

## PART II.—GOVERNMENT AIDS TO AND CONTROL OF DOMESTIC TRADE

### Section 1.—Controls Affecting Distribution and Trade, 1947-48\*

With increased domestic production and a heavier volume of imports, supplies showed substantial improvement in 1947, though a few more or less acute shortages persisted. An easier labour situation and the recovery of raw material supplies, both domestic and imported, were reflected in a significant expansion of output in many lines. In the important fields of metals, durable goods, building materials, pulp and paper products and textiles a very high level of activity was achieved and production of some items reached record levels. Supplies of some important commodities such as steel, farm machinery, durable goods and textiles (particularly cotton textiles) were further increased by a higher volume of imports. Agricultural production in contrast to the general trend in domestic output fell off somewhat though there were gains in some lines. The supply of oils and fats improved slightly with larger imports but remained sufficiently acute to require the continuation of quota restrictions on industrial use. Similarly the tin supply eased somewhat in the latter part of the year but, since tin is still under international allocation, control was retained to protect essential uses for this metal and restrictions on the manufacture and use of metal containers were also continued.

With the exception of these and a few other controls retained in some important cases (notably lumber and agricultural products) to protect domestic requirements and prevent the forcing up of prices in the Canadian market to high export levels, all supply and distribution controls associated with the post-war stabilization program were withdrawn during 1947. Export controls were lifted on a large number of products, generally concurrent with or shortly after the lifting of ceiling prices on the commodity concerned. Food rationing was ended with the termination of the rationing of meat, butter, evaporated milk and sugar. Various restrictions in the textile and pulp and paper fields were also discontinued. The situation is reviewed in detail below.

**Equitable Distribution Policy.**—Under the original Policy governing the distribution of goods in short supply, manufacturers and wholesalers of scarce goods had been required to allocate supplies to their customers on the basis of 1941 sales to these customers. Subsequently some goods had been exempted from the application of the Policy while, for certain other goods, freedom of distribution with respect to 20 p.c. of current supplies had been permitted provided that reasonable quantities were made available to ex-service men. In January, 1947, all goods remaining subject to the Policy were placed in the latter category. At the same time a number of additional items were entirely freed from the application of the Policy. The scope of this control was steadily narrowed through 1947 as goods released from ceiling prices automatically ceased to be subject to the controls of the Equitable Distribution Policy as also did those that were no longer in short supply. However, late in the year the canned fruits and vegetables and canned citrus fruit juices on which ceilings had been reimposed were placed under the Policy as an aid to the effective enforcement of ceiling prices.

\* Prepared by the Wartime Prices and Trade Board. This article deals with developments in 1947 and the first half of 1948. Information on distribution controls and rationing since their inception during the war years is given in the Year Books 1943-44 (pp. 521-526), 1945 (pp. 564-571), 1946 (pp. 574-578), and 1947 (pp. 757-763).