

**SECTION F**

**GROSS PROVINCIAL PRODUCT**

**AND PERSONAL INCOME**

## SECTION F

### GROSS PROVINCIAL PRODUCT AND PERSONAL INCOME

#### F- 1. Total and Per Capita Gross Provincial Product and Personal Income, Newfoundland and Labrador, 1949 to 1968

**Source:** D.B.S. *Estimated Population Of Canada By Province at June 1, 1969*, 91-201, (table 1); Gross Provincial Product estimated by Newfoundland Department of Finance, Economics and Statistics Division; Personal Income (Original Concept) from D.B.S. *National Accounts, Income and Expenditure*, 13-201, 1959, 1962, 1965 to 1967, (table 28); *National Accounts, Income and Expenditure*, 13-502—Occasional, 1926-1956, (table 28); Personal Income (Revised Concept) from D.B.S., National Accounts, Production and Productivity Division.

#### **Definitions and Explanations:**

##### **Gross Provincial Product (G.P.P.):**

Gross Provincial Product is defined as the market value of the unduplicated total of goods and services produced in a given period of time (usually a year), by the factors of production which are resident in a particular economy. In other words, G.P.P. is the sum of what accrues to the various factors of production resident in a given economy for their part in the productive process which leads to the final market value of a good or service.

G.P.P. corresponds to the national measurement of output, Gross National Product (G.N.P.). In estimating G.P.P. we should, therefore, attempt to obtain the components of G.N.P. on a provincial basis. However, because of the non-availability of all G.N.P. components on a provincial basis we have used a methodology known as the Income Method of estimating G.P.P. This consists of taking Personal Income (as defined below) as the major components in G.P.P. and adding items which are not components of Personal Income but should be included in G.P.P. (i.e. Retained Earnings and Capital Consumption Allowances); and subtracting items which are in Personal Income but do not result from production (i.e. Transfer Payments). It should also be noted that since G.P.P. includes only returns to factors of production resident within the province, that portion of total market value of goods and services resulting from imports and all income (dividends, interest, etc.) accruing to outside interests are not included in G.P.P.

It should be noted that in 1968 the National Accounts concept of G.N.P. and therefore many of its components was revised. The above methodology of estimating G.P.P. has been based on the original concept of national accounts. Therefore, when comparing G.P.P. (as shown) and Personal Income series the original concept of Personal Income should be used.

##### **Personal Income (Original Concept):**

The degree to which the change in the National Accounts concepts will affect both the methodology utilized and the final G.P.P. series resulting for the Province was not determined at the time of publication.

Personal Income (Original Concept) measures all income received by Canadian residents and includes factor income of persons; transfer payments received by persons, such as family allowances, unemployment insurance benefits, social assistance, etc., and types of investment income accumulated on behalf of persons by life insurance companies, private pension funds, and similar institutions. It excludes incomes of factors of production which are not paid out to persons, such as undistributed corporation profits and profits of government enterprises. In the case of farm operators and other unincorporated business, however, the whole net income is included in personal income since it is not statistically feasible to separate withdrawals for personal use from amounts retained in the business. (For further detail on the components of personal income see Table F-2).

##### **Personal Income (Revised Concept):**

For the explanation of conceptual changes which have occurred from "Personal Income (Original Concept)" to "Personal Income (Revised Concept)", see F-3; and for further elaboration see D.B.S. *National Income and Expenditure Accounts, 1926-1968*, dated August 1969.

#### F- 2. Personal Disposable Income and Personal Income (Original Concept) and its main Components, Newfoundland and Labrador, 1949 to 1967

**Source:** D.B.S. *National Accounts Income and Expenditure, 1962 and 1965 to 1967*, 13-201; D.B.S. *National Accounts Income and Expenditure 1926-1956*, 13-502, Occasional, (tables 28, 30, 31, 33, 34 and 35).

#### **Definitions and Explanations:**

##### **Personal Income:**

See F-1.

