

# 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 excluded except as they are indirectly reflected in the value of output of the commodity-producing industries. This is in contrast to the scope of the widely used Gross National Product series (see Chapter XXIV), which encompasses all industries. Net production, or "value added" is generally considered more significant as a measure of output than gross value of production, and is, consequently, stressed in the following analyses and tables. It is obtained by deducting from the total or "gross" value of output, the cost of materials, fuel, purchased electricity and supplies consumed in the production process.

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 such services as insurance, advertising, transportation, communications, etc. 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.

The value series shown in the following tables incorporate basic changes in classification and method of compilation for several of the industries. In order to maintain continuity of the series, the revisions were extended back to 1938. In the process of revision, adjustments for duplication between primary and secondary industries, necessary under the former system of compilation, were eliminated.†

### Section 1.—Current Trends of Commodity Production

In 1950, the net value of commodity production in Canada rose to the record level of \$10,562,000,000, an advance of more than 9 p.c. over 1949. Most of the increase occurred in the field of secondary production (manufacturing and construction). Both higher prices and an appreciable gain in the volume of output for the majority of industries contributed to the advance.

Preliminary estimates for 1951 indicate further increases in the values of both primary and secondary production. The index of industrial production (which measures the volume of output in the manufacturing, mining and electric power

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† A description of the revised methods of compilation is given in the DBS Bulletin, *Survey of Production 1938-1950*.