

4,800,000. Many industries were still looking for additional employees and both Provincial and Federal Governments were sponsoring immigration from Europe to help meet this shortage.

Income and Prices.—This high level of employment is symptomatic of the volume of demand for goods of almost every kind. Business firms are building new plants and replacing machinery which was allowed to depreciate during the War. Individuals, in some instances using their accumulated savings, are buying new homes, automobiles, refrigerators, stoves and many other consumer durables which they were denied during the war period. Foreign buyers, aided by the Government's program of loans, have also sought Canadian products of many types especially food and machinery. All of these, when added to the day-to-day requirements of the people for food, clothing and other necessities, have created a demand which the domestic economy cannot immediately fill even when working at its maximum employment level. The consequent pressure of this demand in excess of the available supply of goods has tended to force up price levels as the Government proceeded with its program of orderly decontrol of prices. Higher income levels have accompanied this upward price movement. Between the War's end at August, 1945, and the middle of 1947 the cost-of-living index advanced almost 13 p.c. During this same period food and clothing prices have each increased about 17 p.c. and home furnishings have increased about 19 p.c. Average hourly earnings of manufacturing wage-earners have just kept pace with this price increase with a gain of almost 15 p.c. This gain has not been evenly distributed for many individual industries have shown average gains of 20 p.c. or more. On the other hand, other groups have received little or no increase in income during this period.

Construction.—The war period, during which Canada's entire productive apparatus was focussed on gaining victory, left in its wake many shortages. One of the most severe was in housing accommodation and this shortage became very acute as returning veterans attempted to re-establish homes. Though hampered by a shortage of materials, the industry expanded sufficiently to produce a record total of about 64,000 homes in 1946. A substantial part of this total was built under the Government's Wartime Housing Program, in which the veteran received a priority on occupancy. Despite this progress, the shortage continued and there were indications that high prices throughout the field were causing many people to defer their plans for building new homes. Meanwhile industrial and business construction has continued at a high level and total employment in the industry was back at about its previous peak reached in 1929.

Agriculture.—An acute world shortage of food became clearly apparent shortly after the War's end and has not shown any improvement up to the present (September, 1947). This has helped to sustain the demand for farm products at high levels and farmers as a result have enjoyed continued prosperity. Current estimates place Canada's 1947 grain crops at a level somewhat below that of the previous year but with the higher prices now prevailing this should not result in any marked decline in farm incomes. Shortages of feed grains arising partly out