



CANADA

THE ROYAL COMMISSION ON
**GOVERNMENT
ORGANIZATION**

1

MANAGEMENT OF THE PUBLIC SERVICE

- 1: A PLAN FOR MANAGEMENT**
- 2: FINANCIAL MANAGEMENT**
- 3: PERSONNEL MANAGEMENT**
- 4: PAPERWORK AND SYSTEMS MANAGEMENT**

1

MANAGEMENT OF THE PUBLIC SERVICE

ACTM

VOLUME **1**

**MANAGEMENT OF
THE PUBLIC SERVICE**

PUBLISHED BY THE QUEEN'S PRINTER • OTTAWA • CANADA FOR
THE ROYAL COMMISSION ON GOVERNMENT ORGANIZATION



ROYAL COMMISSION ON GOVERNMENT ORGANIZATION

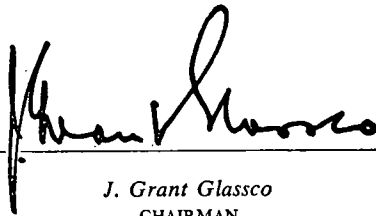
J. GRANT GLASSCO
F. EUGÈNE THERRIEN
WATSON SELLAR

To His Excellency

THE GOVERNOR GENERAL IN COUNCIL

May It Please Your Excellency

We, the Commissioners appointed by Order in Council dated 16th September, 1960 to inquire into and report upon the organization and methods of the departments and agencies of the Government of Canada and to make recommendations concerning the matters more specifically set forth in the Order in Council dated 16th September, 1960: Beg to submit to Your Excellency the following Report.



A handwritten signature in black ink, appearing to read "J. Grant Glassco", is written over a horizontal line.

J. Grant Glassco
CHAIRMAN

July 18th, 1962

TO ALL TO WHOM THESE PRESENTS SHALL COME
OR WHOM THE SAME MAY IN ANYWISE CONCERN,

Greeting:

WHEREAS pursuant to the provisions of Part I of the Inquiries Act, chapter 154 of the Revised Statutes of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1269 of the sixteenth day of September, in the year of Our Lord one thousand nine hundred and sixty, a copy of which is hereto annexed, has authorized the appointment of Our Commissioners therein and hereinafter named to inquire into and report upon the organization and methods of operation of the departments and agencies of the Government of Canada and to recommend the changes therein which they consider would best promote efficiency, economy and improved service in the despatch of public business, and in particular but without restricting the generality of the foregoing, to report upon steps that may be taken for the purpose of

- eliminating duplication and overlapping of services;
- eliminating unnecessary or uneconomic operations;
- achieving efficiency or economy through further decentralization of operations and administration;
- achieving improved management of departments and agencies, or portions thereof, with consideration to organization, methods of work, defined authorities and responsibilities, and provision for training;
- making more effective use of budgeting, accounting and other financial measures as means of achieving more efficient and economical management of departments and agencies;
- improving efficiency and economy by alterations in the relations between government departments and agencies, on the one hand, and the Treasury Board and other central control or service agencies of the government on the other; and
- achieving efficiency or economy through reallocation or regrouping of units of the public service,

and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YE that, by and with the advice of Our Privy Council for Canada, We do by these Presents nominate, constitute and appoint J. Grant Glassco, Esquire, of the City of Toronto, in the Province of Ontario; Robert Watson Sellar, Esquire, of the City of Ottawa, in the Province of Ontario; and F. Eugene Therrien, Esquire, of the City of Montreal, in the Province of Quebec, to be Our Commissioners to conduct such inquiry.

TO HAVE, hold, exercise and enjoy the said office, place and trust unto the said J. Grant Glassco, Robert Watson Sellar and F. Eugene Therrien, together with the

rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby direct that the scope of the inquiry shall not extend to the institution of Parliament.

AND WE DO hereby authorize Our said Commissioners to exercise all the powers conferred upon them by section 11 of the Inquiries Act and be assisted to the fullest extent by government departments and agencies.

AND WE DO hereby authorize Our said Commissioners to adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time.

AND WE DO hereby authorize Our said Commissioners to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board.

AND WE DO hereby require and direct Our said Commissioners to report their findings to Our Governor in Council, making interim reports as progress is made, with the final report to be made within a period of two years.

AND WE DO hereby require and direct Our said Commissioners to file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry.

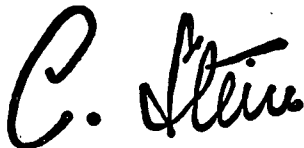
AND WE FURTHER appoint J. Grant Glassco, Esquire, to be Chairman of Our said Commissioners.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

WITNESS: The Honourable Patrick Kerwin, Chief Justice of Canada and Deputy of Our Trusty and Well-beloved Major-General George Philius Vanier, Companion of Our Distinguished Service Order upon whom We have conferred Our Military Cross and Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OTTAWA, this Twenty-seventh day of September in the year of Our Lord one thousand nine hundred and sixty and in the ninth year of Our Reign.

By Command,

A handwritten signature in black ink, appearing to read "C. Steine". The signature is written in a cursive, flowing style with a large initial "C" and a long, sweeping underline.

UNDER SECRETARY OF STATE

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1 A PLAN FOR MANAGEMENT

MANAGEMENT OF THE PUBLIC SERVICE

REPORT 1: A PLAN
FOR MANAGEMENT

PUBLISHED BY THE QUEEN'S PRINTER · OTTAWA · CANADA FOR
THE ROYAL COMMISSION ON GOVERNMENT ORGANIZATION

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1

INTRODUCTION

THE SCOPE OF THE TASK

Your Commissioners are directed "to inquire into and report upon the organization and methods of operation of the departments and agencies of the government of Canada and to recommend the changes therein which they consider would best promote efficiency, economy and improved service in the despatch of public business".

