

strains in the United States balance of payments. Thus, it would be inappropriate to assume that the external capital will always be easily available on the scale needed by Canada.

Equitable Distribution of Rising Incomes.—This is an extremely complex goal, defying simple formulation. The Council believes that much more information is needed about the distribution of income among individuals, families and various occupational groups. For example, why do some groups receive little benefit from the general rise in incomes and living standards? What elements lie behind the vicious circle of poverty that still traps far too many people? Although some of these problems may range far beyond the field of economics, the Council has said that these difficult matters will have to be understood and faced if appropriate policies are to be devised to achieve the goal of equitable distribution of rising incomes.

In this field, the Council's work to date has been concerned largely with the identification, measurement and analysis of regional disparities. The problem of assuring an appropriate participation on the part of each region in the over-all process of national economic development has long been an elusive goal and a continuing concern of the people of Canada. The Council's analysis showed that over the past four decades there has been relatively little progress toward the achievement of a better balance in this respect. Despite various policies and programs, very wide disparities have continued to exist in average per capita income. Also, there have continued to be wide differences in the extent to which the human and material resources of each region have found opportunities for productive use. Although national prosperity has always tended to have a favourable influence everywhere, rapid national growth has not by itself served to bring about any significant or lasting reduction in these large and stubborn differences.

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>1927</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 differences 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 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 that would 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