

economy although it is subject, as in other Western countries, to fiscal and monetary direction. Government intervention in the economy is limited. While governments provide the necessary framework, they do not manage economic activity in every detail. They create the environment in which private enterprise can attract the investment it requires, keep prices and costs stable, adapt to structural change and achieve greater efficiency and higher productivity. The taxation system must permit business and investment to be competitive internationally.

The ultimate authority for Canada's fiscal policy rests in the hands of the federal and ten provincial governments. Since federal, provincial and municipal governments have different powers over taxation and also have differing responsibilities for economic policy, co-ordination and co-operation among them are imperative. The necessary degree of collaboration is brought about by periodic meetings of federal and provincial finance ministers

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National corporation