It was clear from the start that this broad directive imposed a formidable task, but just how formidable became evident only as the work of the research staff revealed the extent and diversity of the activities of the Government of Canada. A total of 116 departments and agencies were identified, comprising:

- 23 departments ranging in size from 93 employees to more than 43,000.
- The Armed Forces.
- 21 statutory boards, one of which had no employees of its own, while another had almost 2,800.
- 42 corporations, including such varied undertakings as the National Gallery, Unemployment Insurance Commission, Bank of Canada and Trans-Canada Air Lines.
- 29 miscellaneous statutory officers, commissions and councils, such as the Chief Electoral Officer, Civil Service Commission, the Industrial Design Council and the Royal Canadian Mounted Police.

At the time this Royal Commission was established, these departments and

agencies had a total work force of 480,000 people. This was more than seven per cent of the Canadian work force, roughly equal to the number employed in the 25 largest industrial corporations or the 60 largest manufacturing concerns in Canada. Included in this total were:

- 132,000 civil servants, employed under the Civil Service Act.
- 214,000 other civilian employees.
- 120,000 members of the Armed Forces.
- 14,000 revenue postmasters and their assistants.

For the year ending 31st March, 1960, the total payroll of all departments and agencies was estimated at \$1.8 billion. This was equivalent to more than ten per cent of payrolls for all Canadian industry and almost thirty-five per cent of payrolls in manufacturing industries.

The popular notion that bureaucrats are desk-bound was dispelled by the discovery that over \$12 million is paid annually to public carriers to transport civilian employees travelling on public business. In addition, excluding the Canadian National Railways, Trans-Canada Air Lines and the Polymer Corporation, the civilian departments and agencies operate more than 8,300 motor vehicles, 600 watercraft and 72 aircraft. The Department of Agriculture alone consumes over one million gallons of gasoline annually.

Government and paper seem to go together. More than 100,000 different forms were identified and an additional 100,000 are believed to exist. About 50 million letters are written each year and over five million cheques are issued each month. The inactive files of the government occupy an estimated 200 miles of shelving, one-third of it in the Public Records Centre in Ottawa. Enough library material to fill ten miles of shelving is being acquired each year.

Even without the vast public domain in the north, the federal government is by far the largest holder of real estate and the largest tenant in Canada. In 1960, about 180 million square feet of building space were occupied by departments and agencies—the equivalent of over 100 buildings, each the size of a football field and 28 storeys in height—and the value of real estate holdings was estimated at \$4 billion.

The range of activities carried on by the government may be further illustrated by the following:

- Departments and agencies conduct such varied activities as a gold refinery, power plants, a tailor shop, fumigation service, bait service, a mail order prescription drug service, pastures, hostels, cafeterias, swimming pools and golf courses.

- Over \$50 million is spent annually to educate almost 75,000 students in federally operated schools.
- Departments operate 44 hospitals containing over 12,000 beds, scattered from Inuvik in the Northwest Territories to Zweibrucken in West Germany.
- Over \$50 million is spent annually for telecommunications.
- About \$12 million is spent each year to move the household goods of the government's civilian and military staffs from place to place.
- Outside Canada, in more than 100 locations, thirty-one departments and agencies employ over 11,000 civilians.

The occupations in the public service match its activities in variety, ranging from actuaries and anthropologists through bee keepers, dry dock riggers, map compilers and pharmacists, to veterinarians and X-ray operators. An element of mystery is created by the listing of such intriguing occupations as insect sampling and rearing aides, negative operators, receivers of wreck, scope watchers, and strippers and layouters.

THE METHOD OF INQUIRY

Necessarily, this had to be a selective inquiry. It was clearly impossible to carry out a detailed examination of the machinery of government, department by department and agency by agency. The task was brought within manageable bounds in three ways: first, by excluding from the study certain large undertakings which, while government-owned, are run on essentially commercial lines; second, as set out in the First Report on Progress of April 1961, by directing the inquiry into a selected range of problems which are of common concern to all or a substantial number of departments; third, by concentrating each functional study on selected departments and agencies.

The agencies generally excluded from the inquiry were the Canadian National Railways, the Polymer Corporation and Trans-Canada Air Lines. Even in these cases, the exclusion was not quite complete; certain inquiries extended to these corporations where particular aspects of their operations afforded useful comparisons with the management of departments or were closely linked with departmental activities. The Canada Council, on the other hand, was totally excluded, as it is expressly declared not to be an agency of the government. In the case of Canadian Arsenals Limited, an independent management study had been initiated shortly before the investigations of the Royal Commission began, and it seemed reasonable not to duplicate the work of the other inquiry.

In organizing the research programme in projects which cut across departmental and agency lines, it was found necessary to co-ordinate the work of the several projects, to varying degrees, within individual departments and agencies. In addition to the project team formed to co-ordinate studies in the Department of National Defence, which was described in the First Report on Progress, special arrangements were made, either by creating similar separate teams or by forming inter-project working groups, to carry out concerted studies of the Department of External Affairs, the Department of Public Printing and Stationery, the Post Office and the Canadian Broadcasting Corporation. For other departments and agencies, the central staff of the Commission assumed the task of co-ordinating inquiries wherever necessary.

Additional special studies, cutting across both project and departmental lines, were carried out by the central staff, working closely with the relevant project groups, on such matters as the central control and service agencies of government, the organization of field operations, the organization of operations abroad, the administration of the north, the organization of health, welfare, resources and transport administration, the use of non-departmental forms of organization, and the impact of bilingualism on the public service.

By country-wide advertisement, the public were invited to make submissions to the Commission on matters coming within its terms of reference. In response to this invitation, representations have been received from almost fifty business and professional associations, twenty business firms and research institutions, and fifty private individuals. These included briefs from the major staff associations in the public service. In each case, the points raised in the representations were investigated and considered by your Commissioners.

The research programme involved the most extensive inquiry into the machinery of government ever undertaken in Canada. A total of 176 specialists from industry, the universities and the professions were engaged in this inquiry, with twenty-one members of the public service attached to various aspects of the work. Approximately 21,000 days of work—the equivalent of about eighty man-years—were recorded by the research staff, exclusive of the related clerical work.

