

When Did Quebec Catch Up Economically?

by Vincent Geloso



In Quebec history books, the period from 1945 to 1960 has been labelled the “Great Darkness” on account of the province’s alleged backwardness compared with its North American neighbours. Quebec society at the time is commonly thought to have been less economically dynamic and prosperous, less culturally and socially enlightened, influenced by an obscurantist Church, dominated by anglophone capital, and governed by corrupt, authoritarian political elites. Many of these claims do not hold up under a closer examination of the statistics of the era, however.¹

When we look at economic indicators and at education levels in particular, the data illustrate that Quebec was in fact catching up with the rest of Canada. Furthermore, as we shall demonstrate, Quebec performed better between 1945 and 1960 than it did during the Quiet Revolution between 1960 and 1975.

It is true that before 1945, Quebec had experienced several decades of underdevelopment compared to the rest of Canada. The economic data series are rarely continuous over long periods and are often difficult to reconcile, but they show an unmistakable trend. For example, in 1890, average income in Quebec was 75% of what it was in Ontario compared to just 71% in 1910.² Another dataset shows that real earnings for male workers in Montreal and Quebec City declined relative to the earnings of those living in other Canadian cities between 1921 and 1941.³

With regards to education, Quebec was actually slightly ahead of the rest of the country in 1901. Although enrolment rates were higher in other provinces, the attendance level—not every child enrolled actually went to school regularly—was much higher in Quebec. That is, a greater proportion of those who enrolled for school in Quebec actually went to school. As a result, the effective rate of attendance in 1901 stood at 41% of the

population aged 5 to 19 in Quebec compared with 40% in Ontario and 38% in Canada as a whole.

But Quebec started losing ground thereafter. By 1931, the effective rate of attendance had risen to 52% in Quebec, but it had risen faster in Ontario (62%) and in Canada as a whole (55%).⁴ This disparity remained more or less the same until after the Second World War (see Figure 1).

The Great Convergence after 1945

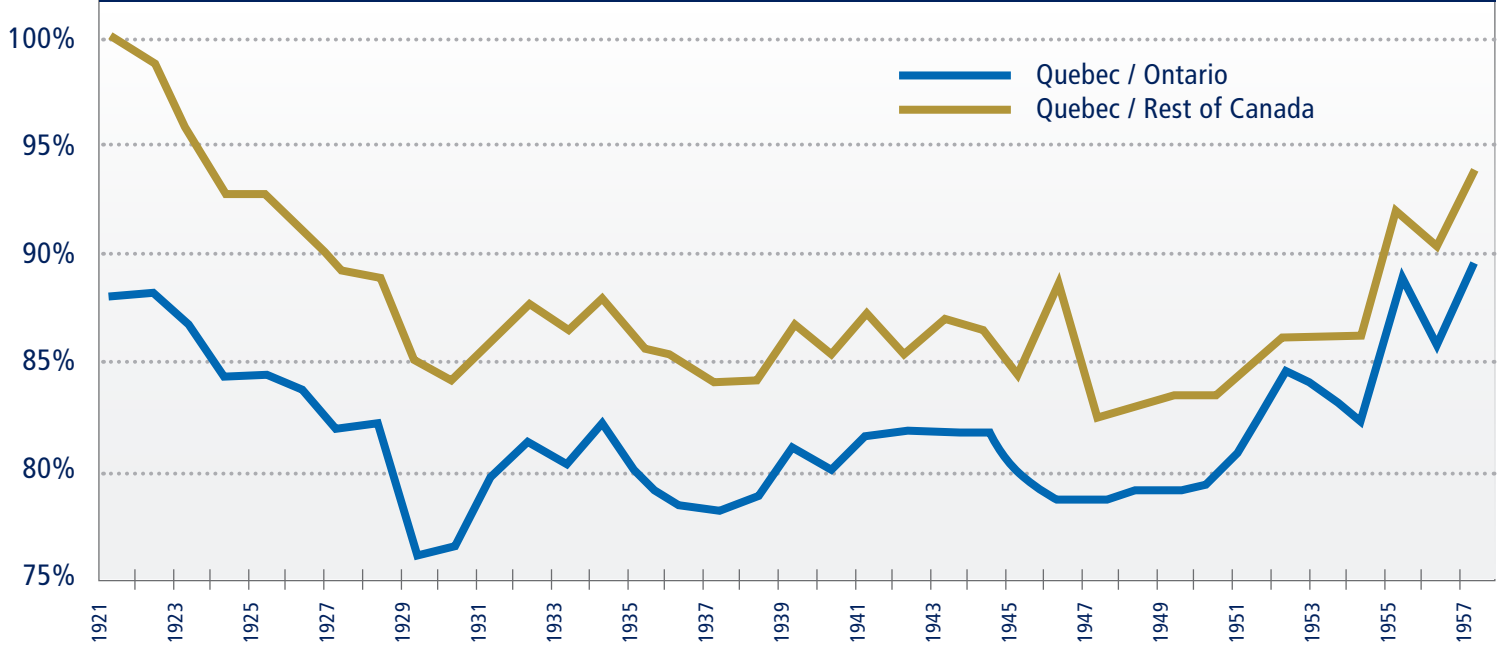
While Quebec had declined relative to the rest of Canada before the Second World War, the reverse happened in the years after the war had ended. French-speaking Quebecers abandoned rural occupations and migrated massively into administrative, professional and other service jobs⁵ whose wages were close to those observed in Toronto.⁶ Even unskilled workers in manufacturing jobs saw their wages increase a little faster than did their counterparts in Toronto between 1946 and 1960.⁷

