

437,000 plus the 714,000 (non-wage-earners between 10 and 70 years referred to above). In other words, if between censuses we speak of the unemployed as all persons who at the time have no gainful work, we should compare that figure, not with the 437,000 of the census, but with 1,151,000.

Another point that should be made clear follows from the above definition of unemployment. If a person has first to become a wage-earner before he can be unemployed, a sudden increase in the wage-earner content of the population results in an increase in the potential unemployed upon the cessation of the activity which led them to become wage-earners. The number of wage-earners increased from 1,972,089 in 1921 to 2,570,097 in 1931, *i.e.*, 30 p.c., although the population increased only 18 p.c. The number actually working on June 1 increased from 1,778,328 in 1921 to 2,100,139 in 1931, *i.e.*, 18 p.c., or just as fast as the population. However, this increase in employment was not great enough to take care of the increase in wage-earners.

A further point also needs clarifying. In monthly figures of employment the persons counted are those on payrolls, but there are persons on these payrolls in a particular month who may be working on their own in another month. Thus, in a sudden expansion of road work, farmers are among the workers; after the work is done they become farmers once more. Similarly with adolescents who return to school, or female home-makers who take advantage of seasonal work. Such persons might constitute a very considerable proportion of the payrolls in the best seasons. Only so long as they are on payrolls are they wage-earners. This largely explains why the number of wage-earners varies so much from month to month in estimates of unemployment. When work starts up in one locality it absorbs some of the unemployed wage-earners of that locality and also others who had not previously worked, or who had worked on own account, and does not therefore cause a decrease in the number unemployed throughout the country comparable to the increase in employment. Thus the phenomenon of increasing employment unaccompanied by decreasing unemployment becomes intelligible enough.

*Wage-Earners.*—As already explained, the wage-earners are a sub-class of the larger class, the gainfully occupied, and figures of employment and unemployment should have sole reference to this sub-class. A full enumeration of wage-earners employed and unemployed can be obtained only at a census, but the expense of making an annual census would be prohibitive so that the decennial census must be relied upon for basic data upon which estimates for intervening years are made to show the intercensal trend. Such estimates are of value so long as they are interpreted as estimates and understood to be subject to some degree of error after all care has been taken. In making the estimates of unemployment, appearing in Table 22, use was made of the studies of the composition of the population as to age and sex distribution, proportion at each age and sex gainfully occupied (a rather constant proportion in different centres and at different periods), and other factors affecting the problem, such as the movement between the different occupational classes of the population. This may be considered the grand base, starting from which a co-ordination of the unemployment statistics of the Department of Labour and the employment statistics of a branch of the Bureau of Statistics takes place. While the Department of Labour figures refer to unemployed union members and thus are not a sample of unemployment at large, they can be rendered more or less representative by making use of the relationship of their unemployment to unemployment at large, as shown in the census. The data on employment collected by the Bureau have been analysed mathematically for their ability to depict