It is not possible to calculate the burden of work thrown on the public service itself by the requests for data arising in the course of the research programme, or the time spent by public servants in assisting the research staff in its field studies. Almost without exception, these demands met with a co-operative response. The competence and devotion of most public servants encountered impressed your Commissioners and the research staff. It was found that the public service was generally receptive to change and was, in fact, the source of many proposals for improving its own operations. There are areas in which the gov-

ernment is deficient in particular skills and techniques. But, in general, the defects in the machinery of government are the consequence of outmoded concepts of public administration and do not reflect on the calibre of Canada's public servants.

This impression of the high quality of the Canadian federal public service was confirmed by the views expressed to the Commission by senior officials of other governments.

In the course of the inquiry, your Commissioners visited the United Kingdom and United States to learn how the national governments of those two countries dealt with problems of organization and administration which had been encountered in Canada. Further visits to London and Washington were made by research officers from a number of the project teams for more detailed discussions within their respective areas of inquiry. Senior officials of the British and United States governments responded generously to all these approaches. In addition, information on specific points was obtained from other governments, Commonwealth and European.

Your Commissioners discussed the structure and management of the public service with a number of persons in private life whose experience and knowledge lent special weight to their judgment. First and foremost, invaluable help was given by the prominent Canadians, ninety in number, from commerce, industry and labour, the professions and government, who served as members of the Advisory Committees associated with eleven of the project teams. Their names will appear in subsequent reports. Many others gave informal counsel and assistance, including a number of British and United States citizens whose contributions your Commissioners here publicly acknowledge:

- Mr. Herbert Hoover, former President of the United States and Chairman of the "Hoover Commissions".
- The Right Honourable Lord Bridges, G.C.B., G.C.V.O., M.C., F.R.S., Chairman, Royal Fine Arts Commission, formerly Permanent Secretary of Her Majesty's Treasury.
- Lord Plowden, K.C.B., K.B.E., Chairman of the recent Plowden Committee on "Control of Public Expenditure".
- Sir Charles Snow, C.B.E., formerly scientific member of the British Civil Service Commission.
- Sir Edward Playfair, K.C.B., J.P., formerly Permanent Secretary, Ministry of Defence.
- Colonel Lyndal Urwick, O.B.E., M.C., Chairman, Urwick, Orr and Partners, London, England.

- Dr. George Graham, Director of Government Studies, The Brookings Institution, Washington, D.C.

Dr. Wayne Grover, Archivist of the United States, made one of his most highly qualified officers available to serve for ten months on the research staff of the Royal Commission, and together with the Assistant Archivist, Dr. Everett O. Alldredge, rendered exceptional assistance throughout the course of the study.

Mr. Peter F. Drucker, internationally-known adviser to industry and governments, and Mr. Neil McNeil, former editorial director of the "Hoover Commissions" in the United States, were retained as consultants.

In acknowledging the assistance received from these many sources, it must be emphasized that full responsibility for all published findings and recommendations rests with your Commissioners alone. No publication of staff findings as such is planned, nor should members of the Advisory Committees be assumed to have endorsed all the contents of the Commission's reports.

In a subject as complex as this and involving a multiplicity of recommendations, your Commissioners take the view that the qualification or watering down of conclusions to achieve unanimity could only confuse and impair the usefulness of the reports. Varying shades of opinion exist on some points but this and succeeding reports present the general tenor of conclusions reached by your Commissioners.

A number of submissions making far-reaching recommendations on the problems of bilingualism in the federal public service have been studied by your Commissioners. In so far as these have been deemed to fall within the Commission's terms of reference, they have been dealt with in this and other reports. One of our members, Commissioner Therrien, feels that a broader interpretation should be given our terms of reference, and, accordingly, has made a separate personal statement on this subject. This single departure from the policy of collective authorship will be found appended to this report.

OBJECTIVES

Under the terms of appointment, your Commissioners are charged with recommending such changes in the organization and methods of administration of the government as will "promote efficiency, economy and improved service in the despatch of public business".

These objectives have been interpreted broadly to mean that the effectiveness of the public service is as much a matter of concern as is its cost to the public.

The cost is, of course, enormous, and much of the research effort has been directed to finding possible savings. Already, as a result of changes made in

response to suggestions by the Commission, substantial economies have been achieved, and numerous additional money-saving proposals are being studied carefully by departments and agencies. In many other instances, the Commission has served as a catalyst, speeding up consideration of possible improvements which had previously been identified by the public service itself. In its wake, the Commission leaves many ideas—some as firm proposals, others as suggestions for further study.

In some cases, the savings to be achieved can be calculated with reasonable accuracy; in others, only approximations are possible. For this reason, no very reliable estimate can be given of the total economies to be realized, but it can be said with confidence that the recommendations will yield annual savings of many tens of millions of dollars.

In addition, a major part of the inquiry was directed to the improvement of service rather than the achievement of savings. In assessing service and the means by which it might be improved, your Commissioners had first to consider the role of the federal government in the life of the country and the purposes which should shape its structure and practices. From this consideration has emerged a concept of management in the public service which forms the central theme of this report.

This concept may serve a two-fold purpose. First, it establishes the unifying framework for the findings and recommendations in subsequent reports. Second, it is intended to provide simple and practical guide-lines for those with continuing responsibility for the effectiveness of the public service, who must meet new situations which cannot now be foreseen, and deal with existing problems for which this Commission, for want of time or essential data, does not suggest solutions.

The machinery of administration must be made most responsive to the wants and needs of the Canadian people. At the same time, the public servants of Canada must have the widest possible opportunities for developing their varied capabilities and for serving the Canadian public with their collective experience and mature judgment.

Government in modern society is often burdensome and restrictive. Consequently, it will seldom be viewed as better than a necessary evil—and it is a sign of national vigour that this should be so. But the public does itself a disservice if it belittles the public servants by whom the affairs of government are administered. Excellence is nowhere more necessary today than among those charged with the management of public affairs, and excellence cannot be sustained indefinitely without public recognition.