**Personal Disposable Income:**

Personal Disposable Income is obtained by deducting direct taxes (Income Taxes, Succession Duties, etc.) from personal income. This represents the amount out of which personal expenditure on goods and services is made—the unconsumed residual being personal net savings.

**Wages, Salaries, and Supplementary Labour Income:**

The estimated total of wages and salaries include all such payments made to residents of Newfoundland and Labrador, including payments in kind such as free board and lodging. It does not include earnings from self-employment or partnerships, income from independent professional practice, income of farmers from farming operations, or military pay and allowances. Wages and salaries are estimated before tax deductions, and before contributions of employees to unemployment insurance, pensions, and other social insurance schemes. Bonuses, commissions, and retroactive wage increases are included in the period in which they are paid because of the statistical difficulties of allocating these items to the period in which they were earned.

Supplementary labour income consists of other expenditures by employers on labour account that can be regarded as payment for employees services. Included here are employer's contributions to pension funds, employee welfare funds, unemployment insurance, and workmen's compensation.

**Net Income of Non-Farm Unincorporated Business:**

This item includes the net income of all non-farm unincorporated businesses for most industries and also includes the net income of independent professional practitioners such as doctors, dentists, nurses, lawyers and engineers.

**Interest Dividends and Net Rental Income of Persons:**

This item includes the interest dividends and net rental income of persons from provincial business and from non-resident sources, interest on the public debt received by persons, and the imputed net rent on owner-occupied dwellings.

**Government Transfer Payments:**

Includes elements of personal income which are not earnings from the production of goods and services e.g., family allowances, old age pensions, outpayments of social insurance and government pensions fund, social assistance, etc.

**Other:**

The four major components of Personal Income shown in this table will not add to the figure shown for total Personal Income because of the following factors:

1. Employer and employee contributions to social insurance and government pension funds are included in the component shown as "Wages, Salaries and Supplementary Labour Income" but are deducted when determining total personal income.
2. Military pay and allowances are not included in the component shown as "Wages, Salaries and Supplementary Labour Income" but are included in the total personal income figures.
3. Net Income of farm operators from farm production and charitable contributions to persons by corporations are included in "Personal Income" but are not shown as separate components.

For further elaboration see **National Accounts, Income and Expenditure, 1967**, (tables 7 and 28 to 35).

**F- 3. Personal Disposable Income and Personal Income (Revised Concept) and its Main Components, Newfoundland and Labrador, 1949 to 1968**

**Source:** Data supplied by D.B.S., National Accounts, Production and Productivity Division.

**Definitions and Explanations:**

As noted in Table F-1 the National Accounts concept of Personal Income has been changed. The series based on the revised concept of Personal Income demonstrates that aggregate Personal Income has decreased slightly for the Province. Major changes in the components of Personal Income from the original to the revised concept were as follows:

1. Public hospitals have been transferred from the personal to the government sector. The portion of hospital expenses paid by government on behalf of persons was shown under the original concept as a current transfer from government to persons. With the inception of hospital insurance, and particularly the universal application of the Hospital Insurance and Diagnostic Services Act in 1967, hospitals have increasingly come under the financial and operational control of government departments or agencies, with the purchase of hospital services mainly by government on behalf of individuals. Therefore, in the personal sector, the level of income has been lowered by discontinuing government transfer payments to hospitals.
2. Employer and employee contributions to social insurance and public service pensions are now treated as a transfer payment (tax outlay) from persons to government, instead of a deduc-

tion from personal income. Personal Disposable Income is unaffected, with personal income and tax outlays rising equally.

3. Net rental income of persons, formerly classified with interest and miscellaneous investment income, is now included with net income of non-farm unincorporated business.
4. Investment income of trustee pension plans covering government employees has been reclassified to personal investment income from government investment income.
5. Employer contributions to pensions of armed forces have been reclassified from wages, salaries and supplementary labour income to military pay and allowances.

**Other:**

Includes military pay and allowances; Net income of farm operators from farm production; charitable contributions to persons by corporations; Capital assistance to unincorporated business; bad debts written off by persons; and transfers to non-residents.

