

resources by themselves are no longer an adequate base for a growing and prosperous modern economy. We shall increasingly have to compete on even terms with those countries of the world which are most advanced technologically in the provision of the sophisticated products of modern life. Unless Canada can maintain an economy that is efficient, competitive and productive in relation to the most advanced nations on earth, we cannot have the basis for a society from which poverty has been eliminated, we cannot maintain high levels of employment and income and we cannot ensure the standard of life to which Canadians generally aspire. It is against this background, as well as with the consciousness that the interests of all must be fairly balanced, that the government is approaching its policies and programs of an economic character. In this same context, Parliament will be asked during the present session to consider proposals for a systematic and continuous review of prices and costs in our economy.

Just as incomes cannot increase faster than productivity if price increases are to be restrained, so government spending by all levels of government cannot increase faster than productivity if we wish to restrain the increase in levels of taxation. These two realities are among the most important that Canadians and their leaders must bear in mind during the months and years ahead. Measures that you will have to consider relating to the Kennedy Round reflect the outcome of a major international effort to reduce the barriers to international trade and emphasize the opportunities opening up for a great trading nation like Canada. A measure to be brought before you dealing with the amendment of the Bretton Woods arrangements, results from comparable efforts to stabilize and improve the whole international financial system.

Conscious of the limitations it must place on its expenditures, my Government has acted within the framework of previously announced guidelines to select carefully the programs which in the light of regional needs and opportunities it considers most promising for the promotion of a prosperous economy. My Ministers will bring before you legislation relating to the encouragement of manpower programs, regional improvements, domestic investment, export development, and resource administration, including a Yukon Mineral Act and an Oil and Gas Production Act relating to Canada's increasingly important northern resources. In addition, my Government will propose a Freshwater Fish Marketing Act, and intends to investigate immediately a number of methods for promoting greater efficiency in the production and marketing of grains, including the establishment of a National Grains Council. You will be asked to approve amendments to the Farm Improvement Loans Act, the Farm Credit Act, the Farm Machinery Syndicates Act, the Prairie Grain Advance Payments Act, and the Fisheries Improvement Loans Act. You will be asked to consider a Canada Development Corporation Act, a Federal Cooperatives Act and an Export Development Corporation Act.

The growth of our population and the changes in the nature of our mobile urban and industrial society lend a new importance to conservation in its traditional sense. We have taken and are taking effective strides toward economic conservation through progressively better use of our resources to achieve a high