

of April, 1947. The Board reports to Parliament through the Chairman of the Committee of the Privy Council on Industrial and Scientific Research—the Minister of Reconstruction and Supply (see pp. 302-303).

Shortages of certain materials that had existed during the War came even more to the foreground as the economy turned from wartime to peacetime pursuits. This was particularly true in the field of building materials urgently required to alleviate the present housing shortage and to meet the needs for physical reconversion, modernization and expansion of Canadian industry. To assist in this task, the Priorities Division of the Department of Reconstruction and Supply, together with other controllers, assisted in the allocation of basic materials, e.g., steel and lumber, required for the production of building materials, and, in turn, the flow of building materials was directed into domestic and foreign channels on the basis of urgent need. A system of building-material priorities for essential building had been established on a moderate scale in August, 1945, and extended during 1946 and 1947. At present, priority ratings are assigned for practically all building materials and cover all stages from the producer to the consumer. Building programs receiving priority assistance include: housing built by or for veterans, emergency shelter, Wartime Housing Limited, Integrated Housing developments built under the National Housing Act, 1944, prefabricated houses, military hospitals, military health and occupational centres. In the period Aug. 23, 1945, to Apr. 30, 1947, priorities were approved for 43,563 housing units, contributing notably to the speed-up of the housing program for veterans.

Efforts to increase the output of building materials took a number of forms, including, besides allocation of raw materials in short supply, methods and aids in channelling scarce materials to producers; price increases; price incentives on "loss-line" materials in short supply and incentive bonuses to makers of sanitary ware and soil pipe to encourage production over an established base. Where it was necessary to increase production facilities, assistance was extended to producers in obtaining equipment and accommodation. Double depreciation provisions and the services of the Industrial Development Bank were available to finance these expansions. As a result of all this activity, output of building materials was expected to be between 10 and 35 p.c. higher in 1947 than in 1946 for most items.

Renegotiation and Settlement of War Contracts.—Responsibility for the review and renegotiation of prices and other terms of war contracts rested with the office of the Financial Adviser. Settlement of completed or terminated contracts was conducted by the Contract Settlement Board which was established in the Department of Munitions and Supply several months before the cessation of hostilities (for details see p. 837 of the 1946 Year Book). In the second post-war year some of the more complex contracts, involving a great deal of detailed accounting work, were examined and by mid-1947 satisfactory settlements had been reached in most cases. Contract review proceedings have resulted in recoveries by the Government in excess of \$460,000,000 at Mar. 31, 1947.

Centralized Purchasing.—To assure efficiency and speed in procuring urgently needed war supplies, two purchasing branches were established in the Department of Munitions and Supply, one for the procurement of general stores and the other for munitions. In January, 1945, they were amalgamated into one unit. In the first post-war year this Branch was concerned principally with the liquidation of war contracts and more recently has been transferred to the Canadian