

Regional levels of personal income per capita (in current dollars) are shown for three selected groups of years in the following statement. Provinces are ranked in order of level of income in 1963 and the data are for three-year averages centred on the year shown.

<u>Province</u>	<u>1957</u>	<u>1947</u>	<u>1963</u>
	\$	\$	\$
Ontario.....	509	981	2,025
British Columbia (incl. the Yukon and Northwest Territories).....	535	980	1,966
Alberta.....	509	923	1,750
Saskatchewan.....	449	818	1,749
Manitoba.....	455	875	1,721
Quebec.....	378	709	1,521
Nova Scotia.....	299	676	1,302
New Brunswick.....	277	609	1,167
Prince Edward Island.....	248	477	1,115
Newfoundland.....	...	...	1,009
PROVINCIAL AVERAGE.....	<u>407</u>	<u>783</u>	<u>1,532</u>

The most striking features of the above comparisons are the substantial percentage difference in income levels between the highest and lowest province and the fact that the rankings of the provinces in terms of income levels have hardly changed over a period of almost 40 years.

The Council explored a number of underlying factors which help to explain why disparities exist in Canada and how they have changed over time. The following summary perspective was offered.

**The Atlantic Provinces.**—Although there are important distinctions among them, the four Atlantic Provinces clearly constitute the region with the lowest levels of per capita income in Canada and the area which has participated least adequately in the over-all national economic growth. In this sense the Atlantic Region is the 'under-developed region' of Canada, with a particularly unfavourable set of economic circumstances and characteristics.

First, the proportion of its population normally engaged in productive activity is lower than in other areas of the country. This fact alone would appear to account for roughly half of the gap in income per person between the region and the Canadian average. Contributing to this lower utilization of manpower resources are such factors as a relatively smaller proportion of total population in the working age group of 15-65 years, lower rates of participation in the labour force, higher-than-average unemployment and relatively severe seasonal unemployment. In addition, the general educational level of the labour force is below that of other regions and a larger proportion of the population live and work in rural areas where incomes are typically lower than in urban areas. Over the postwar period for which data are available, the rate of capital investment per capita has been well below the Canadian average. Regional public expenditure on growth-related services—including education, health, transport and resources development—has been consistently and substantially lower than in other Canadian regions. These conditions have also been reflected in high and sustained rates of migration of people from the area and in a rate of growth of employment slower than in the rest of Canada. These are the symptoms of a region in a low-level 'income-trap' and the breaking-out from that trap poses a formidable challenge to national policies for regionally balanced economic development.

**Quebec.**—Income levels per person in Quebec fall somewhat below the average for Canada. Manpower utilization is about 5 p.c. below the national level, mainly because of lower-than-average participation in the labour force and higher-than-average unemployment. Earnings per employed person also fall about 7 p.c. below the national level. It is not easy to isolate the basic contributing causes but lower levels of educational attainment in the labour force and a longer-run lag in investment in both the private and public sectors