

Company Limited (later Polymer Sales and Service, Limited), absorbed by Polymer Corporation for the purpose of settling liabilities; Veterans Housing (Ottawa), Limited, and Veterans Housing (Toronto) Limited, absorbed by Wartime Housing, Limited, which, in turn, was absorbed by Central Mortgage and Housing Corporation.

Crown Companies established during the War whose work is not yet completed are: Canadian Sugar Stabilization Corporation (formerly the Wartime Food Corporation) and Commodity Prices Stabilization Corporation Limited, both associated companies of the Wartime Prices and Trade Board; the Malton Water Company, which leased its rights to a private company with option to purchase; the War Assets Corporation; and the Park Steamship Company, Limited, which was continued as a ship-selling agency for War Assets Corporation. Several other Crown Companies established during the war years that will continue to function on a peacetime basis are mentioned in the Introduction at p. xxxii.

### Subsection 6.—Decontrol of the Economy

When the War ended, strong inflationary forces were latent in the national economy. The experience of previous wars, and particularly of the First World War, was that inflationary effects and other maladjustments in the economy had their most disrupting influence after rather than during hostilities. The principle adopted by the Government, therefore, was to retain the system of controls and utilize it to redirect resources to civilian production and to hold inflationary pressures in check in order not to disrupt the prices mechanism too severely. As early as the situation warranted, however, specific controls were to be dropped.

The extraordinary powers to continue controls were based, in the first instance, on the War Measures Act, then on annual Emergency Transitional Powers Acts. Every Department of the Government has had a hand in the decontrol program. The problems of decontrol were not easy to solve. Not only was there the problem of timing the relaxation of a control with due regard to demand and supply considerations, but the additional problem of minimizing secondary effects. Most controls had been designed, in part, to complement and to be complemented by other controls, thereby obtaining as comprehensive a coverage as possible. In dismantling the structure the sequence in which controls were relaxed and dropped had to be considered lest the whole structure collapse. This decontrol program is referred to in detail in Chapter XXII. Its principal parts were as follows:—

**Prices and Production and Import Subsidies.**—By November, 1947, only a small range of items were still under price control, the most important being residential rents. A number of food products were subsequently brought under control again as their prices showed a marked tendency to rise following the imposing of austerity measures. The last of the subsidies paid for price control purposes were discontinued in August, 1948.

**Food Rationing and Restrictions on Consumer Credits.**—The relaxation and discontinuance of ration controls over foods that were scarce in relation to domestic and overseas demand began in 1946 and was completed in November, 1947; restrictions on consumer credits were discontinued in January, 1947.

**Allocation Controls.**—The relaxation of controls over the production and distribution of raw materials, fuels and finished goods started before the War ended and proceeded throughout 1946 and the first part of 1947. At the end of 1948, however, it was still found advisable to retain allocation controls over steel,