

production of commodities as stated in this survey was \$2,394,720,688 in 1935, the grand total money value of the productive activities of the gainfully occupied population of Canada in the same year may be estimated at \$3,832,000,000 in round figures. (See the item "Income, national" in the index of this volume.)

'Gross' and 'Net' Production.—The values of products are shown under two headings, namely, "gross" and "net". Gross production represents the total value of all the individual commodities produced under a particular heading. Net production represents an attempt to eliminate the value of materials, fuel, and electricity consumed in the production process. The net figures, it will be seen, appear chiefly in the case of secondary production or manufactures, though eliminations were also made in certain cases in the primary or extractive industries, as, for example, seed in the case of field crops, and feed in the case of farm animals. On the other hand, such items as fertilizers in the case of field crops, and reforestation in the case of forestry, are disregarded as partaking of the nature of replacement. The cost of fuel and electricity is deducted in accordance with Resolution 23 of the Conference of British Commonwealth Statisticians, 1935, which states: "The term *net output* or *net value of production* should be used to denote the value added in each industry to the cost of the objects used in production, including all materials, whether transformed or not".

Difficulties in Differentiating between the Branches of Production.—A survey of production must differentiate between the more important branches and at the same time give a purview of the whole which will be free from overlapping. This is somewhat difficult to present 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 under "mineral production" as being the first finished products of commercial value resulting from the productive process; frequently, however, they are classified under "manufactures" in view of the nature of the productive process—either allocation being correct according to the point of view. In the summing up, production in such industries is regarded as primary production and also as secondary production, but the duplication is eliminated in the grand totals.

Branches of Production.—The primary industries of agriculture, fishing, forestry, mining, etc., are separated in this statement from the secondary or manufacturing processes. The close association between the two and the overlappings that are apt to occur have already been pointed out. As further explaining the procedure that has been followed in drawing up the tables, the following notes are appended:—

Agriculture.—Dairy factories are included under this heading; farm dairy products (gross) include the milk consumed whole and sold to dairy factories, and the butter, etc., made on the farm. The duplication is eliminated when obtaining the grand total values of gross and net production.

Forestry.—Forestry production is understood to consist of the operations in the woods as well as those of sawmills and pulp-mills, the latter being limited to the making of products such as pulp and paper, lumber, lath, shingles, and cooperage stock.

Fur Production.—The item of fur production is limited to wild-life production. To obtain a total of the pelts produced in Canada, it would be