

MULTIPLIES WAR SUPPLY CONTROLS

Bank of Nova Scotia Tells How 'Big Six' Operate in Canada

In discussing the place of controls in Canada's war effort, the current monthly review of the Bank of Nova Scotia states that the economic problem of war is to turn human and material resources toward war purposes on a vast and mounting scale and to supplement the general machinery of supply and finance by direct approaches to the many special problems which inevitably arise in the change-over to a war economy.

The most important and most urgent special problems are usually in the sphere of war supply, says the Bank Review. War creates particularly heavy demands for certain resources and if these are not conserved and utilized as effectively as possible the entire war effort may be hampered. In Canada such vital resources include foreign exchange, certain industrial materials and fuels (such as steel and electric power), certain types of plant and machine tools and certain kinds of skilled labor. It is in these fields that the "bottlenecks" and possible "bottlenecks" in the war effort are to be found, and it is here, therefore, that many of the controls have been established.

Six Chieftains of War Supply.

The review gives particular attention to the wartime controllers of the Department of Munitions and Supply. Between the latter part of June and the end of August last year six controllers were named, who were charged with the responsibility for the war supply of timber, steel, other metals, machine tools, oil, and power. For all these resources, wartime requirements were increasing rapidly. In two cases—timber and base metals—a large part of the Canadian production was under contract with the British Government. In other cases, such as steel and machine tools, increased domestic output could not begin to cope with the wartime demand, necessitating much enlarged imports, mainly from the United States.

The job of each controller is to see that wartime requirements for his particular product are met in the most effective manner and at reasonable prices. In most instances the controllers have been concerned with encouraging domestic production and a more effective distribution of output. In some cases this has involved the construction of new plants and plant extensions frequently financed by the Government.

Co-operation, Not Big Stick.

As is well known, the controllers have been given extremely wide powers. None the less, compulsion has been notable by its absence and the controllers apparently hold the view that their virtually dictatorial powers should be used with great care and restraint. They all appear to have enlisted the full co-operation of their particular industry. Indeed, the vast majority of their work has been done through informal meetings and conversations with members of the trade, rather than through the issuance of regulations and orders.

Coal, Wool and Sugar.

The problems of the coal administrator, for instance, are quite similar to those of the controllers, and particularly those of oil and power. Indeed, the rapid industrial expansion has meant a sharply increasing demand for coal, which has become a "war supply" as well as a "necessary of life."

The cases of wool and sugar illustrate another aspect of wartime supply—that which is involved when there is a rapid and drastic shift in the normal sources of commodities or in the conditions under which they are purchased. At the beginning of the war the United Kingdom took steps to organize Empire sources of both wool and sugar. I

was necessary to fit Canada into the Empire controls and arrange for future supplies under these schemes. Meanwhile, existing supplies had to be mobilized to prevent shortages and price difficulties. The problem was complicated by an immediate military demand for wool and by a widespread tendency on the part of consumers to hoard sugar. These difficulties were met in many ways, including temporary recourse to price fixing and tariff reduction.

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