2

THE SETTING OF

THE FEDERAL PUBLIC SERVICE

Because it works within the Canadian political order, the machinery of federal administration is subject to influences which find expression through the political process. Certain of the more important of these conditioning factors, which have become permanent forces in the political life of the country, have a special relevance to the administrative process. These must be taken into account in any attempt to develop a general concept of public administration appropriate to the Government of Canada.

SIZE AND DIVERSITY OF CANADA

The most obvious feature of the Canadian setting is the size and regional diversity of the country. The effect of this diversity on the political process in Canada has long been recognized, but its relevance to the machinery of administration seems to have been largely overlooked. Yet the task of national administration in Canada is clearly different from that in more compact and homogeneous countries.

While the centre of federal administration is in Ottawa, most action, as distinct from decision, takes place in the field, often thousands of miles away. More than three-quarters of the public service (excluding the Canadian National Railways, Trans-Canada Air Lines, the Polymer Corporation and the Armed Forces) is to be found in offices and establishments outside the Ottawa-Hull area. However, the organization and administrative processes of the entire public service have been shaped almost exclusively by the needs of the central

apparatus for decision-making. There is little evidence of any attempt to develop effective forms of organization and appropriate working arrangements for the 150,000 public servants throughout the rest of the country.

From the viewpoint of the public outside Ottawa, the local services of the federal administration often appear to bear little or no evident relationship either to each other or to the total needs of the locality. To the local public servant, his working world seems to consist only of his own office and his departmental lines stretching off to the remoteness of Ottawa. For most of his day-to-day administrative needs he must either rely on the limited resources of his own operation, or resort to the time-consuming and often frustrating process of seeking help from headquarters. Equally significant to him is that his career possibilities too often seem similarly bounded. The choice may be either stagnation in his local post or advancement through the ranks of his department but only by leaving his home district. There must be strong links between field offices and headquarters, but the machinery of administration must acknowledge, in its organization, the fact that the work and the careers of the great majority of public servants lie in the field.

Moreover, to most of the public of Canada, these public servants in the field offices are the embodiment of the government of the country. The extent to which the public feel that the machinery of government is responsive to their wants depends largely on the degree to which the field offices can take prompt action appropriate to local conditions. Once again, it is clear that the operations of the federal government throughout Canada must be based on nation-wide policies and standards. But the meticulous central control over field operations, which is all too prevalent today, damages public respect and confidence.

The task of central administration is no less affected by the vastness and diversity of the country. Although local organization must be strengthened and local operating authority enhanced, Ottawa will remain the source of national policies and the point at which the political and the administrative processes are fused. This means that the central administrative machinery will have a continuing need for the most highly qualified and influential public servants.

Because of the high qualifications needed at the centre, the government must attract into the public service an adequate number of the best people from all parts of the country. This has, in fact, been a conscious aim of the Canadian public service for some decades. And because of the generally-recognized influence enjoyed by the central public service, the confidence reposed in it throughout the country will depend, in large measure, on how representative it is of the public it serves. These two considerations obviously reinforce each other.

This idea of a "representative bureaucracy" cannot be applied in any mechanical way, by formula. Any attempt to realize it negatively through the im-

position of quotas is doomed to failure. What is needed is to find positive ways of tapping the best human resources of all parts of Canada.

In the last analysis, the vast size and regional diversity of Canada mean that the public service should serve national unity rather than seek to impose uniformity. It should be designed to recognize—not to submerge—the variety of interests, attitudes and aspirations throughout the country. Only as this aim is achieved can the public service be a strong cohesive force throughout Canada.

THE TWO LANGUAGE GROUPS

A distinctive feature of the Canadian setting is the existence within the country of two language groups, with a long history of political union but so little intermingling that bilingualism is rare in most parts of the country. This has posed a perennial dilemma for the public service: it must serve English-speaking and French-speaking Canadians alike but has been staffed, for the greater part, with public servants trained to speak only one tongue.

Efforts to resolve this dilemma in the past have been concentrated at local levels of the federal administration. The Civil Service Act amendment of 1938, which first recognized the problem, treated it as a purely local matter and directed only that local offices should be staffed with employees able to speak the language of the majority of people with whom they must do business. This was, of course, an inadequate solution even to the problem of local offices, since it made no provision for local minorities.

In fact, however, the more obstinate difficulty lies not in the local offices but at the centre of government. The language of central administration is, for the greater part, exclusively English, and the French-speaking citizen whose affairs bring him to the central offices may well experience difficulty in trying to discuss those affairs in his mother tongue. In recognition of the inadequacies of the 1938 Act, a more satisfactory approach was embodied in the new Civil Service Act of 1961: "The number of employees appointed to serve *in any department* or in any local office of a department who are qualified in the knowledge and use of the English or French language *or both* shall, in the opinion of the Commission, be sufficient to enable the department or local offices to perform its functions adequately and *to give effective service to the public*". The need for effective service to both language groups is the essence of the problem.

Recognition of the language problem of the public service is easier than its solution. However, it is clear where attention might best be concentrated: in the central machinery of administration and especially among those officers responsible for the central direction of administrative services throughout the country. Being drawn, as they are and should be, from all parts of the coun-

try, in most cases these officers are apt to know only English. If the ideal is to be approached, the first step must clearly be a programme designed to make this key group progressively more bilingual. Special circumstances may require similar programmes for other central groups whose work makes a direct impact on the public, or for those who must represent Canada abroad.

The existence in Canada of two language groups has a further consequence for the federal public service. If the objective of "representativeness" suggested earlier is to be met, a career at the centre of government should be as attractive and congenial to French-speaking as to English-speaking Canadians. At the very least, it must be sufficiently attractive to bring to Ottawa more of the highly qualified young people of French Canada.

As matters now stand, appointment to the centre of federal administration seems to French-speaking Canadians to involve abandoning their language and severing their cultural roots. This sense may be dispelled if the central public service can be made more bilingual—to the point, ideally, where the two languages can be used interchangeably for internal communication.

