

Pulp and Paper Products.—While the output of pulp and paper products reached a high level in 1946, it was necessary to continue distribution controls over many items to prevent an excessive drain to the higher priced external markets and to provide for the most essential users.

Since the end of 1945, when the allocation of newsprint to export markets was discontinued, domestic supplies had been provided for by directives to the mills. When manufacturers' ceiling prices were suspended in May, 1946, informal arrangements were made with the mills to continue to supply Canadian customers on the basis of their established quotas and, in addition, to make available to them a fair share of any increased supply for sale on the North American market. This arrangement was continued until June, 1947.

The allocation of wood-pulp and paper board to domestic users also continued in 1946 in view of the urgent requirements at home and the pressure of export demands. Supplies of waste paper were inadequate and controls governing its distribution to various users were maintained.

Special measures were taken to meet the heavy demand for packaging materials for building products and food for both the export and domestic markets. To permit an increase in the production of multi-wall sacks for these purposes, kraft paper was diverted from use for wrapping paper, brown envelopes and bags. The distribution of shipping cases was governed by a priority system under which preference in delivery was given to orders from essential users such as food and building material manufacturers.

Metal Products.—*Metals.*—Continuing shortage of some metals, aggravated in several cases by work stoppages, necessitated various controls over their distribution and use. The output of iron and steel was seriously restricted by labour disputes, chiefly in the steel and coal industries of the United States and the Canadian steel industry. The Steel Control of the Department of Reconstruction and Supply was re-established in January, 1946, and throughout the year directed the production and distribution of basic steel products with the object of securing the maximum output of the finished steel articles most urgently required. Certain subsidies were necessary to maintain uneconomic production which otherwise would have been discontinued. Some transportation subsidies were also provided where the diversion of steel, although uneconomic and unusual, would bring about a greater supply of needed finished products.

In the case of copper, lead and zinc, higher external prices constituted a potential heavy drain on supplies and, to protect domestic requirements, producers were required to allocate sufficient quantities to the Canadian market.* As a result of a work stoppage involving the principal domestic manufacturer of copper and brass mill products, the sale of these products was for a time restricted by permit to the most essential uses such as housing, refrigerators and farm implements.

Tin remained in short supply throughout the world owing to the slow recovery of exports from Malaya, and Canada's supply continued to be bulk purchased and allocated to the various users. The shortage of tin necessitated the continuance of restrictions on the use of metal containers.

Metal Containers.—Following the steel strike in the United States, the regulations on metal containers were tightened by further restricting the list of products that could be packed in cans and by requiring the manufacturers of tin

* The spread between export and domestic prices of these metals was reduced when higher ceiling prices were authorized in January, 1947.