

constitute materials, components or supplies to be used in further production or end products for use as capital or for final consumption; the other is fixed capital goods that are essentially immovable.

Another related classification system is that of industries¹ in which operating units of businesses, farms, mines, etc., i.e. companies or their establishments, or operating units of institutions such as hospitals, schools or school systems, or of governmental departments and agencies, are classified on the basis of their principal activities as indicated by the kinds of commodities and/or services that they produce. Thus, in an industrial classification, the term "industry" is used in its broadest sense to include all branches of economic activity from the primary industries (e.g. agriculture, forestry and logging, mining) through manufacturing and construction, to industries producing mainly services (e.g. transportation, communication, wholesale and retail trade, and service industries).

Finally, the classification of occupations² provides another related system in that the units being classified are occupations, each of which represents a related group of jobs that require a certain combination of skills, knowledge, aptitudes or experience for satisfactory performance. Particular occupations are often associated with certain commodities or services, e.g. cabinet maker with furniture, teacher with education.

Classifications of services, commodities, industries and occupations are closely related but are also distinct, and a clear understanding of their separate identities and purposes is required if they are to be used effectively. If the term "commodity" is defined to include fixed capital goods (including improved land and natural resources) as well as transportable goods, then commodities and services combined include the totality of economic goods. Aggregative statistical measures and analyses such as the gross domestic product and the balance of international payments require the assembling of data from a variety of sources covering all kinds of economic goods. To achieve such measures with tolerable accuracy requires the avoidance of duplication and gaps, so the definitions of tangible and intangible goods used in the commodity and service classifications must be consistent, e.g., a possible borderline case like electric power which is included in commodity trade and in the SCC should not be covered in the classification of services (in any case electric power can be transported and stored, so it is more compatible with the definition of tangible than of intangible goods). This illustrates the close relationship between classifications of commodities and services. Their independence is indicated most clearly by a brief examination of their respective characteristics and therefore the principal criteria applied in grouping them for purposes

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*1.-Standard Industrial Classification (SIC), Statistics Canada, Ottawa, Catalogue No. 12-501

2.-Standard Occupational Classification (SOC), Statistics Canada, Ottawa, Catalogue No. 12-565