

finally established, but in the present circumstances of competing demands and rapidly rising costs we must exercise the utmost restraint in introducing new programs or expanding existing ones. We must terminate any programs which have been replaced by more productive ones, and we must defer any which are not immediately essential.

In the past few weeks we have demonstrated our resolve to implement this policy by our decisions on the winter works program, the freeze on civil service growth, and other cuts in expenditure. We have also issued explicit guide lines to be used in the preparation of the estimates for 1969-70 and we will not hesitate to take whatever other actions may be necessary to restrain the growth in our expenditures.

Another inescapable limitation on the government's ability to satisfy the demands of many citizens results from the federal nature of our state. If federalism is to work, each level of government must restrict itself to those matters allotted to it under the constitution. Thus it sometimes happens that when citizens bring acute social problems or even injustices to the attention of the federal government, we find that the immediate remedy lies in the field of provincial action. In such cases, however strong our feelings on the subject, we have no alternative but to advise them to direct their complaint to their provincial government.

Of course there are complex problems whose many facets do not lie exclusively within one jurisdiction and which can only be resolved by co-operation between federal and provincial governments.

[Translation]

I think, Mr. Speaker, that it has been somewhat fashionable for some years now, to consider with a touch of irony that form of co-operative federalism, but if a federative system of government is to operate, it is obvious that this kind of co-operation is not only useful but absolutely indispensable. I want to reassure the Leader of the Opposition who seemed to indicate that I had refused to discuss with the provinces a number of problems relating to the matter of costs and cost-sharing programs. In fact, I want to remind him what I said again this afternoon in reply to a question put to me just before he rose. For quite some time, and no later than a fortnight ago, meetings had been held between federal and provincial officials preparatory to a federal-provincial conference where all those problems, those cost-sharing programs would be discussed, provided of

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course that the provinces choose to put them on the agenda.

Consequently, let him be reassured, we believe in the co-operation of the provinces and the federal government; we think that many of those questions can be settled only as a result of negotiations which could last for some time. But we are optimistic.

I want to reassure the Leader of the Opposition by telling him that I also wrote to all the provincial premiers during the summer to advise them about the meetings at the official level, in preparation for the federal-provincial conference at the government level. Moreover, I recently invited them by correspondence to find a date—during November or December—in order to continue this federal-provincial conference on constitutional questions to which we attach the highest importance.

[English]

Within these limitations, I would like to mention a few of the top priorities for government and parliamentary action over the next few years.

A primary responsibility of the federal government is to represent the Canadian people in international affairs.

Had the world required any evidence that the course of international events cannot be predicted with accuracy, it came forcefully in the latter part of August when several of the Warsaw pact countries invaded another of the Warsaw pact countries, Czechoslovakia. And had Canadians required any evidence that there are very real limitations to effective freedom of action in the international arena, it was provided by this same event.

We in this country are not so immature as to believe that we can, in effect, be the sole masters of our destiny in this changing and challenging world. We know that total freedom of action is not possessed by even the mightiest of world powers; that we live in an interdependent age which creates both its own expectations and its own frustrations. With these facts we are familiar. With these facts we must be prepared to live.

Our objectives must be pursued within the perimeters of our geographical position, of our dependence on foreign trade, of our special relationships with NATO and commonwealth members and those other countries, such as the French speaking states, with whom we have particularly close ties, and