

debate when these measures, each in its turn, come to this chamber for consideration.

The Government has now placed before Parliament its outline of priorities of an action program. These are the key words, "priorities of an action program," and in this context I would like to comment in a general way on a matter which I shall generally describe as the "effectiveness of government." In my discussion I would like to emphasize that I am raising this question in the hope that it is being thoroughly examined so that we may have some understanding of the nature of government participation in the economic and social life of Canada. In view of the comprehensive program contemplated in the Speech from the Throne, I believe that this understanding of the priorities of government action is especially timely.

In this regard I would refer honourable senators to the lectures by Peter F. Drucker, which were delivered at Convocation Hall, University of Toronto, early in March, under the auspices of the School of Business of that university. These lectures were extremely well attended and have caused considerable comment in the Canadian press. They deal with entrepreneurship in business enterprise, or the "effectiveness of business." It seems to me that the principles outlined by Professor Drucker have a real bearing, at least in my opinion, on the business of government.

His fundamental premise is that entrepreneurial skill is the thing which makes business an effective instrument. He points out that historically certain business enterprises have been more consistently successful than others, and he seeks the reason therefor. He states that in a modern business enterprise there are three fundamental characteristics—the first being entrepreneurial skill, the second efficiency, and the third the impact of business on the social scene. It is pointed out that the latter two fundamentals cannot exist without the first and that, therefore, it is the basic necessity. It is the creative element and is, therefore, the most important.

I believe that this reasoning is applicable to the business of government, and that it is a particular area that should be studied and appreciated at this time because I believe that more entrepreneurial skill can make government more effective. If government becomes more effective, it follows that our country will prosper accordingly.

Thus the question becomes: Which priorities of action will be of most benefit to Canada? To illustrate my premise with an ex-

ample that clearly involves every Canadian in every walk of life, the Economic Council of Canada has provided a most excellent framework of forecast to the year 1970. It points out that an average annual increase in output per man-hour of 3 per cent is required in the productivity factor. If the other targets as set out in that report are to be met, surely this required increase is the item which should be most concerning to management, labour and government. Here is an area where strategy must be employed on a partnership basis so that the effect may be realized. Here is a priority that should be attacked, because if Canada is to succeed in reaching its goals it must attack its problems.

Although people are inclined to say that there is no common denominator in the Canadian character, I am not sure that I agree. I believe that one salient common characteristic of all Canadians is that they enjoy competition. If my opinion is a correct one, then now as never before this common characteristic must be brought into focus, developed and achieved if this country is to maintain and improve its position as a factor in world affairs. If Canada is to become more effective, and if Canadians are to compete in world affairs, then the goals as set out by the Economic Council provide the target, and the critical decision becomes one of priorities. I suggest that increased productivity is one touchstone of development, and government should be supporting or creating an action program to achieve it.

Surely the achieving of the productivity goals postulated by the Economic Council is fundamental to the realization of all our plans for Canada. An effective economic growth rate is the only base which can sustain programs to realize such objectives as full employment, a favourable balance of payments position, resource development, maintenance of consumer income, and an expanding gross national product.

Let us acknowledge that the role of government in Canadian developments has been an essential one. When this country was created as a political entity, the Fathers of Confederation established the framework within which our subsequent development would take place, and implicitly the Government of Canada accepted a role and a responsibility for providing a climate in which industry could take root and flourish. Indeed, the greatest Canadian undertaking of the nineteenth century, the building of the transcontinental railway, reflected the essential contribution government would have to make, and continue to make, in the devel-