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## APPENDIX A

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# INCOME AND EMPLOYMENT — SYMPTOMS OF THE MALAISE

### Regional Incomes

The problem of Canadian regional disparities is both remarkably persistent and consistent. Professor Alan Green reviewed the history of regional development in Canada, and commented:

A quick review reveals two outstanding aspects of the process of economic growth in Canada between 1890 and 1956. The first is the persistence over the 66-year period of regional inequalities in average output. By 1956, the weighted dispersion of output per capita was about the same as it was in 1890. Also, with a few exceptions, the provinces with the highest average output in 1890 still had the highest in 1956 and those with the lowest continued, throughout, to hold that unenviable honour. The second is the variation in regional inequality over the period; although provincial positions on the income scale were relatively fixed, differentials between the top provinces and the bottom first widened and then narrowed. In particular a divergence in average output was observed between 1890 and 1910, followed by a period of relatively high level inequality and then a tendency towards convergence after 1929.<sup>1</sup>

The post-1929 convergence to which Professor Green refers has in fact continued through the post-war years and the 1970s. Table A-1 illustrates the movement in personal income over this period for various broadly defined regions, and Table A-2 illustrates the more significant convergence in wages and salaries in the recent past.

In looking at such tables, the reader should bear two points in mind. First, and perhaps most important, these definitions of regions are very broad and conceal more than they reveal. Every region of Canada, regardless of its

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<sup>1</sup> Alan G. Green, *Regional Aspects of Canada's Economic Growth* (Toronto: University of Toronto Press, 1971), p. 61.