

might be a higher or lower percentage of revenues on a company basis, the establishment ratio probably gives a reasonably good idea of what its approximate magnitude would be for companies, since individual industries where companies often operate on a substantial scale across the boundaries of the manufacturing universe are not an undue proportion of the total.

<i>Item</i>	<i>Percentage of Total Revenues</i>	
	<i>Manufacturing Establishments Owned by Corporations</i>	<i>Corporations Classified to the Manufacturing Industries</i>
Cost of materials, supplies and goods for resale.....	56.6	..
Cost of fuel and electricity.....	1.8	..
Salaries and wages (excl. "fringe" benefits).....	20.0	..
Other expenses.....	..	..
Capital cost allowances.....	..	4.2
Income tax liabilities.....	..	2.7
Profits after taxes.....	..	3.6

If in the above statement the blanks could be filled in, each column would add to 100 p.c. (There are slight incomparabilities in the definitions of total revenues in the two sets of figures.)

When individual industries and industry groups are compared, various expenses and net profits show a marked variation in relation to production or sales. Table 1 gives an analysis of the gross value of production (total activity) by industry group for 1965. The industry groups are ranked according to their materials-intensity of production, that is, by the total cost of their materials and supplies (and any goods purchased for resale) as a percentage of the gross value of production.

It will be noticed that this materials item, the cost of purchased fuel and electricity, and value added make up 100 p.c. of the gross value of production. Value added is a measure of production within an industry, excluding its purchases of the products or services of other industries. In the Census of Manufactures, the only inputs which it is practicable to survey and deduct from the gross value of production in calculating value added are the cost of materials and supplies laid down at the plant and purchases of fuel and electricity. The "other value added" category, of course, includes depreciation and profits, although company statistics rather than the establishment statistics represented in Table 1 must be used to obtain a measure of these items. Net earnings, capital cost allowances and net profit before taxes by industry group in 1965 are shown on a company basis in Table 2; 1966 data are available for these ratios and have been included and also, because net profits are highly variable and trends in profit ratios are of considerable interest, net profits for a number of earlier years are shown. (Net earnings equal net profit before taxes plus capital cost allowances.)

Value added is often termed net production, in contrast to the gross value of production. (The gross value of production differs from total shipments and other revenue by the amount of net changes in inventories of goods in process and finished goods.) Because it is, as noted, a measure of the production within the particular industry, analyses based on it are also of interest. Table 3 shows a percentage analysis of total value added by industry group for 1965, with the industry groups ranked by their labour-intensity of production, as measured by total wages and salaries as a percentage of total value added. For its possible interest, the cost of fuel and electricity per dollar of value added by manufacture is shown.

It is to be noted that statistics of the manufacturing industry relate to "manufacturing activity" or "total activity" according to whether or not non-manufacturing activities of manufacturing establishments have been included; since many manufacturers cannot split payrolls between manufacturing and non-manufacturing activity, total