In fact, rather than the relative decline and increasing backwardness claimed in history books, Quebec experienced a period of great economic and social convergence with the rest of Canada during this period, in particular when it comes to savings and investments, education and overall standards of living.



Vincent Geloso is a Ph.D. candidate in economic history at the London School of Economics and an associate researcher at the *Montreal Economic Institute*. This *Economic Note* is an adapted excerpt from his upcoming book, *Grand rattrapage et déclin tranquille: Une histoire économique et sociale du Québec depuis 1900* (Accent grave, February 2013).

Figure 1 — Proportion of children below 15 years of age effectively in school in Quebec, relative to Ontario and the rest of Canada, 1921 to 1957



Sources: See the addenda on the Montreal Economic Institute website at iedm.org. Note: The data used to construct this figure begin in 1921 and are not part of the same series used to describe the effective rate of attendance between 1901 and 1931. However, the trends described are essentially the same.

Investments in the province rose considerably faster than they did in Ontario on both a per worker and a per capita basis.⁸ A telling illustration of the propensity of Quebecers to save more is that credit union membership (essentially the *Caisses populaires Desjardins*) tripled from 450,800 to 1.35 million between 1946 and 1960.⁹ Adjusting for inflation, credit union branch capital rose by 166% during this period.¹⁰

Meanwhile, entrepreneurial activity measured by the number of businesses created surged from 34 per 100,000 inhabitants in 1945 to 74 per 100,000 inhabitants in 1960.¹¹

Rather than the relative decline and increasing backwardness claimed in history books, Quebec experienced a period of great economic and social convergence with the rest of Canada during this period.

Thanks to this increased economic dynamism, the personal disposable income of the average Quebecer grew at a faster rate than that of the inhabitants of Ontario or of the rest of Canada, thus reducing the gap between living standards in Quebec and elsewhere (see Figure 2).¹²

These numbers are probably even more positive for two reasons: the lower cost of living in Quebec and the larger size of Quebec households.

