

VII.—PRODUCTION.

This section includes a general survey of production, followed by statistics of agriculture, the fur trade, forestry, fisheries, minerals, water powers, manufactures and construction.

The term "production" is used in this connection in its popular acceptance, *i.e.*, as including such processes as the growing of crops, extraction of minerals, capture of fish, conversion of water power into electrical current, manufacturing, etc.,—in economic phrase, the creation of "form utilities." It does not include various activities which are no less "productive" in a broad and strictly economic sense, such as (a) transportation, refrigeration, merchandising, etc., which add to commodities already worked up into form the further utilities of "place", "time" and "possession", and (b) personal and professional services, such as those of the teacher and doctor, which are not concerned with commodities at all, but are nevertheless useful to a civilized society—representing, in economic language, the creation of "service utilities".

As showing the importance of these latter activities, it may be pointed out, for comparison with the figures in the accompanying tables, that railway gross earnings in 1920 amounted to \$492,101,104, street railway gross earnings to \$47,047,246, and telephone and telegraph earnings to \$44,811,140, all of which from a broad point of view may be considered as "production". It may be further noted that of 2,723,634 persons ten years of age and over employed in 1911 in gainful occupations in Canada, 217,544 were engaged in transportation, 283,087 in trade and merchandising, 411,232 in domestic, personal and professional service, and civil and municipal government,—a total of 911,863 or one-third of the whole. In other words, only about two-thirds of usefully and gainfully employed persons are engaged in "production" according to the definition adopted in the present statement. We might therefore add one half to the present total as a rough estimate of the value in dollars of the total productive activity of the Canadian people according to the economist's definition of production, which approximates to the concept of national income.

I.—GENERAL SURVEY OF PRODUCTION.

There is frequent demand in Canada for a survey of production that will differentiate the more important branches and at the same time give a purview of the whole that is free from overlapping. This is somewhat difficult to accomplish with clearness, in view of the varying definitions that attach to industrial groups from different points of view. For example, brick, tile and cement are frequently included in "mineral production" as being the first finished products of commercial value resulting from the production process; frequently, however, they are regarded as "manufactures" in view of the nature of the production process,—both allocations being correct according to the point of view.

The accompanying tables show the total value of all commodities produced in Canada during 1920 and 1921, the values being as in the producers' hands.

"Gross" and "Net" Production.—The values of products are shown under two headings, namely, "gross" and "net". "Gross" production shows the total value of all the individual commodities produced under a particular heading. "Net" production represents an attempt to eliminate the value of materials consumed in the production process. For purposes of ordinary economic discussion the net