More may indeed be necessary, either to modify prevailing attitudes within the public service or to reduce among public servants from all parts of Canada the sense of severance from familiar social institutions. For the present, such possibilities can only be noted. There are no quick or simple measures available, and even to define clearly what is needed would involve the study of matters lying well beyond the terms of reference of this Commission.

THE FEDERAL SYSTEM

It is no part of the task of your Commissioners to assess the nature and workings of the division of powers inherent in the federal system, but it has several implications for the machinery of administration which must be recognized.

First of all, no matter how carefully the lines of federal and provincial jurisdiction may be drawn—in the British North America Act, by judicial decision, or by agreement between the national and provincial governments—the two spheres of authority will of necessity overlap. This may occur because of the existence of concurrent powers and interests, as in agriculture, because the two levels of government are providing similar services to different elements of the population in a given area, or because they are concerned with different but related needs of the same group of people. The basis and extent of mutual accommodation in such situations will ultimately be decided politically, but much may be done in the administrative sphere to harmonize the activities of the two levels, without impairing the autonomy of either. Specifically, it would seem sensible that where federal departments accept

a residual responsibility in an area where the provinces already have a primary and more direct concern, they should consider whether their administrative needs might not best be met by the use, on mutually acceptable terms, of existing provincial machinery.

Moreover, the two levels of government have made common cause in meeting a broad range of public needs, usually on the initiative of the federal administration. The constitutional propriety of some of these joint programmes has been questioned, but this clearly lies beyond the terms of reference of this Commission. For the present purposes, the important fact is that such arrangements exist, many of them universally accepted. In the view of your Commissioners, it is essential to avoid irksome and costly processes of review and control at the national level which merely duplicate provincial activity.

Administrative co-operation between the federal and provincial governments can serve the Canadian public well, but only if it is based on a clear recognition of the authority and responsibility proper to each level, and on mutual respect for each other's administrative competence.

Another important consideration is that the federal system does not embrace the whole country. In the North, the federal administration must concern itself with matters which, in the rest of the country, are the responsibility of provincial governments. This situation has created a persistent problem for the Government of Canada.

Since Canada first acquired national territories in 1869 it has tried a variety of solutions to the problem. None has been notably successful. There may, in fact, be no completely satisfactory solution; certainly no other country in like circumstances has found one. But it would seem to be axiomatic, especially if the ultimate creation of additional provinces is contemplated, that the administration in the North of those matters which are elsewhere of provincial concern should, as far as possible, follow provincial patterns of organization. This will provide the administrative nucleus of future provinces and give the departments of national government essentially the same administrative roles in the North as they have in the rest of the country. Even if this can be done, however, the peculiar problems involved in operating in the North require special measures to co-ordinate northern activities arising from the government's national responsibilities.

3

THE POLITICAL CHARACTER OF PUBLIC ADMINISTRATION

The machinery of government in any country can only be understood against the political setting in which it works. In Canada, it must be assessed within the framework of parliamentary democracy acquired partly by inheritance and partly by evolution.

POLITICAL ACCOUNTABILITY OF THE EXECUTIVE BRANCH

Traditionally, the entire executive branch is responsible to the Crown which forms its apex, and constitutes, in the strict historical sense, Her Majesty's civil service. Since the mid-nineteenth century, however, Canadian ministers have been held accountable to the public's representatives in Parliament. And with the development of political parties as instruments for mobilizing public opinion and for maintaining stable parliamentary groupings, the accountability of the executive branch has, in a very real sense, been carried one step farther—to the Canadian public directly. Governments today are normally made and unmade at the polls. In the process, the old concept of the sovereign's civil service has given way, even in much of the law of the land, to the new concept of a "public" service.

This change in the accountability of the executive branch has an important bearing on the standards by which government action is judged. In the last analysis, government rests on public acceptance—"the consent of the governed". Countless different public attitudes, wants and expectations must be reckoned with and reconciled, to produce, as has been said, equality of dissatis-

faction. Clearly, the test of public acceptance lacks the comparative rationality of the market forces by which, in the main, business operations are tested. In the eyes of the public, good management, in the sense in which it is understood in the business world, is not necessarily synonymous with good government.

“UNLIMITED LIABILITY” OF MINISTERS

Concurrently with the development of the “public” service concept, it has become established that direct accountability to Parliament and to the public is imposed only on ministers. Public servants continue to be answerable for their honesty and competence to their ministers, through the ascending scale of their departments, but they bear none of the political consequences of their acts. As a corollary, the individual public servant has given up his right to engage in any partisan political work. In the result, the principle has been accepted that the business of government should be conducted by a politically-neutral career service under the direction of elected representatives and ministers.

Since the emergence of this principle, it has been accepted that ministers are accountable for all the administrative acts of their departmental staffs. There was a time when ministers could, because operations were on a relatively small scale, provide a degree of detailed direction consistent with personal responsibility.

That day is long vanished, but two circumstances have combined to perpetuate the fiction of total responsibility. One is the fact, already noted, that governments rest on the consent of the governed, and that each voter’s electoral choice may be influenced by his day-to-day encounters with public servants. The other is that governments work in a climate of controversy and that it is a central function of political parties to sustain this climate by creating issues—frequently over the rights and wrongs of individual administrative actions.

It follows that all public administration has at least potential political implications. While the public servant must be politically neutral in doing his job, he serves his minister badly if he is unaware of, or indifferent to, the political consequences of what he does. For, in effect, by accepting full political responsibility, ministers stake their careers, in part, on the political sensitivity of their officials. It is no part of the job of public servants to substitute their own political judgment for that of their ministers, but there is a need for them to recognize situations in which political guidance must be sought. In the junior or more technical segments of the public service this need is negligible, because the political implications of the work are insignificant. But among senior administrators the need becomes progressively greater as the rank increases. The natural process of selection within the public service therefore tends to bring to the

top those officials who have shown a sensitivity to the political aspect of their function.

