

10.—Corporation Profits before Taxes (including Dividends Paid to Non-residents), by Industry, 1957-61

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

(Millions of dollars)

Industry	1957 ^r	1958 ^r	1959 ^r	1960 ^r	1961
Agriculture.....					
Forestry.....					
Fishing and trapping.....					
Mining, quarrying and oil wells.....					
Manufacturing.....	5	9	10	13	12
Construction.....	322	246	310	348	404
Transportation.....	1,469	1,401	1,651	1,462	1,538
Storage.....	150	173	135	120	117
Communications.....	145	96	131	122	118
Electric power, gas and water utilities.....	8	12	16	13	12
Wholesale trade.....	47	81	118	122	132
Retail trade.....	61	57	69	76	81
Finance, insurance and real estate.....	262	241	262	210	213
Service.....	209	241	262	221	223
	301	445	451	500	521
	77	73	83	70	67
Totals.....	3,056	3,075	3,498	3,277	3,438

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, communications, 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. 1058) 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. Net value is obtained by deducting from gross value of production, exclusive of excise and manufacturers' sales taxes, the cost of purchased materials, fuel and electricity; purchased services and certain indirect taxes such as licences, property taxes, public domain taxes on oil and gas extraction, etc., are included in net value.

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 domestic product at factor cost. There are conceptual differences as well as problems of classification.