For further elaboration see D.B.S. **National Income and Expenditure Accounts, 1926-1968**, dated August, 1969.

**F- 4. Census Value Added in Commodity Producing Industries, Newfoundland and Labrador, 1949 to 1967**

**Source:** D.B.S. **Survey of Production, 1967**, 61-202, (tables 6, 7, and 9 to 15).

**Definitions and Explanations:**

Census value added is obtained by deducting from the gross value of shipments or accrued operating revenue, the cost of intermediate materials, including custom charges. The gross value of shipments is taken exclusive of excise and other sales taxes and is adjusted for changes in inventory of finished goods and goods-in-process.

In some cases several statistical series have been shown within an industry to provide linkages in the data. This was made necessary by changes in classifications and concepts within some commodity producing industries.

The series shown in this table may not necessarily correspond with the net value series shown in the various sector tables in this review because of variations in concepts.

Explanations of conceptual breaks may in most cases be obtained through reference to the source publication (61-202). The following breaks occurred in the census value added series in the period 1949 to 1967:

1. Forestry—Break occurs in 1963—see Section L (Forestry) for further explanation.
2. Mining—Breaks occur in 1959 and 1961.
3. Manufacturing—Breaks occur in 1959 and 1961. See Section N (Manufacturing) for further explanation.
4. Construction—Break occurs in 1961.

**TABLE F-1**  
**TOTAL AND PER CAPITA GROSS PROVINCIAL PRODUCT AND PERSONAL INCOME,**  
**NEWFOUNDLAND AND LABRADOR, 1949 TO 1968**

| <u>Year</u> | <u>Population</u> | <u>Gross Provincial Product<sup>1</sup></u> | <u>Personal Income (Original)<sup>2</sup></u> | <u>Personal Income (Revised)<sup>2</sup></u> | <u>Per Capita Gross Provincial Product<sup>1</sup></u> | <u>Per Capita Personal Income (Original)<sup>2</sup></u> | <u>Per Capita Personal Income (Revised)<sup>2</sup></u> |
|-------------|-------------------|---|---|--|--|--|---|
|             | (Thousands)       | (\$ Millions)                               | (\$ Millions)                                 | (\$ Millions)                                | (Dollars)  | (Dollars)  | (Dollars)   |
| 1949 .....  | 345               | 190   | 163   | 164  | 551  | 472  | 475   |
| 1950 .....  | 351               | 215   | 177   | 182  | 613  | 504  | 519   |
| 1951 .....  | 361               | 247   | 205   | 202  | 684  | 568  | 560   |
| 1952 .....  | 374               | 275   | 219   | 220  | 735  | 586  | 588   |
| 1953 .....  | 383               | 298   | 242   | 249  | 778  | 632  | 650   |
| 1954 .....  | 395               | 320   | 258   | 263  | 810  | 653  | 666   |
| 1955 .....  | 406               | 347   | 277   | 282  | 855  | 682  | 695   |
| 1956 .....  | 415               | 388   | 311   | 315  | 935  | 749  | 759   |
| 1957 .....  | 424               | 404   | 329   | 338  | 953  | 776  | 797   |
| 1958 .....  | 432               | 396   | 343   | 346  | 917  | 794  | 801   |
| 1959 .....  | 441               | 428   | 363   | 371  | 971  | 823  | 841   |
| 1960 .....  | 448               | 460   | 395   | 401  | 1,027  | 882  | 895   |
| 1961 .....  | 458               | 508   | 428   | 427  | 1,109  | 934  | 932   |
| 1962 .....  | 468               | 553   | 449   | 445  | 1,182  | 959  | 951   |
| 1963 .....  | 476               | 611   | 484   | 475  | 1,284  | 1,017  | 998   |
| 1964 .....  | 483               | 677   | 523   | 517  | 1,402  | 1,083  | 1,070   |
| 1965 .....  | 488               | 751   | 583   | 563  | 1,539  | 1,195  | 1,154   |
| 1966 .....  | 493               | 832   | 654   | 628  | 1,688  | 1,327  | 1,274   |
| 1967 .....  | 500               | 875   | 712   | 699  | 1,750  | 1,424  | 1,398   |
| 1968 .....  | 507               | ..  | ..  | 744  | ..   | ..   | 1,467   |

