

CHAPTER IX.—SURVEY OF PRODUCTION*

CONSPECTUS

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NOTE.—*The interpretation of the symbols used in the tables throughout the Year Book will be found facing p. 1 of this volume.*

The scope of the Survey of Production is limited to the actual production of commodities. The activities of such industries as transportation, communication, trade, finance and service are entirely excluded. This is in contrast to the scope of Gross National Production which encompasses all industries. Net production, or "value added", is generally considered the most significant measure of production and is consequently stressed in the following analysis. It is obtained by deducting from the total value of output for each industry, the cost of materials, fuel, purchased electricity and process supplies consumed in the production process. † This measurement comes closest to representing the concept involved in the contribution of each industry to gross national product at factor cost. Apart from variations in the statistical structure, the main difference is that value added, as computed for each commodity-producing industry, includes the cost of such services as insurance, advertising, transportation, communications, etc. In the compilation of the national accounts, the contribution of these services to gross national production at factor cost is classified to the non-commodity industries from which they originate.

The 1949 national totals include Newfoundland's production for forestry, mining, electric power, construction and manufactures. Statistics on agriculture, fishing, trapping and custom and repair for that Province are not yet available.

Current Trends.—In 1949, net value of commodity production in Canada broke all records as it rose to nearly \$10,000,000,000, a gain of about 7 p.c. over the total value recorded in 1948 ‡ and 250 p.c. over the 1938 level. The total net value rose steadily from \$2,859,000,000 in 1938 to a wartime peak of \$6,737,000,000 in 1944. After a moderate recession occasioned by the problems of conversion to peacetime production, it resumed its rapid advance in 1947. Higher prices accounted for the greater part of the gain over 1948, although there was some increase in volume in the majority of industries. Estimates indicate that further

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† A description of the method used in computing gross and net production figures is given in D.B.S. Bulletin *Survey of Production*.

‡ Nearly \$75,000,000 of the 1949 increase was due to the inclusion of part of Newfoundland's value of production.