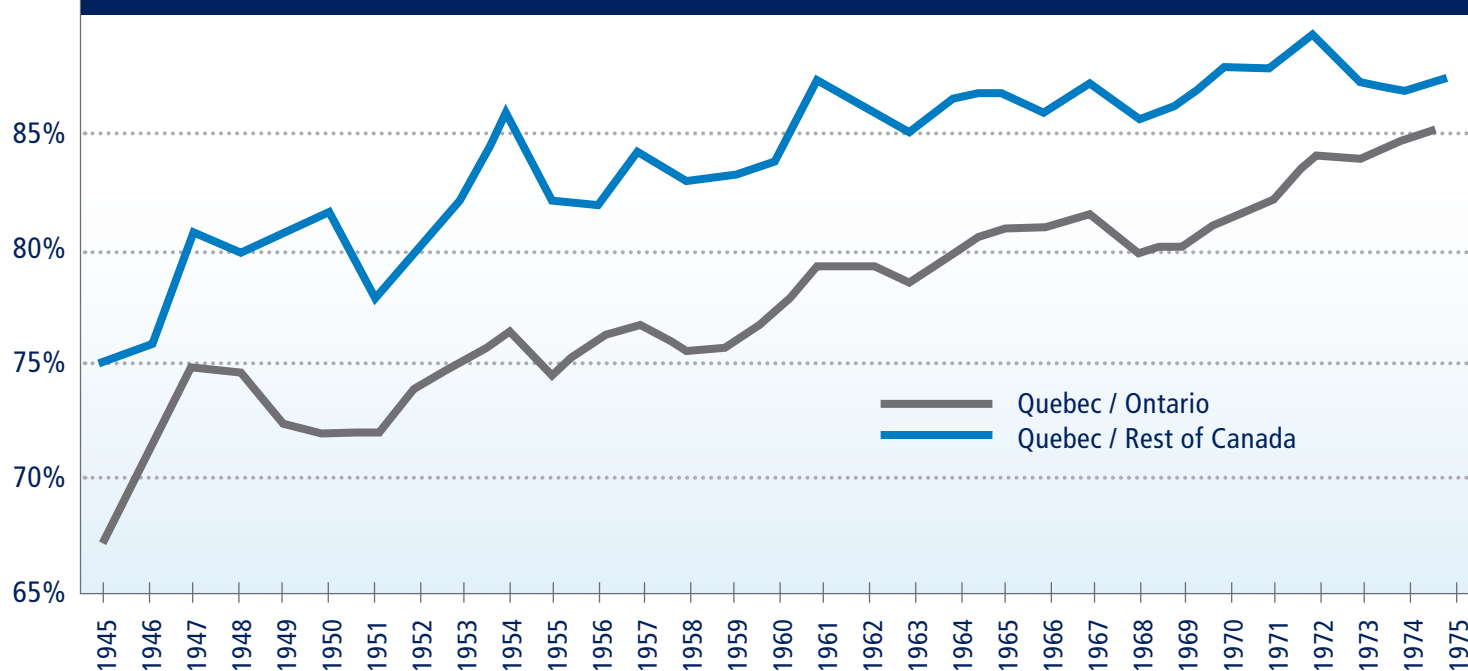
Estimating differences in cost of living is always a tricky task, especially on a province-wide scale. However, the available data indicate that the cost of living was 4.3% lower in Montreal than in Toronto between 1946 and 1950, a figure similar to that of the years between the two world wars.¹³ Given that prices rose at more or less the same pace in the two cities, this means that the relative income of Quebecers was higher than Figure 2 suggests.

Moreover, Quebec households were larger than in most of Canada. This allowed families to benefit from economies of scale when purchasing items necessary for daily life. When the necessary adjustments are made for the year 1960, Quebec's living standards as a proportion of those of Ontario are almost five percentage points higher than the uncorrected figures suggest.¹⁴

Such convergence can also be observed with regards to education levels. Quebec started to close the gap that had opened in previous decades in terms of the proportion of children going to school relative to the rest of Canada. The gap in effective attendance rate shrank considerably between 1945 and 1957 (see Figure 1).¹⁵

In terms of attainment, this meant that a rapidly increasing proportion of young Quebecers were going to high school and even university. In 1951, for every 100 Ontarians aged 15 years and above who had a university degree, only 71 Quebecers of the same age did. This number rose to 85 in 1961. This progress was even starker for women. The proportion of them

