

10.—Corporation Profits before Taxes (including Dividends Paid to Non-residents), by Industry, 1958-60

NOTE.—Comparable figures for the years 1954 and 1955 are given in the 1957-58 Year Book, p. 1127; for 1956 in the 1959 edition, p. 1094; and for 1957 in the 1960 edition, p. 1120.

(Millions of dollars)

Industry	1958 ^r	1959 ^r	1960	Industry	1958 ^r	1959 ^r	1960
Agriculture.....	9	8	9	Electric power, gas and water utilities.....	56	67	75
Forestry.....				Wholesale trade.....	231	264	217
Fishing and trapping.....				Retail trade.....	226	240	200
Mining, quarrying and oil wells.....	234	313	352	Finance, insurance and real estate.....	425	437	487
Manufacturing.....	1,362	1,596	1,420	Service.....	72	76	64
Construction.....	194	190	172	Totals.....	2,988	3,401	3,200
Transportation.....	90	121	115				
Storage.....	9	17	12				
Communications.....	80	72	77				

Section 2.—Survey of Production*

Scope of the Series.—The scope of the survey of production is limited to industries chiefly engaged in the production of commodities. The activities of such industries as transportation, communication, trade, finance and service are excluded except as certain of their costs are indirectly reflected in the value of output of the commodity-producing industries. This is in contrast to the scope of the gross national product series in the national accounts (see p. 1083) which encompasses all industries.

The term "production" is used in its popularly accepted sense as applied to such processes as the growing of crops, the mining of minerals, the catching of fish, the conversion of water power to electric energy, the construction of buildings and the manufacturing and processing of goods. Primary production includes agriculture, forestry, fisheries, trapping, mining and electric power; construction and manufacturing are classified as secondary production.

In combining value of production figures for a number of industries, it is essential, in order to assess accurately the contribution of each industry to the total, that inter-industry duplication be eliminated. Thus only the "net" value of production, or "value added" is considered in this series.

Relation to National Income Accounting.—As already mentioned, "net" production or "value added" is generally considered the most significant measure of production. Value added is computed by deducting from the total value of output (excluding indirect taxes) for each industry, the cost of materials, fuel, purchased electricity and process supplies consumed in the production process. This measurement is similar to but not strictly comparable with the concept involved in the contribution of each industry to the gross national product at factor cost. There are conceptual differences as well as problems of classification.

The value of gross national product at factor cost can be measured either directly by summing the factor incomes and capital consumption allowances paid or charged by each industry, or indirectly by subtracting all intermediate goods and services from the revenue (excluding indirect taxes) arising from the production of goods and services in each industry. The latter approach is followed in the compilation of the value added

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