<sup>1</sup> When comparing Gross Provincial Product and Personal Income Series, the original Concept of Personal Income should be used in that G.P.P. data was estimated by means of a methodology in which the original Personal Income concept was a major component. (See Definitions and Explanations for further elaboration.)

<sup>2</sup> In 1968 D.B.S. revised its concept of Personal Income. (See Definitions and Explanations for further elaboration.)

**TABLE F-2**  
**PERSONAL DISPOSABLE INCOME AND PERSONAL INCOME (ORIGINAL CONCEPT) AND ITS MAIN CON-**  
**PONENTS, NEWFOUNDLAND AND LABRADOR, 1949 TO 1967**

| <u>Year</u> | <u>Personal<br/>Disposable<br/>Income</u> | <u>Personal<br/>Income</u> | <u>Wages,<br/>Salaries<br/>and<br/>Supplementary<br/>Labour<br/>Income</u> | <u>Net<br/>Income of<br/>Non-Farm<br/>Unincorporated<br/>Business</u> | <u>Interest,<br/>Dividends<br/>and Net<br/>Rental<br/>Income<br/>of<br/>Persons</u> | <u>Government<sup>1</sup><br/>Transfer<br/>Payments</u> | <u>Other</u> |
|-------------|---|----------------------------|--|---|---|---|--------------|
|             | (Millions of Dollars)                     |                            |  |   |   |   |              |
| 1949 .....  | 157                                       | 163                        | 106  | 26  | 8   | 19  | 4            |
| 1950 .....  | 171                                       | 177                        | 116  | 27  | 11  | 22  | 1            |
| 1951 .....  | 197                                       | 205                        | 138  | 30  | 11  | 27  | -1           |
| 1952 .....  | 207                                       | 219                        | 151  | 27  | 12  | 30  | -1           |
| 1953 .....  | 227                                       | 242                        | 170  | 26  | 13  | 35  | -2           |
| 1954 .....  | 245                                       | 258                        | 177  | 28  | 16  | 38  | -1           |
| 1955 .....  | 264                                       | 277                        | 191  | 29  | 17  | 42  | -2           |
| 1956 .....  | 294                                       | 311                        | 215  | 33  | 18  | 47  | -2           |
| 1957 .....  | 311                                       | 329                        | 226  | 35  | 18  | 50  | -            |
| 1958 .....  | 329                                       | 343                        | 222  | 34  | 19  | 67  | 1            |
| 1959 .....  | 347                                       | 363                        | 236  | 38  | 22  | 67  | -            |
| 1960 .....  | 375                                       | 395                        | 260  | 41  | 23  | 73  | -2           |
| 1961 .....  | 406                                       | 428                        | 286  | 41  | 25  | 78  | -2           |
| 1962 .....  | 424                                       | 449                        | 297  | 46  | 26  | 82  | -2           |
| 1963 .....  | 458                                       | 484                        | 326  | 47  | 28  | 86  | -3           |
| 1964 .....  | 492                                       | 523                        | 356  | 50  | 30  | 92  | -5           |
| 1965 .....  | 547                                       | 583                        | 409  | 52  | 30  | 99  | -7           |
| 1966 .....  | 613                                       | 654                        | 470  | 53  | 32  | 117   | -18          |
| 1967 .....  | 661                                       | 712                        | 490  | 56  | 35  | 151   | -20          |

<sup>1</sup> Excludes Interest.