Figure 2 — Personal disposable income per capita in Quebec, adjusted for inflation, relative to Ontario and the rest of Canada, 1945 to 1975



Sources: See the addenda on the Montreal Economic Institute website at iedm.org.

who had a university degree in Quebec was less than half that observed in Ontario in 1951, at 44%, compared with 82% of the proportion observed in Ontario in 1961.¹⁶

Strangely, most historians claim that Quebec grew increasingly backwards with regards to education in the postwar years. The evidence shows just the opposite. There was still a gap between the level of education of young Quebecers and that of other young Canadians, but this gap was shrinking rapidly.

Not so revolutionary after all

Considering the economic and social evolution of Quebec from 1945 to 1960, the label of “Great Darkness” for this period is inappropriate. It was not a period of stagnation but one of catching up with Canada’s richest provinces. It should rather be labelled as one of “Great Convergence,” both economically and socially.

Conversely, the Quiet Revolution that followed it, invariably described in contrast to the Great Darkness as a period of rapid modernization and enrichment thanks to the provincial government’s new activism, does not after all show any marked positive break with previous trends when we look at the empirical evidence.

Indeed, the available statistics regarding schooling in Quebec relative to the rest of Canada show the same converging trend after 1960, albeit at a slower pace than during the Great Convergence. Unfortunately, the data set for daily

attendance at school ends in the 1960s, but we can still rely on enrolment figures to observe trends.

While the enrolment rate of children below 15 years of age in Quebec stood at 79% of the level observed in Ontario in 1945, that proportion had jumped to 89% by 1960. It reached 94% in 1975. Comparing the two periods, we can see that Quebec had reduced the gap with Ontario by 10 points between 1945 and 1960, and by just 5 points between 1960 and 1975.¹⁷ Most of the catching-up was therefore achieved before, not during, the Quiet Revolution.

The Quiet Revolution does not after all show any marked positive break with previous trends when we look at the empirical evidence.

Moreover, there are some signs of relative decline with regards to university education specifically during the Quiet Revolution. In 1961, there were 85 Quebecers who had university degrees for every 100 Ontarians who did. In 1981, that proportion had fallen to 78. There was a similar decline relative to the rest of Canada.¹⁸

In terms of standards of living, Quebec also continued to converge with the rest of Canada, but again at a somewhat slower pace. While personal disposable income per capita in Quebec relative to that of Ontario had risen by 9.7 percentage points between 1945 and 1960, it rose by 8.3 points between 1960 and 1975. Relative to the rest of Canada, the gap had

been reduced by 8.8 percentage points between 1945 and 1960, and was reduced by just 3.7 points more between 1960 and 1975 (see Figure 2).¹⁹

In short, Quebec's relative situation in Canada improved at a steady pace during both periods, but most of the gains in terms of educational attainment and standards of living were made before 1960, not after.

Conclusion

In short, Quebec's relative situation in Canada improved at a steady pace during both periods, but most of the gains in terms of educational attainment and standards of living were made before 1960, not after. This is the opposite of what generations of students have been taught in history classes, and the opposite of what the terms "Great Darkness" and "Quiet Revolution" are meant to convey.

History is not an exact science and events and periods from the past often take on different meanings as they are reinterpreted by new generations in the light of current trends and conditions. But there are still hard facts that cannot be ignored.

The available statistics do not support the contention that the period between 1945 and 1960 was one of economic backwardness and stagnation. They also do not support the view that Quebec society radically broke with its past from 1960 on. It is high time we question the clichés and myths associated with these periods and label them more appropriately.

