

adjusting mill prices, an additional allowance of 3.4 cents per lb. was granted the primary and knitting mills on the grounds of financial need occasioned by cost increases other than in raw material. Price adjustments on finished goods were delayed to allow for disposal of inventories subsidized on the previous basis. On June 2, the base price of raw cotton for subsidy purposes was again raised by 2.8 cents per lb., with compensatory adjustments on yarns and fabrics. At the same time the opportunity was taken to revise the domestic price structure to correct anomalies that had developed in the course of the controlled years. Other textile subsidy commitments were cut during the year by raising ceiling prices on imported cotton fabrics and by removing some types from the list of items eligible for subsidy. Finally on Sept. 15, 1947, all cotton items were removed from the list of goods eligible for import subsidy. Though ceiling prices on all remaining textile items were removed at the same time, arrangements were made to forgo the recovery of subsidy on inventories in return for an undertaking from the trade that prices would not be increased until the subsidized inventories were exhausted.

The basic imported fats and oils used in soap and shortening industries continued under subsidy though several steps toward reduction had been taken. A program was initiated early in 1947 whereby domestic subsidies on oils and fats were partially eliminated, and subsidies on imported oils and fats reduced. The first step occurred in February, 1947, and further reduction in subsidies was effected in June, 1947. Finally on Aug. 1, 1948, all subsidies and price ceilings on oils and fats were withdrawn.

Rentals and Shelter.—Rent and eviction controls underwent important changes. In the field of commercial accommodation the area of control was substantially whittled down in the early part of 1947 and all remaining regulations were removed on Mar. 8, 1948. In the case of housing accommodation, a number of important steps were made in the direction of modifying or removing controls but the process of decontrol is still in an early stage. In 1947 for the first time since rent control was imposed, general increases were authorized in the maximum rentals of both housing accommodation and commercial accommodation in return for a concession from the landlord in the form of an extension of the lease.

Housing Accommodation.—There were a number of important changes in the regulations affecting rentals of housing accommodation. In April, 1947, a measure of relief was extended to landlords of housing accommodation by authorizing a 10 p.c. increase in rentals provided the landlord was willing to give the tenant a two-year extension of the lease. The new higher rental could not become effective until the expiration of the existing lease and if a two-year extension of the lease was arranged, the landlord remained bound for the full term but the tenant could terminate the lease upon thirty days' notice. In the event that the tenant did not accept the proffered lease, the existing lease could be terminated under provincial law. In such circumstances, the accommodation still remained under rent control and the maximum rental to the succeeding tenant would be the previous maximum rental plus 10 p.c.

A further rental adjustment was allowed on special grounds. A landlord was given leave to apply to the Rentals Appraiser for a 10 p.c. increase if the tenant was sub-letting three or more rooms under more than one sub-lease, provided that the maximum rental of the accommodation had not previously been adjusted for increased wear and tear on the part of the tenant or under the previous and more circumscribed provisions for rent adjustments on sub-letting by the tenant.