Along with their unlimited accountability, ministers possess, collectively or individually, corresponding authority. They therefore have a very real power, however much it may be held in reserve, to intervene on any administrative matter and "to tell their officials what the public will not stand".

MINISTERS AND OFFICIALS

While ministers are accountable for, and consequently interested in, all aspects of the operations on which their departments are engaged, they are not usually, either by experience or inclination, professional administrators. Rather, their strength lies in their essential political skill in assessing the complex of public attitudes and claims, and in exercising policy judgment for their officials.

The minister must thus leave to the deputy head, his senior professional administrator, the actual control of operations. This becomes the more essential as operations grow in scale and complexity. What should result, in effect, is a relationship between the two, if not of equality at least of partnership. The minister who tries actively to manage his department may be capable of doing it well because of special aptitude and experience. But, given the size and complexity of present day operations, he cannot become personally involved in administrative detail without neglecting his essential political function of policy determination. Permanent heads, for their part, while having an indispensable role to play as advisers to their ministers on matters of departmental policy, cannot avoid full personal responsibility for the day-to-day management of the organization.

It should never be overlooked that senior civil servants play a constitutional role in government. They have no responsibility for public policy but, belonging to no party, they are for that very reason an invaluable element in party government. It is through them that the transference of responsibility from one party to another—or, within a government, from one minister to another—involves no destructive shock to the administrative process.

Some other countries have, by statute, given permanent officials an independent authority over specific administrative functions, with corresponding personal accountability. This has rarely been done within parliamentary systems similar to Canada's. Obviously, where such a pattern is established, there must be a willingness on the part of both the legislature and the public at large to absolve ministers of their normal political accountability for the functions concerned. Otherwise, an area of potential conflict between min-

isters and their officials would be created, destructive of the good faith and mutual confidence which must characterize their relations.

In the last analysis, there cannot be any precise formal division of authority between ministers and their officials. Their partnership must depend on the existence of suitable working arrangements for which no legislative blueprint can be drawn. Your Commissioners, in this and succeeding reports, present a concept of management which will, it is hoped, commend itself to political leaders, administrators and general public alike, by its good sense and relevance to the needs of each group.

4

GROWTH AND CHANGE IN GOVERNMENT

In the century of rapid and continuous growth since the framework of Canadian government was settled, economic and social changes have created new public wants that have affected governments everywhere. At the same time, new resources have become available to meet public needs. The resulting action by government has both influenced the direction of Canadian development and accelerated its pace. In the process, the role of government and the character of its activities have changed radically. But there has been a marked lag in the adjustment of concepts and processes of public administration to the changing circumstances.

THE RAPID GROWTH OF GOVERNMENT

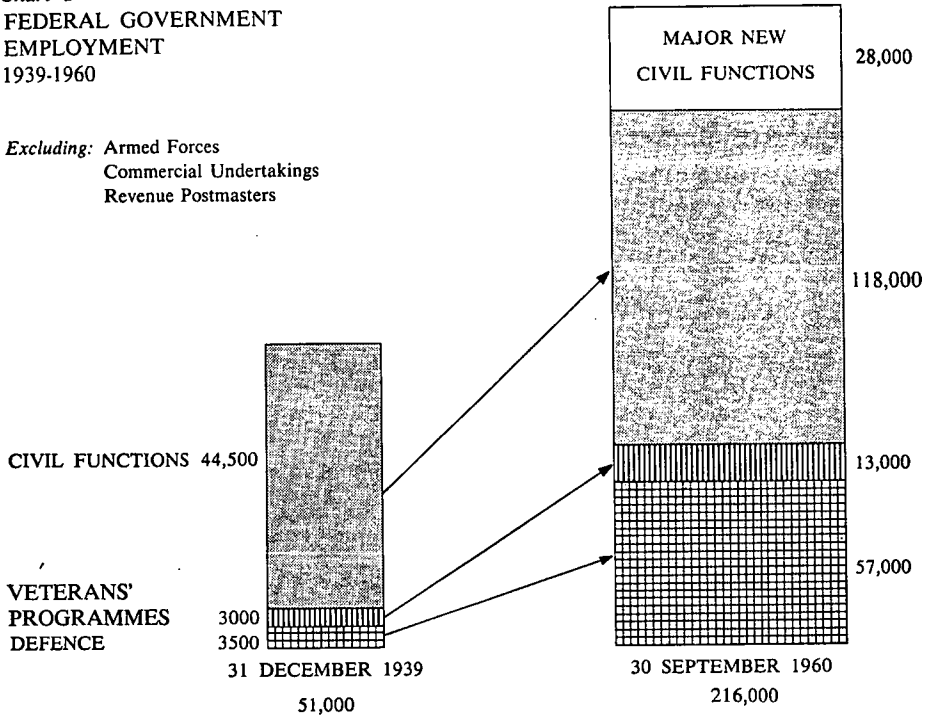
The expansion of the government of Canada is revealed strikingly in the growth of the public service and the rise in government expenditures.

Employment figures for the early years are unfortunately incomplete, and even today few records are kept on any comprehensive and consistent basis. However, the general outlines of the pattern can be discerned. (*See Chart 1, overleaf.*)

In nearly a half century, from the eve of World War I to 1960, the civilian public service (the essentially commercial corporations and staffs of revenue post offices are excluded throughout this account) increased roughly nine-fold, from 24,000 in 1913/14 to about 216,000 in 1960, of whom 188,000 were full-time employees. During the same period, the popu-