References

1. See Vincent Geloso, *Grand rattrapage et déclin tranquille: Une histoire économique et sociale du Québec depuis 1900*, Accent grave, 2013, for an extensive discussion of these issues.
2. Morris Altman, "Economic Development with High Wages: An Historical Perspective," *Explorations in Economic History*, Vol. 25 (1988), p. 203.
3. Herbert Emery and Clint Levitt, "Cost of living, real wages and real incomes in thirteen Canadian cities, 1900–1950," *Canadian Journal of Economics / Revue canadienne d'économie*, Vol. 35 (2002), No. 1, p. 135.
4. Chris Minns and Mary McKinnon, *The Impact of School Provision on Pupil Attendance: Evidence from the Early 20th century*, Working Paper No. 116/09 (2009), Department of Economic History, London School of Economics and Political Science, p. 29.
5. Gérard Bernier and Robert Boily, *Le Québec en chiffres, de 1850 à nos jours*, Association canadienne-française pour l'avancement des sciences, 1986, pp. 208–211.
6. Dominion Bureau of Statistics, *Canada Year Book*, 1961, p. 752.
7. Dominion Bureau of Statistics, *Canada Year Book*, 1948–1949 and 1961; Statistics Canada, *Historical Statistics of Canada: Section K – Consumer Price Indexes for Regional Cities, 1940 to 1975*.
8. (For Quebec investment) Dominion Bureau of Statistics, *Canada Year Book*, 1947 and 1962; (for inflation) Statistics Canada, *Historical Statistics of Canada: Section K – Consumer Price Indexes for Regional Cities, 1940 to 1975*; (for workers) Ministère du Commerce et de l'Industrie, *L'Annuaire statistique du Québec*, 1960 and 1977–1978.
9. Dominion Bureau of Statistics, *Canada Year Book*, 1948–49, p. 1051; Dominion Bureau of Statistics, *Canada Year Book*, 1962, p. 1108.
10. Ministère du Commerce et de l'Industrie, *L'Annuaire statistique du Québec*, 1961, p. 648.
11. *Ibid.*, p. 604.
12. See the addenda on the Montreal Economic Institute website at iedm.org.

13. Herbert Emery and Clint Levitt, *op. cit.*, footnote 3, p. 127.
14. Jamie Carson, *Family Spending Power*, Statistics Canada, 2002, p. 2; Dominion Bureau of Statistics, "Economic families (by selected characteristics, Canada and provinces)," Census of 1961, Bulletin SX-10, Catalogue 98-524, Vol. IV.
15. See the addenda on the Montreal Economic Institute website at iedm.org.
16. Hervé Gauthier *et al.*, *D'une génération à l'autre : évolution des conditions de vie*, Volume II, Institut de la statistique du Québec, 1998, p. 214.
17. Statistics Canada, *Historical Statistics of Canada: Section W – Education: Total enrolment in elementary and secondary schools, by control, Canada and provinces, selected years, 1920 to 1975*; Statistics Canada, CANSIM, tables 051-0026 and 051-0001.
18. Hervé Gauthier *et al.*, *op. cit.*, footnote 16.
19. The years 1945 to 1947 are largely responsible for the fact that the catching up that Quebec did relative to Ontario between 1945 and 1960 was faster than between 1960 and 1975. These years were characterized by large postwar economic adjustments and their inclusion appears altogether legitimate. Nonetheless, the situation is similar if we consider only the period from 1950 to 1960 and compare it to the period from 1960 to 1970, which is to say that Quebec caught up more quickly before 1960 (5.2 percentage points) than after (4.2 percentage points).

910 Peel Street, Suite 600
Montreal (Quebec) H3C 2H8, Canada
Telephone: 514-273-0969
Fax: 514-273-2581
Website: www.iedm.org

The Montreal Economic Institute is an independent, non-partisan, not-for-profit research and educational organization. Through its publications, media appearances and conferences, the MEI stimulates debate on public policies in Quebec and across Canada by proposing wealth-creating reforms based on market mechanisms. It does not accept any government funding.

The opinions expressed in this study do not necessarily represent those of the Montreal Economic Institute or of the members of its board of directors.

The publication of this study in no way implies that the Montreal Economic Institute or the members of its board of directors are in favour of or oppose the passage of any bill.

Reproduction is authorized for non-commercial educational purposes provided the source is mentioned.

Montreal Economic Institute © 2013

Illustration: Ygreck Graphic design: Mireille Dufour