

**Income Payments and Employment.**—As income payments to individuals constitute the principal flow of money, the importance of these payments to the economy is readily realized. Salaries and wages represent from one viewpoint the greatest share in the distribution of the value which is produced in commerce and industry and from another the greatest single factor in the purchasing power which represents consumer demand for these values. (See Chapter XIX on Labour, pp. 750-798.)

The number of available workers and job vacancies was still out of balance upon the end of the War with Germany in May, 1945, but the easing of the supply situation enabled industry to speed the return to the manufacture of peacetime goods, opening up more employment opportunities in civilian manufacturing.

The release of workers in the higher-paid industries although there was increased employment of those in the lower-paid divisions, contributed to the recession in payrolls as of the first week of June, 1945, compared with the same period of 1944. The decline in the index of aggregate payrolls during the latest twelve months was 1.9 p.c. The index of aggregate weekly payrolls in the manufacturing receded from 166.7 in the period of June 1, 1944, to 157.4 as of the corresponding week of 1945. The recession in industrial employment in June from the preceding month was particularly interesting for the reason that a recession in that comparison is without parallel in the experience of the past 25 years. There is evidence that recession has occurred in the payment of salaries and wages notwithstanding the higher level of rates during the first half of the year.

The payment of dividends going partly to individuals in Canada was well maintained in the first seven months, while the disbursement of interest by the Dominion Government was at a considerably higher level due to the increase in the outstanding funded debt.

**Agriculture.**—Agriculture and industrial activities are complementary and interdependent. The attainment of a well-balanced and flourishing agricultural industry is necessary for the national prosperity. The farmer, favoured by bountiful crops in 1944, accomplished much in providing for the home market as well as meeting the extraordinary demands of the United Kingdom and liberated Europe. An ample harvest of coarse grains assisted in the continued production of meats and dairy products. High levels were reached in shipments of Canadian wheat during the year recently ended and stocks were reduced to a lower point than at any other time since 1939. (See Chapter VIII commencing on p. 188.)

In 1945, field operations and subsequent germination and growth were retarded over practically the whole of Canada by the cool backward spring, with the result that earlier plans were considerably adjusted both as to acreage and type of crop. The total planted area was probably reduced by a million acres from the level of 1944. With some improvement in weather conditions during June and July, the handicap imposed by earlier unfavourable conditions was partly overcome. The movement of cattle to market for the first half of the year was above that in the same period of 1944. Hog marketings declined sharply, particularly in the Prairie Provinces. Production of butter declined somewhat, while that of cheese made an excellent gain.