

Net production, in general, represents an estimate of the amount contributed to the national economy by the leading industrial groups occupied with commodity production, and is made up of the total value less the cost of materials, fuel, purchased electricity and process supplies consumed in the production process. For purposes of ordinary economic discussion, the net figure should be used in preference to the gross, in view of the large amount of duplication that the latter includes. A description of the general method used in computing the statistics shown in this Chapter is given in the Bureau of Statistics report "Survey of Production"

As regards the revised agricultural figures, the gross is now obtained by adding cash sales and the value of goods produced and consumed on the farm by the farm family with adjustment for the changes in grain and live-stock inventories. The cost of materials such as purchased seed and feed, gasoline and oil, repair parts, twine, fertilizers and insecticides are deducted from the gross to give the net value. See the Quarterly Bulletin of Agricultural Statistics, April-June 1944, pp. 8-27. The items included in the former gross value are listed on p. 28 of the same bulletin.

Current Trends.—Canadian production showed important expansion in 1943 as compared with the preceding year. The total net output of the nine main productive industries, after deduction of the cost of materials, rose from \$5,920,000,000 to \$6,325,000,000. The consequent gain was \$406,000,000 or 6.85 p.c. Production in 1943 was greater than in any previous year, the standing in 1929, the culmination of the preceding major prosperity period, having been about \$3,580,000,000.

The evidence points to further advance in commodity production during 1944 with moderate reaction in 1945, due to the termination of the War. Statistics indicate that the upward trend of Canadian production was extended in 1944 and progress made toward new records under the continuance of war demands. The expansion is indicated by the advance shown in the indexes of the physical volume of business and in wholesale prices during 1944 over 1943. A considerable increment in farm cash income was shown in 1943 over the preceding year and this position was decidedly more favourable in 1944.

Section 1.—Leading Branches of Production, 1942 and 1943

Primary Production.—Declines in the output of the basic industries of agriculture and mining, and also in the trapping industry, brought the net value of primary production in 1943 to a figure 4 p.c. lower than that for 1942. A substantial gain was shown in fisheries and in forestry output, while electric power showed only a slight gain over the preceding year.

Secondary Production.—The output of manufactured products, stimulated by the demands of war, reached its peak in 1943, showing an increase of 15.3 p.c. over 1942. After eliminating the production of the processing industries, the output of manufacturing industries accounted for 53.8 p.c. of the total net production of the Dominion in 1943 as compared with 48.7 p.c. in 1942. Custom and repair showed an increase of 2.5 p.c. in net value of production over 1942, while construction, which had passed its industrial wartime peak by 1942, recorded a drop of 5.6 p.c.