

above. This fact, however, is obscured by the following changes in procedure: First, the large decrease in the number of wage-earners in 1931 is not entirely due to the decline in manufacturing production. The decrease is in part due to the change in method of computing the average annual employment. Between 1925 and 1930 the average was obtained by summing the averages of individual plants, based on the number of months in actual operation and not by dividing by 12 the sum of the monthly employment figures. For example, if a plant operated only during three months of the year with an employment of 100 persons the first month, 125 the second month and 75 the third month, its average annual employment was taken as 100 ($300 \div 3$); the same as that of another plant which operated the whole year with an average employment of 100 persons per month. In 1931, however, a change was made to the old method whereby the aggregate of the monthly figures is divided by 12. As a result of this change, the average annual employment in such seasonal industries as fruit and vegetable canning and sawmilling was, therefore, considerably lower than formerly without the number of wage-earners being correspondingly smaller. Secondly, prior to 1931, owners working as ordinary wage-earners, such as small bakers, operators of sawmills and grist-mills, etc., reported themselves as wage-earners. In 1931, however, all such owners were required to report themselves as salaried employees. By making allowances for the above changes it would be found that in 1931 also the number of wage-earners declined less than the volume of production.

As may be seen from Table 5, all groups in the component material classification reported declines in the volume of production. As compared with 1929, the iron and steel group in 1932 led with a decrease of 58.8 p.c. This was followed by non-metallic mineral products with a decrease of 41.8 p.c., miscellaneous industries 39.9 p.c., wood and paper products 31.6 p.c., non-ferrous metals 27.6 p.c., vegetable products 24.0 p.c., chemicals and allied products 22.2 p.c., textiles and textile products 13.3 p.c. and animal products 12.8 p.c.

When the changes in the volume of production are analysed on a purpose classification basis, some interesting facts are revealed. As compared with 1929, the food group showed a decrease of 9.9 p.c. while production of clothing decreased 18.8 p.c. The output of vehicles and vessels, which is largely made up of the automobile and rubber-tire industries, recorded a decrease of 60.2 p.c.; this is the greatest decrease of any group. Producers' materials and industrial equipment declined 39.9 p.c. and 41.6 p.c. respectively, owing to the general decline in industrial activity. House furnishings dropped 34.7 p.c., personal utilities 30.7 p.c., drink and tobacco 27.5 p.c. and books and stationery 2.9 p.c. The decrease in the personal utilities group, however, is misleading. The production of the musical instruments industry, which is included in this group, has been decreasing steadily during the past few years; the output of pianos, phonographs and phonograph records is becoming smaller and smaller. The main product of the musical instruments industry, namely, the radio, is now produced in the electrical apparatus industry. This industry, however, is classified in the industrial equipment group, as by far the largest part of its output consists of industrial equipment.