Chart I—
**FEDERAL GOVERNMENT
 EMPLOYMENT
 1939-1960**

Excluding: Armed Forces
 Commercial Undertakings
 Revenue Postmasters



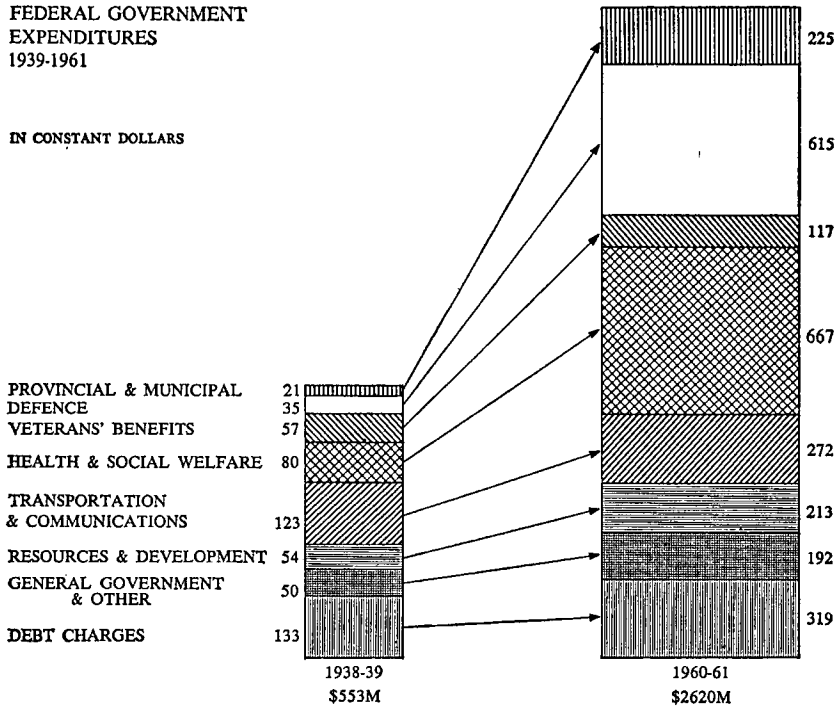
lation of Canada increased two and one-half times. The civilian portion of the federal public service has thus grown at almost four times the rate of population increase.

During the first World War the public service doubled. One-third of the war-time increase was eliminated in the years 1920-25, but by 1939 it had grown again to its 1920 level. At this point, on the outbreak of World War II, one per cent of the civilian labour force was in the public service, compared with slightly less than one per cent in 1914. During World War II, however, the civilian public service more than trebled, and by the end of hostilities accounted for three and one-half per cent of the labour force. In the years immediately following it shrank slightly, but this decline was arrested by the Korean emergency. Since 1950 it has kept pace with the growth of the labour force, of which it continued to represent almost three and one-half per cent in 1960. The turning point was clearly 1939, and the public service of Canada, as it exists today, must be recognized to be largely the product of the last two decades.

Examined more closely, the record discloses that war, the threat of war and the aftermath of war have caused nearly forty per cent of the increase in per-

Chart 2—
FEDERAL GOVERNMENT
EXPENDITURES
1939-1961

IN CONSTANT DOLLARS



sonnel since 1939. Almost twenty per cent is accounted for by the assumption of major new civil functions which were virtually unknown to the federal government in 1939—such as unemployment insurance and the employment service, family allowances and universal old age pensions, large-scale support for housing, the development of atomic energy, air traffic control, and upper atmosphere research.

Thus, little more than forty per cent of the increase in the public service relates to areas of civil administration which were of concern to the Government of Canada before the second World War. Even so, these pre-war functions are today employing roughly two and one-half times as many public servants as in 1939, although the Canadian population has increased during the same period by only two-thirds.

The record of government spending shows a similar pattern. (See Chart 2, above.) From 1939 to 1961 the expenditures of the federal government, including old age security payments, increased twelve times, from \$553 million to \$6,550 million. Making allowance for the change in the value of money, the increase in constant dollars was almost five-fold. Because of the rise in population, expenditures on a per capita basis increased three times, measured

in constant dollars. However, since the real per capita income of Canadians nearly doubled during these years, the burden of federal government spending borne by individual Canadians actually rose from thirteen to about twenty per cent of average income.

As might be expected, the increased cost of defence and the aftermath of past wars accounted for a major part of the increase: roughly thirty per cent. The rise in interest costs on the national debt, another legacy of World War II, accounted for a further eleven per cent of the increase. Thus, the burdens attributable to international tensions and past wars gave rise to more than forty per cent of the increase in spending. Payments to the provinces and municipalities, greatly enlarged by war-time and post-war agreements, accounted for another seven per cent. Twenty-five per cent, approximately, represented the cost of major new functions, especially those relating to national health, welfare and housing, assumed by the federal government since 1939. In effect, less than thirty per cent of the increase in expenditures went to those civil functions which the government had performed in pre-war years. From 1939 to 1961 the per capita cost of these functions, measured in constant dollars, rose by about eighty per cent, which was slightly less than the rate of increase in average income.

Broken down in this way, the growth of government seems much less startling. Nevertheless, in absolute terms, this growth has been impressive, and has created major and largely unattended problems of adjustment in the management of the machinery of administration.

THE GROWING COMPLEXITY

The task of adjustment has been further complicated by the transformation in the role of government which has accompanied its growth.

This transformation is frequently described as a change from negative, *laissez-faire* government to positive government actively promoting the development of the country's economy and the welfare of its people. In Canada, however, the text-book version of *laissez-faire* government—"the nightwatchman state"—has never existed. Confederation itself was conceived in large part as a means to economic development, and from the earlier days the Government of Canada has been continuously concerned with promoting the economic development of the country.

To this extent, the basic role of government has not changed. But from the relatively simple beginnings in the nineteenth century, the government has become progressively more involved in an increasingly complex economy—promoting, supporting, protecting, regulating and controlling by a growing variety of means, direct and indirect, general and specific. More and more it has had to

inform itself in detail of the condition and prospects of all segments of the economy, to assess the impact of government programmes and plans on each segment, and to measure and adjust the increasingly complex interplay of its policies and programmes. The list is now virtually endless: fiscal and monetary policy, the customs tariff, sales and excise taxes, the income tax structure, transportation policies and services, subsidies, patent and copyright laws, research programmes, the regulation of standards of quality, restrictive trade practices regulation, the promotion of foreign sales and domestic consumption, export credits and guarantees, and many others. Willy-nilly, government has become the great regulator of Canadian economic life.

