

CHAPTER XVII.—SURVEY OF PRODUCTION*

CONSPECTUS

	PAGE		PAGE
SECTION 1. TRENDS IN COMMODITY PRODUCTION.....	717	SECTION 3. PROVINCIAL DISTRIBUTION OF PRODUCTION.....	719
SECTION 2. INDUSTRIAL DISTRIBUTION OF PRODUCTION.....	717	SECTION 4. PER CAPITA NET VALUE OF PRODUCTION.....	722

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 industries chiefly engaged in the actual production of commodities. The activities of such industries as transportation, communication, trade, finance and service are excluded, except for certain of their costs which are indirectly reflected in the value of output of the commodity producing industries; for instance costs of such business services as insurance, advertising, telephone, etc., to the commodity producing industries are included in the selling or gross value of their products. This is in contrast to the widely used Gross National Product series (*see* Chapter XXV) which encompasses all industries.

In obtaining the "net" value for each commodity industry the cost of materials, fuel, purchased electricity and process supplies (but not other business services) consumed in the production process is deducted from the selling or gross value of output. The resulting net value of production (or value added) is generally considered more significant as a measure of output than gross value of production and is therefore used in the following analyses and tables.

The measurement of value added is similar, although not strictly comparable, to the concept involved in the contribution of each industry to gross national product at factor cost (net income originating plus depreciation). 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 business services as described above. In national income accounting the contribution of these services to gross national product at factor cost is classified to the non-commodity industries from which they originate.

One of the major advantages of the commodity production series is that the statistics may be classified by provinces. With the exception of personal income and its major components the geographical distribution of gross national product is not available mainly because profits cannot be allocated according to the provinces in which they are generated by productive activity. A more detailed explanation of the series is given in the current DBS Bulletin *Survey of Production*.

A recent major revision made in the statistics of the construction industry has affected the comparability of the survey of production figures presented here and in the 1955 Year Book and those presented in earlier editions. A description of that revision together with revised data is given in DBS Bulletin *Survey of Production 1948-52*.

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