

## CHAPTER VII.—SURVEY OF PRODUCTION.\*

After showing declines for five years, the net value of production recorded a substantial gain in 1934 over the preceding year. The net value of commodities produced, as estimated by the Dominion Bureau of Statistics on the basis of data compiled by its various branches, was \$2,381,000,000 in 1934 against a revised figure of \$1,996,000,000 in the preceding year. The gain of 19 p.c. represents the marked betterment in productive operations and commodity prices over 1933. Each of the nine main branches of production participated in the advance.

Owing to depressed price levels and low-scale operations, the total for 1933 was less than in any other year in the post-war period. As agricultural production declined in 1929 from the preceding year, the value of net production was greater in 1928 than in any other year during the period of observation from 1920 to the present. Declines were shown for five consecutive years from 1929 to 1933. Owing to the marked rebound in 1934, the total for the year was greater than in 1933 or 1932. While wholesale prices were relatively stable during 1934, the average for the year was much higher than for 1933, the post-war minimum having been reached in the first quarter of that year. A similar trend, as measured by comprehensive indexes, was shown in productive operations. A marked advance was shown in the later months of 1933 and the improvement continued throughout 1934.

The gain in the output of electric power in 1934 was less than in other lines, but even here an increase of nearly 6 p.c. was shown. The greatest absolute gains were recorded in manufacturing and agriculture, but the largest percentage increases were in construction and mineral production. In respect to percentage gains, the fisheries followed closely in third place.

**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 the further utilities of "place", "time", and "possession" to commodities already worked up into form, 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 1934, the latest year for which complete statistics of production are available, amounted to \$300,837,816, street railway gross earnings to \$40,048,136, and telephone and telegraph earnings to \$67,352,798, all of which, from a broad point of view, may be considered as "production". Further, it may be noted that, according to the Census of 1931, out of 3,927,591 persons of ten years of age or 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

\* Revised by Sydney B. Smith, M.A., Dominion Bureau of Statistics.