It is a pleasure once again to have the opportunity of appearing before your Committee and of answering questions on aspects of our work. As I understand it the main concern today is with the lessons which may be of some help to you arising from our Newfoundland Study.

The Study was undertaken at the request of the Newfoundland Government and the Federal Government following the publication of our 1977 Report called Living Together: A Study of Regional Disparities. That Report looked at regional disparities with a particular emphasis on productivity differences between regions and how they could be reduced. Some of the recommendations which were made in that Report specifically excluded the province of Newfoundland because we recognized that that province was a special case with particular concern perhaps not common with other regions. It was as a result of that report that the Economic Council of Canada was asked to undertake a study of the Newfoundland economy. The purpose of the study was to look at ways of reducing the dependency of the province on transfer payments from the Federal Government, and ways of improving employment opportunities and raising the earned incomes of Newfoundlanders. It was intended also to provide indepth analysis of the provincial economy which would help the provincial government in planning its medium-term economic development strategy.