**TABLE F-3**  
**PERSONAL DISPOSABLE INCOME AND PERSONAL INCOME (REVISED CONCEPT) AND ITS MAIN COMPONENTS, NEWFOUNDLAND AND LABRADOR, 1949 TO 1968**

| <u>Year</u> | <u>Personal Disposable Income</u> | <u>Personal Income</u> | <u>Wages, Salaries and Supplementary Labour Income</u> | <u>Net Income Received By Non-Farm Unincorporated Business (Including Rents)</u> | <u>Interest, Dividends and Miscellaneous Investment Income of Persons</u> | <u>Government<sup>1</sup> Transfer Payments</u> | <u>Other</u> |
|-------------|-----------------------------------|------------------------|--|--|---|---|--------------|
|             | (Millions of Dollars)             |                        |  |  |   |   |              |
| 1949 .....  | 155                               | 164                    | 106  | 29   | 6   | 19  | 4            |
| 1950 .....  | 174                               | 182                    | 116  | 30   | 7   | 25  | 4            |
| 1951 .....  | 189                               | 202                    | 133  | 30   | 8   | 26  | 5            |
| 1952 .....  | 201                               | 220                    | 147  | 30   | 8   | 30  | 5            |
| 1953 .....  | 226                               | 249                    | 169  | 32   | 7   | 34  | 7            |
| 1954 .....  | 241                               | 263                    | 176  | 36   | 7   | 37  | 7            |
| 1955 .....  | 259                               | 282                    | 191  | 37   | 7   | 39  | 8            |
| 1956 .....  | 288                               | 315                    | 217  | 37   | 10  | 42  | 9            |
| 1957 .....  | 310                               | 338                    | 233  | 37   | 9   | 50  | 9            |
| 1958 .....  | 323                               | 346                    | 226  | 33   | 9   | 67  | 11           |
| 1959 .....  | 344                               | 371                    | 245  | 37   | 11  | 67  | 11           |
| 1960 .....  | 369                               | 401                    | 267  | 38   | 13  | 72  | 11           |
| 1961 .....  | 391                               | 427                    | 292  | 37   | 14  | 72  | 12           |
| 1962 .....  | 406                               | 445                    | 302  | 36   | 17  | 77  | 13           |
| 1963 .....  | 434                               | 475                    | 327  | 37   | 17  | 80  | 14           |
| 1964 .....  | 470                               | 517                    | 356  | 43   | 20  | 84  | 14           |
| 1965 .....  | 510                               | 563                    | 401  | 42   | 20  | 88  | 12           |
| 1966 .....  | 558                               | 628                    | 451  | 41   | 22  | 101   | 13           |
| 1967 .....  | 616                               | 699                    | 484  | 46   | 25  | 131   | 13           |
| 1968 .....  | 648                               | 744                    | 531  | 48   | 29  | 123   | 13           |

<sup>1</sup> Excludes Interest.

