

economic activity—problems such as urban congestion, the optimum use of land, and the provision of services and facilities required to accommodate rapid urban growth. The solution to these problems clearly entails heavy capital investment and far-reaching, complex changes in the institutional framework to enable it to adapt to new needs.

The Council concluded that efforts to promote more regionally balanced growth should be aimed at achieving a more rapid increase in the incomes of the lagging regions by methods which do not retard the development of the faster-growing areas of the country. In this way the economic growth of the national economy would be improved for the benefit of all regions in Canada. The Council said that, in order to accomplish this result, it is essential that regional development policies be directed to two basic objectives—the increase of opportunities for high-productivity employment and the acceleration of programs which can make the maximum contribution to improvements in productivity generally in the region. The Council suggested the following guidelines for action:—

- (1) the avoidance, as far as possible, of subsidies merely to create temporary activity or to sustain indefinitely low-productivity industries and declining occupations;
- (2) encouragement of efficient agglomerations of activity—growth centres—within the different regions in order to achieve increasing economies of scale, larger markets and more useful pools of skills, and to avoid uneconomic scatter and dispersion;
- (3) the taking of decisions in respect of investments in social capital in accordance with an adequate consideration of the economic and social benefits to be obtained in relation to costs;
- (4) the recognition of the urgent need to make available additional financial resources to the governments of the lower-income regions and through the appropriate federal agencies in order to help break the vicious circle of low productivity, low incomes, low government revenues and low investments in growth-promoting services which are needed to improve the quality and effective utilization of the available human and material resources—in particular, education, training, research, health, transport facilities, resource and industrial development and the development of wider markets;
- (5) the necessity for close co-ordination in the formulation and implementation of consistent regional development policies and programs among all levels of government; this is particularly important in view of the wide range of programs and policies affecting regional development, both on the part of the provinces and through certain federal agencies such as the Atlantic Development Board, the Area Development Agency and the Agricultural Rehabilitation and Development Administration; and
- (6) the avoidance of self-defeating restrictive and divisive measures which interfere with the free flow of goods, capital, labour and enterprise between all the provinces; such measures must be avoided if we are to achieve simultaneously the twin goals of more satisfactory growth in every region and a rapid expansion of the national economy from which all would benefit.

The Council observed: "It is clear that the narrowing of inter-regional income disparities and the achievement of a more regionally balanced economic growth involve large, urgent, and especially challenging tasks. Many decades of experience have shown that these tasks cannot be accomplished by piecemeal expenditures, superficial expedients, unproductive works and mere transfers of income. The appropriate policies and programmes will need to be formulated within a long-run consistent framework and carried out with a continuing regard for the real and underlying problems involved."

In addition to the research and analysis of economic prospects and problems carried out by its own expert staff, the Council also draws upon the work of other public and private institutions and assigns consultants to conduct special studies. In addition, liaison is maintained with existing provincial economic and productivity councils and boards. Members and staff of the Council also have participated in a large number of meetings to discuss the Council's work with interested groups and with business, labour and university economists.