

Within each province there are areas of economic vitality, strength and potential. These areas are in a position to benefit from ongoing national programs and are most often associated with the more populous urban areas. But within each province there are other areas, often geographically large, of lesser economic prosperity, underdevelopment, unexploited resources, and unemployment and poverty.

The word 'region' has many meanings and various applications. But this Committee's specific concerns are with those identifiable regions across the country in which economic development has lagged. These regions within the boundaries of all provinces, even the richest, require special policies and assistance if they are to escape their present state of economic stagnation.

The Committee considers this a most important concept from which many of the recommendations in this report flow. It frees policy makers from the concern about the differences in wealth between the major regions of Canada and, more importantly, between the provinces. It means that all provinces have a stake in regional development and that the federal and provincial governments have very similar objectives in the alleviation of regional disparities.

**A central conclusion of this report is that all provinces of Canada contain areas of relatively prosperous economic development and areas of economic distress. Therefore all provinces, whether wealthy or not, have a stake in the alleviation of regional disparities. It follows from this that the federal government's concern should be focused less on the differences between the provinces (and indeed, the major regions of Canada) and more on the development of the lagging areas within each province. Viewed in this way, the federal and provincial governments have similar objectives in regional development.**

## Why It Matters

Canadian economic development is a complex subject, one in which a large number of important issues command the attention of Canadians in general and of legislators in particular. In dealing with these issues, Canadians must decide which are of greatest importance and which of lesser urgency, and resources must be allocated accordingly.

Regional disparity is unquestionably one of these issues. We felt it necessary to attempt to ascertain its relative importance. To do so, we had first to understand why Canadians should be concerned by the existence of significant regional disparities.

Some forms of disparity are not a cause for concern. For example, Canadians are not greatly perturbed by fairly wide variations in personal economic well-being. Governments endeavour through the social welfare system to make it possible for people to get by, if not to thrive. Nevertheless, in any given city block, office or factory, some individuals earn considerably more income than others; this is recognized and usually accepted. Yet income and other regional disparities of the kind that have been part of Canada since Confederation (and which persist in every industrialized country) are increas-