

CHAPTER VII.—SURVEY OF PRODUCTION.

The Definition of "Production".—The term "production" is used here 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 the doctor, which are not concerned with commodities at all, but are nevertheless essential to any 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 steam railway gross earnings in 1932, the latest year for which complete statistics of production are available, amounted to \$293,390,415, street railway gross earnings to \$43,339,381, and telephone and telegraph earnings to \$70,066,067, all of which, from a broad point of view, may be considered as "production". It may be further noted that, according to the Census of 1931, out of 3,927,591 persons of ten years of age and over recorded as gainfully occupied, 306,273 were engaged in transportation activities, 387,315 in trade, 92,317 in finance and 767,705 in service occupations. While 81,610 of the latter were engaged in custom and repair work, the value of which is included in the survey of production, the value of the "production" of the remaining 1,472,000 gainfully occupied persons in the four occupational groups just mentioned would not appear to be included to any extent in the survey of production. Then, on the assumption that 1,472,000 gainfully occupied persons whose production is not included in the survey were no less "productive" in the broad sense of the term than the remaining 2,455,591* gainfully occupied persons (of whom they amounted to practically 60 p.c.), 60 p.c. should be added to our total net production to arrive at an estimate of the grand total value of the "production" of all gainfully occupied Canadians. Since the net value of production of commodities as stated in the survey was \$2,105,000,000 in 1932, the grand total money value of the productive activities of the gainfully occupied population of Canada in the same year may be estimated at 160 p.c. of the above figure or \$3,368,000,000 or say \$3,370,000,000 in round figures.

"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 productive process. For purposes of ordinary economic discussion, the net figures should be used in preference to the gross, because of the large amount of duplication which the latter includes on account of the necessity of making the individual items self-contained. The tables show the total values of all commodities produced in Canada in the latest years; the values are given as in the producers' hands.

* This figure includes 169,263 gainfully occupied persons whose industries were not specified but who were mainly general labourers and office clerks. The products of the labour of these persons were probably mainly included in the survey of production, but here it is assumed that they were all so included.