

In its relations with the Provinces, my Government is guided by the conviction that Canadian federalism must draw its vitality and strength from the mutual respect and co-operation of the national and provincial governments. The Canadian people can be well served by their political institutions only if each element in our federal system is able to act effectively within its constitutional sphere. While respecting fully the responsibilities of the provinces, the Government is equally resolved to maintain the constitutional responsibilities of the federal authority.

The Tax Structure Committee, in which the federal and provincial governments, by a common effort, are making a fundamental review of their relations in matters of finance, is nearing the end of its task. The Committee is expected to present recommendations to the Federal-Provincial Conference which will meet later in the year to consider how fiscal relations between the federal and provincial governments might best be adjusted to strengthen each authority in the discharge of its constitutional responsibilities.

My Government will accordingly submit to you legislation respecting federal-provincial fiscal arrangements to become effective in 1967.

It remains the objective of my ministers to provide that the Constitution of Canada may be amended in Canada.

You will be asked to authorize my Government to provide that "O Canada" shall be the national anthem and that "God Save the Queen" shall be the royal anthem in Canada.

A measure will be placed before you to provide for the re-organization of certain departments of government, in order to adapt the structure of administration to new and changing conditions and so better meet the needs of our people. The purpose of this re-organization is to provide for closer and better co-ordinated action in the following areas of public policy: manpower policies, which are essential to the sustained growth of a highly productive economy and to the elimination of pockets of poverty within that economy; rural development programs, which are necessary to agricultural progress and a better rural life; integrated federal policies with respect to energy and resources; the special needs of the indigenous people of Canada and of the development of the North; the federal responsibility for laws relating to the conduct of business activity; the problems of corrections and crime, particularly in regard to the effective co-ordination of police

services and intelligence in combatting organized crime; and improved management and administration within the public service generally.

For these purposes you will be asked to approve: the conversion of the Department of Citizenship and Immigration into a Department of Manpower; the broadening of the Department of Forestry into a Department of Forestry and Rural Development; the creation of a Department of Energy, Mines and Resources; the conversion of the Department of Northern Affairs and National Resources into a Department of Indian Affairs and Northern Affairs; the establishment of a new department responsible for the special areas of legislation concerned with the conduct of business activity; the establishment of the office of Solicitor General as a full department of government; and the establishment of a Department of the Treasury Board under its own Minister. My Government believes that these changes in organization will enable the processes of administration to respond more speedily and efficiently to the problems of modern times.

Our country is enjoying an unprecedented period of prosperity and growth. Production, investment and trade have expanded rapidly. Employment opportunities have more than kept pace with the rapid increase in our labour force. Unemployment has fallen in all regions of the country, and has been at the lowest level in many years. Canadians have benefited from good harvests and a high level of demand for our farm products.

The opportunities and the need for further sustained economic growth have been indicated by the Reviews of the Economic Council of Canada. My Government intends to pursue policies to ensure that our prosperity and growth continue. It is important that the benefits this can bring to all Canadians should not be jeopardized by excessive costs and prices which would endanger the stability of our economy. My Government therefore intends to continue its policy of stretching out its expenditure on public construction projects in areas of heavy pressure on the construction industry.

With a high rate of employment, our economic growth and living standards will depend increasingly on how successful we are in improving the performance of our economy. Our economic efficiency can be improved by concerted efforts to adapt and develop our institutions, both private and governmental, to our real needs. Improvements in the skills and efficiency of our existing working force,