

of our people in the ownership of our industrial institutions. You will therefore be asked to consider a bill to establish a Canada Development Corporation in order to further the industrial development and trade of this country by reinforcing the supply of Canadian equity capital ready to share the risks as well as the rewards of investment in Canadian business.

Federal-provincial co-operation through the Fund for Rural Economic Development will permit a major effort for regional planning for particular areas in Canada. Implementation of development projects in northeastern New Brunswick, at Mactaquac in New Brunswick and the interlake area of Manitoba will provide the federal Government with tools of knowledge and experience for the benefit of other regions throughout the country. You will also be invited to approve the establishment, with the Government of Nova Scotia, of a Crown Corporation to phase out the uneconomic coal mining operations in Cape Breton, while creating alternative industrial employment.

Greater emphasis and encouragement, consistent with federal responsibilities, will be given to community development programs throughout Canada. In no case is the need for these more fully demonstrated than in the case of the Indians and Eskimos of Canada who face grave problems in their attempts to share the benefits and opportunities of our society. The Government will therefore put before the Centennial Session amendments to the Indian Act and it will take other administrative measures to encourage the process of community development, for the benefit of the Indian and Eskimo people.

In foreign affairs Canada has put its major effort into the pursuit of peace. Our diplomacy aims at strengthening Canada's position in the councils of nations so as to work towards that world peace and stability that is the agreed objective of all sectors of public opinion in this country.

The most serious situation in the world today remains that in Vietnam. The Government continues to attach the highest priority to initiatives designed to bring about a peaceful settlement of this conflict and we will continue to exert every effort to this end through diplomatic and other peaceful means. The Government is prepared to co-operate in the establishment of an international presence in Vietnam to provide the assurances and guarantees which may have to form part of

any settlement. We are also prepared to assist in the economic reconstruction and rehabilitation in that area once peace has been restored.

The government will also continue to press vigorously for effective international action in the field of disarmament. It regards curbing the nuclear arms race as a first and essential step on the road to general disarmament.

With these objectives in mind, Canada is joining with its NATO partners in a review of the future tasks of the alliance. Besides the changing requirements of collective defence, we will have in mind the progressively important political role which NATO has undertaken in the pursuit of a peaceful settlement in Europe.

The United Nations remains for Canada a major consideration in foreign policy. Until the end of 1968 Canada will have the responsibility of membership on the Security Council, and in that role the government will strive to strengthen the capacity of the United Nations fully to discharge its proper functions.

It is also expected that the "Kennedy Round" of International Trade and Tariff Negotiations will soon be completed in Geneva. In the light of its conclusions, you will be asked to approve changes in tariffs and related laws necessary to implement the undertakings Canada will give in order to gain improved access for Canadian products in export markets.

The Government also intends to play an active part in the forthcoming meeting of the United Nations Conference on Trade and Development, as it attaches great importance to the trade problems of less-developed countries.

Unless there is a concerted international endeavour to promote economic, technical and social advances in the developing countries, the world will soon face a major crisis. The advances painfully won by the nations of Asia, Africa and the Americas must not be lost through the lack of aid or through impediments to trade. Steps will be taken further to develop Canada's special relations with the Commonwealth countries of the Caribbean.

The Government also intends to seek approval for a substantial increase in the external aid program, as a further step towards the aid target of one per cent of national income.

External aid, trade and the activities of a host of international agencies today bind the