

ruination of Canada's export trade, chaos in the industry and the necessity of increasing domestic prices, as well as placing Canada in the position of refusing to help in the reconstruction of shattered countries.

In 1946, Canada retained approximately 2,693,000,000 ft. b.m. of lumber for domestic use and exported 2,083,000,000 ft. b.m. or 43.6 p.c. of the total production. It was estimated that there should be enough lumber in Canada to provide for the building of 60,000 houses; this left 2,168,000,000 ft. b.m. for industrial and other building, mines, railways, packaging, and other industrial uses.

In retaining the price ceilings in Canada, it was necessary to make certain price concessions to encourage increased production. Such price increases were permitted on doors, window sash, window frames, shingles, and on certain other items where producers could show financial need. Although Canadian ceiling prices assisted the Canadian consumer, they created a great amount of pressure from exporters and manufacturers desirous of participating in the higher world markets. It has, therefore, been necessary to require manufacturers to obtain, from the Timber Control, approval on their Canadian shipments before credit is obtained to export.

The supply and distribution of fuel wood was of prime importance during the war years, since normally one-half of the households in Canada rely on wood for fuel and over 25 p.c. of the annual forest depletion is used for that purpose. Every effort was made to encourage production and subsidies were paid to enable dealers to contract for supplies and sell them within consumer price ceilings. These price ceilings were maintained during 1946 and subsidies were continued on wood for the 1946-47 season.

Pulpwood operations in Canada were brought under the direction of the Timber Control at the end of 1941. Consumption of pulpwood by domestic mills was substantially higher during the war years than in the pre-war period and shortages of labour made it necessary to draw heavily on accumulated inventories. As a result, the continued operation of many mills now depends on suitable weather conditions and the availability of adequate bush labour. Until inventories can be built up, some measure of control of exports of pulpwood appears to be inevitable.

In 1946, pulpwood prices were again raised, east of the Rockies, and certain changes were made in the set-up of the Orders in Council to prevent dealers and brokers being forced into a position where they were compelled to give away part of their legitimate service fees to the producer. At the same time, export prices, which in Quebec and the Maritimes had been controlled by United States OPA Order, were brought in line with the new Canadian prices and, during the year, OPA price orders were done away with by Washington.

During 1946, due to the building of new mills and the expansion and extension of mills already operating, domestic consumption of pulpwood increased by 17 p.c. over the year 1945. The over-all picture of labour in the pulpwood year 1946-47 shows a heavy increase in numbers and it is anticipated that, if weather conditions continue favourable, most companies will meet their programs.

During 1946 the export quota to the United States was maintained at 1,800,000 cords, rough basis, the same as in 1945.