

Speech from the Throne

Legislation respecting the Senate will be introduced.

To ensure that the redistribution of electoral districts is made objectively and impartially, you will be asked to approve a bill to establish an independent commission to recommend redistribution.

A measure will be placed before you to establish an Indian claims commission to investigate claims on the part of various tribes and bands that certain of their rights have been restricted or abrogated, and to make recommendations for the equitable and final settlement of such claims.

Economic activity in Canada has moved ahead sharply. This strong advance has resulted in more than 200,000 new jobs during the past twelve months. The objective of my government is to accelerate this pace of advance. This would mean the creation over the next five years of more than 1 million new jobs and a corresponding growth in gross national product and in production for both the export and domestic market, already at record levels.

Such high levels of activity have not prevented the emergence of foreign exchange difficulties similar to those which confronted Canada in crisis proportions in 1947, and to those which have affected other major trading nations more recently. In June my government found it necessary to put into immediate effect a comprehensive program to strengthen the country's exchange reserves. Since that time Canada's exchange reserves have increased substantially. It is my government's firm intention to remove the import surcharges included in this program as soon as circumstances permit.

My government will continue to take positive, constructive measures to strengthen Canada's balance of international payments. The recently stabilized exchange rate for the Canadian dollar has greatly helped Canadian producers in all parts of Canada both in the domestic and export markets. The new exchange rate is contributing as well to a large expansion in the Canadian tourist industry, which has also been aided by joint efforts of the federal and provincial governments.

Canada's development will continue to require imports of capital, and to this end my government will maintain a climate in Canada hospitable to foreign investment.

As one of my government's measures to develop the Canadian economy, maintain a high level of employment and strengthen the balance of payments, you will be asked to approve legislation establishing a national economic development board. This board would be broadly representative and would review and report upon the state of the economy and upon economic policies. It would also have the duty of recommending to the government particular projects or measures which it considers would be in the interest of national development, including projects which may require direct governmental participation by way of financial aid or otherwise.

The objective of my ministers is a balanced budget. This will require the exercise of restraint in respect of controllable spending and an increased concentration of available resources on essential national projects designed to ensure the expansion of the Canadian economy. Steps will be taken to improve further the efficiency of government operations. The report of the royal commission on government organization will be helpful in achieving this improvement of administration while maintaining the high status of the Canadian public service. A program of economies in government expenditures will be reflected in the revised estimates to be placed before you.

A royal commission has been established to review the whole field of federal taxation and its impact on the Canadian economy, and to recommend reforms and improvements.

[Mr. Speaker.]

The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people, the promotion of a high rate of economic growth, the strengthening of Canada's balance of international payments and the maintenance of stability in prices. New budget measures will be introduced to provide further solutions to long term problems.

My ministers will reintroduce the resolutions submitted in the last budget which had as its central purpose the encouragement of economic growth. This will include the production incentive provided to manufacturing and processing companies by cancelling one half of the tax on the first \$50,000 of taxable income arising from increased sales and one quarter of the increased tax on any additional income arising from increased sales. It will also include the measure to grant to individuals and companies the right to charge petroleum drilling and exploration expenses against income from oil and gas production, and to permit certain expenditures made to acquire oil and gas rights to be deductible for tax purposes. The measure to allow a special tax credit in respect of provincial logging taxes will also be reintroduced in order to remove discrimination in the taxation of logging operations. Iron mining companies will be added to the list of companies which are exempt from the special tax on income earned in Canada by branches of non-resident corporations. The measure will also be reintroduced to increase by \$50 per year the income tax deductions allowed for children.

My government intends to press forward in co-operation with Canadian industry to secure a greater and more rapid application of science to industrial production. You will be asked to approve the new tax incentive announced in the last budget for corporations undertaking increased expenditures on scientific research in Canada. Dramatic evidence of successful co-operation between Canadian science and industry has been given this week in the opening of Canada's first nuclear power generating station.

Canada's prosperity and growth must ultimately rest in large measure upon its exports. To achieve adequate export levels it will be necessary to increase further Canada's capacity to produce competitively and its ability to sell in export markets. The government's industrial programs are directed toward these ends. Its commercial policy negotiations have the objective of opening additional markets to Canadian producers in fair exchange for opportunities for others to sell in Canada. The vigorous campaign of export trade promotion will be expanded to enlarge the sales of Canadian products in foreign markets. You will be asked to provide the funds necessary for this increasing trade promotion work. Amendments to the Export Credits Insurance Act will also be placed before you, to double the insurance liability which the corporation may assume and to improve the arrangements for long term financing.

You will be asked to authorize the establishment of an Atlantic development board to advise on measures and projects that will promote the economic development of the Atlantic region of Canada.

Amendments will be requested in the Industrial Development Bank Act to enlarge still further this bank's important role in national development.

The prosperity of agriculture remains essential to the well-being of the entire Canadian economy. Canada is blessed this year with very large crops of good quality, and export markets for Canadian agricultural products have been greatly enlarged.

My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program