

Since for most purposes the net value of production is more significant than the gross, the subsequent analysis is based mainly on that phase of the subject. Net production was valued at a record \$9,297,539,436 in 1948 against \$7,687,094,637 in 1947. This important gain was due largely to the rapid advance in prices during the period, although physical output also increased, as evidenced by a rise of about 3 p.c. in the index of the physical volume of industrial production.

The post-war release of pent-up demand for consumer goods in Canada and abroad and record investment in housing, plant and equipment, together with marked improvement in the labour situation and the availability of raw materials, made 1948 a banner year in the history of the Canadian economy as measured by the value of commodities produced. It is estimated that a further expansion in production was achieved in 1949. The index of industrial production rose from 181.5 in 1948 to 184.3 in 1949, and the general index of wholesale prices advanced nearly 2.3 p.c. in the same comparison. The gross income of farm production, however, declined from \$2,709,617,000 in 1948 to \$2,672,601,000 in 1949, indicating an appreciable recession in the value of agricultural output.

**Leading Branches of Production.**—With the exception of trapping, each of the nine industrial groups shown in Table 1 reached an all-time high point in 1948. High building activity and record prices for construction materials resulted in a 38 p.c. increase in the net value of construction over 1947, the most outstanding increase of all the groups. Higher prices and greater physical output also caused forestry and mining to attain their highest positions in history in terms of net value. The former rose more than 12 p.c. over 1947 and the latter nearly 32 p.c. Increases of varying amount were recorded for agriculture, fisheries, electric power and custom and repair. Trapping increased over 1947 after recording a low level from 1941 to that year. Total manufactures surpassed even the wartime peak in 1944, advancing 15 p.c. over 1947 to a record \$4,940,369,190.

Table 1 classifies industry into primary and secondary production, but, naturally, many stages of manufacturing are closely connected with primary activities. Fish-curing and -packing plants, for instance, are operated in close relationship to the fishing fleets, sawmills with forest operations and smelters and refineries with metal mining. The gross and net values of production of such processing industries are given separately in Table 2, which indicates the degree of duplication between primary industries and manufactures eliminated in Table 1.

**1.—Gross and Net Values of Production, by Industries, 1943-48**

NOTE.—Net production represents total value under a particular heading, less the cost of materials, fuel, purchased electricity and supplies consumed in the production process.

Industry	1943	1944	1945	1946	1947	1948
	GROSS VALUES					
	\$	\$	\$	\$	\$	\$
Agriculture.....	1,545,652,000	1,918,647,000	1,679,321,000	1,937,301,000	2,121,972,000	2,709,617,000
Forestry.....	810,154,089	887,973,532	964,237,446	1,228,994,287	1,628,939,054	1,821,420,204
Fisheries.....	118,610,634	123,705,565	166,144,381	177,024,678	174,279,465	202,779,295
Trapping.....	21,579,615	23,988,773	21,505,447	31,077,867	16,842,966	20,178,077
Mining.....	974,414,921	897,407,212	766,721,126	754,386,422	1,010,643,735	1,299,707,149
Electric power.....	204,801,508	215,246,391	215,105,473	226,096,273	238,929,627	257,377,490
Less duplication in forest production.....	64,000,614	78,294,000	80,641,000	93,930,000	113,652,000	129,287,000

For footnotes, see end of table, p. 334.