

social development of Canada. Through a General Development Agreement with each of the provinces and other programs, DREE co-ordinates particular development activities to broaden regional and local economic bases, expand production and employment opportunities and assist particular areas in dealing with problems of economic growth and social adjustment.

The Federal Government provides the less prosperous provinces and territories with "equalization payments" of approximately \$2.7 billion a year (this is approximately one-third of all federal transfer payments). These transfer payments help subsidize such services as provincial health care, social services, post-secondary education and many municipal projects.

Similarly, direct federal grants to the provinces and territories and cost-shared ventures in forestry, iron and steel, and industrial infrastructure expansion have reduced regional disparities.

The Hermes satellite

