, a number of considerations had arisen which made it possible and desirable to relax this control. There was some indication that increased supplies of materials would be released for civilian uses, which would make possible a small expansion of civilian production and of the number of distributive outlets. Where supplies were still short, Board techniques for controlling the distribution of goods in short supply had been developed to the point where it seemed unlikely that new businesses would be able to procure supplies at the expense of established businesses. At the same time, existing restrictions on new businesses had become particularly difficult to administer, since they put the Board in the position either of refusing all applications or of discriminating between one type of new business and another, or between one applicant and another. In these circumstances the Board's decisions would have had a significant bearing on future employment opportunities. Decisions of this kind were becoming particularly difficult in view of the increased number of applications coming forward from ex-servicemen.

In view of these considerations the regulations were revised in June, 1944, and since then permits for new businesses or new lines of business have been issued quite freely. The only occasions for refusal arise where the applicant will require a

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† "The equitable distribution policy" is described more fully in the Canada Year Book 1943-44, p. 521.