**TABLE F-4**  
**CENSUS VALUE ADDED IN COMMODITY PRODUCING INDUSTRIES,**  
**NEWFOUNDLAND AND LABRADOR, 1949 TO 1967**

| Year                   | Forestry <sup>1</sup> |                  | Fishing <sup>2</sup><br>& Trapping |          | Mining           |                  | Electric<br>Power |          | Manufacturing <sup>3</sup> |                  | Construction |                  | Total    |                  |                  |
|------------------------|-----------------------|------------------|------------------------------------|----------|------------------|------------------|-------------------|----------|----------------------------|------------------|--------------|------------------|----------|------------------|------------------|
|                        | Original              | 1963<br>Revision | Original                           | Original | 1959<br>Revision | 1961<br>Revision | Original          | Original | 1959<br>Revision           | 1961<br>Revision | Original     | 1961<br>Revision | Original | 1959<br>Revision | 1961<br>Revision |
| (Thousands of Dollars) |                       |                  |                                    |          |                  |                  |                   |          |                            |                  |              |                  |          |                  |                  |
| 1949                   | 15,597                | ..               | ..                                 | 17,437   | ..               | ..               | 1,911             | 32,919   | ..                         | ..               | 13,000       | ..               | 80,864   | ...              | ...              |
| 1950                   | 20,776                | ..               | ..                                 | 20,124   | ..               | ..               | 2,199             | 36,712   | ..                         | ..               | 24,400       | ..               | 104,211  | ...              | ...              |
| 1951                   | 26,597                | ..               | 13,500                             | 25,295   | ..               | ..               | 2,668             | 53,690   | ..                         | ..               | 25,100       | ..               | 146,850  | ...              | ...              |
| 1952                   | 21,549                | ..               | 13,069                             | 20,515   | ..               | ..               | 3,390             | 56,109   | ..                         | ..               | 38,700       | ..               | 153,332  | ...              | ...              |
| 1953                   | 24,884                | ..               | 12,077                             | 20,917   | ..               | ..               | 3,933             | 57,785   | ..                         | ..               | 39,600       | ..               | 159,196  | ...              | ...              |
| 1954                   | 21,419                | ..               | 14,835                             | 26,879   | ..               | ..               | 4,618             | 59,484   | ..                         | ..               | 38,200       | ..               | 165,436  | ...              | ...              |
| 1955                   | 24,295                | ..               | 14,209                             | 42,625   | ..               | ..               | 6,698             | 60,587   | ..                         | ..               | 42,500       | ..               | 190,913  | ...              | ...              |
| 1956                   | 23,966                | ..               | 15,248                             | 51,332   | ..               | ..               | 8,158             | 62,608   | ..                         | ..               | 51,000       | ..               | 212,312  | ...              | ...              |
| 1957                   | 21,220                | ..               | 13,721                             | 45,562   | ..               | ..               | 8,586             | 56,544   | ..                         | ..               | 47,280       | ..               | 192,913  | ...              | ...              |
| 1958                   | 20,586                | ..               | 11,447                             | 36,855   | ..               | ..               | 9,120             | 58,045   | ..                         | ..               | 54,178       | ..               | 190,229  | ...              | ...              |
| 1959                   | 20,659                | ..               | 14,581                             | 46,185   | 44,482           | ..               | 9,521             | 57,755   | 56,128                     | ..               | 61,702       | ..               | 210,402  | 207,072          | ...              |
| 1960                   | 28,172                | ..               | 15,936                             | ..       | 49,053           | ..               | 10,338            | ..       | 63,490                     | ..               | 74,455       | ..               | ..       | 241,445          | ...              |
| 1961                   | 20,265                | ..               | 14,968                             | ..       | 53,753           | 53,965           | 10,725            | ..       | 70,010                     | 69,273           | 91,916       | 75,892           | ..       | 261,636          | 245,087          |
| 1962                   | 16,139                | ..               | 17,524                             | ..       | ..               | 54,199           | 12,701            | ..       | ..                         | 72,805           | ..           | 89,315           | ..       | ..               | 262,684          |
| 1963                   | 19,858                | 15,854           | 20,488                             | ..       | ..               | 74,649           | 15,441            | ..       | ..                         | 73,977           | ..           | 80,967           | ..       | ..               | 281,377          |
| 1964                   | 22,209                | 18,712           | 22,939                             | ..       | ..               | 95,380           | 18,307            | ..       | ..                         | 78,988           | ..           | 86,021           | ..       | ..               | 320,347          |
| 1965                   | ..                    | 21,260           | 24,187                             | ..       | ..               | 98,237           | 21,364            | ..       | ..                         | 82,407           | ..           | 86,276           | ..       | ..               | 333,731          |
| 1966                   | ..                    | 23,299           | 26,653                             | ..       | ..               | 117,462          | 23,370            | ..       | ..                         | 93,043           | ..           | 136,057          | ..       | ..               | 419,884          |
| 1967                   | ..                    | 20,084           | 28,996                             | ..       | ..               | 133,132          | 25,942            | ..       | ..                         | 86,687           | ..           | 119,738          | ..       | ..               | 414,578          |

<sup>1</sup> Logging only.

<sup>2</sup> Primary fishing only—representing value of landings.

<sup>3</sup> Includes fish and forest product processing.