

reimposed in July, 1946, therefore, and maximum prices on the higher grades of beef were raised to establish a more satisfactory price relationship between top and lower grades of beef and also to improve distribution. In the spring of 1947, adjustments on top-quality beef were again necessary to secure adequate supplies in the months when marketings are usually light.

In April, 1946, maximum wholesale prices of pork carcasses were raised in line with the increased United Kingdom contract price and ceiling prices of all pork products were adjusted. At the same time, retail pork cuts were standardized and uniform maximum prices established, replacing the previous over-all carcass markup. Prices of pork products were again raised in January, 1947, following a further increase in the United Kingdom bacon contract price. These adjustments, for the first time, gave some recognition to past increases in costs of labour and materials in the meat-packing industry.

Higher maximum prices were authorized on copper, lead and zinc in January, 1947, thus reducing the spread between domestic and export prices. Costs of producing these metals had increased and, at the same time, much expanded domestic demand had reduced the proportion of exports so that producers were unable to take advantage of the higher prices prevailing in external markets to the same extent as they otherwise could have done. The increases authorized on copper, lead and zinc were reflected in appropriate price adjustments for users of the metals.

There were a number of price adjustments on wood products necessitated by higher costs of production and inadequate output of some lines. In April, 1946, an increase of 8 p.c. was authorized in the mill and wholesale prices of softwood and hardwood lumbers. Retail ceiling prices remained unchanged and the adjustment, therefore, placed retailers in the same position with respect to margins as they had been in prior to May, 1945, when the 8 p.c. sales tax was removed on lumber and other building materials. Other items on which price increases were authorized during the year included hardwood flooring, red cedar shingles, doors, door and window frames, and boxes and shooks.

In October, 1946, higher maximum prices were authorized on coal produced in Western Canada to enable operators to meet wage increases in the western mines.

Import Pricing.—The policy with respect to the pricing of imported goods was substantially changed during 1946. This revision was necessary because prices and costs in many countries had risen so much in wartime as to put them seriously out of line with Canadian ceilings. A strict application of basic-period ceilings might have operated to exclude goods from importation and thus interfered with the establishment of a normal flow of trade. In January, 1946, therefore, a new policy was adopted to facilitate the importation of goods from certain designated countries which had suffered particularly in the War. Under the new policy, goods from these countries were priced on the basis of laid-down costs plus a somewhat restricted markup. Goods eligible for subsidy or bulk purchased were not affected by this new procedure. A similar system was used in pricing certain individual items such as imported farm machinery and imported automobiles, even when imported from countries not included in the designated list.

Later in the year the new pricing procedure was extended to goods from all countries. The growing volume of goods becoming available from the United States and other countries made increasingly difficult the maintenance of basic-period pricing which, in addition to possible effects in restricting imports from these countries, involved a heavy burden of administrative work in setting prices for new