A similar trend towards complexity has affected the more traditional tasks of government—the maintenance of internal order, the conduct of foreign relations and national defence. Crime and its prevention or detection have become increasingly systematic and technical, and new concepts of penology are transforming the treatment of offenders. The conduct of external relations has been complicated, first of all, by the increase in international tensions, the break-up of colonial empires and emergence of new national states, and the proliferation of international organizations and programmes. At the same time, as economic life has developed in all countries and as governments have become more widely and more deeply involved in economic affairs, each has acquired a widening range of international interests and the points of intersection between their respective courses have multiplied. For the Government of Canada these developments have caused a ten-fold growth of the Department of External Affairs since 1939, and the creation of establishments outside Canada by many departments and agencies generally thought of as domestic.

The change in national defence policy has been especially marked. Even as recently as the nineteen-thirties, national defence in peacetime involved the maintenance of just a nucleus of wartime forces, largely isolated from the civil life of the country, and the operation of two arsenals to supply unsophisticated munitions. These entailed the diversion of only a modest part of the national wealth. Today, under the influences of heightened international tensions and technological change, the Armed Forces make heavy inroads on the labour force of the country, especially for highly skilled scientific and technical people; rapidly changing equipment-demands absorb a significant proportion of Canada's industrial output and influence the pace and direction of much of its industrial development; the overhanging threat of catastrophic and near-universal devastation makes some aspect of national preparedness the responsibility of almost every branch of government. And the greatest impact of these changes has been felt within the Armed Forces themselves and their administrative apparatus which equal in size the entire machinery of civil government.

In the relatively new area of concern—social welfare—the activities of the federal government have fallen into two categories: those which involve the direct provision of services, and those which work indirectly, by influencing national patterns of income and expenditure. The administrative implications of the two are radically different.

Since the start of this century the federal government has provided a widening range of educational, medical and welfare services to specific groups among the Canadian people: Indians, Eskimos, war veterans, dependents of the Armed Forces, immigrants and mariners. It has also carried on research and general public education in matters of health, welfare, housing and town planning. Hence, the government has become involved in the construction and operation of schools, hospitals, laboratories and domiciliary care institutions, and in the employment of teachers, doctors, nurses, social workers and other professional and technical personnel involved in such programmes.

On the other hand, the last two decades have seen growing emphasis on indirect methods of promoting social welfare, of three general kinds. First, through transfer payments such as family allowances and old age pensions, the government has, in effect, accomplished a redistribution of income. Second, through a growing array of grants, low-interest loans and mortgage insurance arrangements, it has influenced the pattern of national expenditure to promote more acceptable standards of health, housing and education, and the development of the arts and sciences. Finally, through contributory schemes such as unemployment insurance, it has sought to create a cushion against personal misfortune.

These three types of programmes impose an administrative burden on the federal government which is relatively slight in comparison with that of the direct provision of services. All three depend on the resources of the other levels of government or of the community at large for the facilities and skills needed for social welfare. As the welfare state develops, the need for intervention by the federal government to provide direct services seems likely to decline; already the continuance of certain medical services is open to question as a result of the establishment throughout the country of hospitalization schemes financed, in part, by the federal government.

One other aspect of the change in government operations remains to be noted: the growing influence which the government itself, as the country's largest investor and largest buyer of accommodation, supplies and services, exerts on the economy. The economic implications of the national budget and of public investment policies have been recognized for some decades. But as the scale of government activities continues to grow, other more specific effects become evident: the impact of its purchasing policies on the rate and course of develop-

ment in particular industries or regions; the impact of its land use and building policies on the pattern of urban development in communities where it is a major owner and occupier of space; the influence which, by its timing of purchases and construction programmes, it can exert on seasonal fluctuations in employment. Increasingly, the administrative procedures by which the government meets its operating needs are becoming in themselves matters of economic and social significance.

PROLIFERATION OF CONTROLS

At an early stage in the growth of the federal government, weaknesses in its administrative machinery and practices began to appear. Ministers and their deputy ministers in particular were unable to maintain adequate control over the use of people and money. Remedies were sought through the imposition on departments of external controls over their handling of personnel and financial matters.

Attention was first focussed on the widespread use of political patronage as the basis for appointment and promotion within the public service, against which protests were raised shortly after Confederation. Before the first World War, the critics of patronage made little headway, although the Civil Service Act of 1908 established a Civil Service Commission with limited powers of appointment and introduced the competitive examination as a basis for selection. The limitations of this Act were such that it was largely ignored in the rapid expansion of the public service during World War I. At the same time the demanding tasks of wartime administration underscored the growing need for competence. The result was the Civil Service Act of 1918, the principles of which have been carried forward into the new Act of 1961.

The 1918 system rested on two fundamental principles: a career service based on merit, and a unified public service. The first, which had had half-hearted recognition in the Act of 1908, involved a curtailment of the traditional authority of ministers over all aspects of administration. The power to appoint and promote was taken out of their hands and entrusted to a Civil Service Commission consisting of three Commissioners answerable directly to and removable only by Parliament. Appointments to the civil service were to be based on competitive examination, and promotions were to be made by the Commission using such means as it might choose to determine merit. At the same time, civil servants were debarred from partisan political work.

The desire to create a unified public service was reflected in the sweeping powers assigned to the Civil Service Commission to review all organizational proposals of departments as a prerequisite to government approval, to control

classification, to recommend rates of pay, and to frame regulations respecting a number of other matters. The effect of this legislation was to equate unity with uniformity, and when it became evident subsequently that many parts of the public service did not lend themselves to uniformity of treatment, it was necessary to exempt those parts from the operation of the Act. When this was done, both the safeguard against patronage and the objective of a unified public service were abandoned.

It should also be noted that the Act of 1918 confirmed beyond doubt that the civil service was subject to parliamentary control and direction in all its aspects. Its character as a "public" service was thus established. This stands in contrast to the situation in the United Kingdom, where the government service continues to this day to be regulated by Order in Council, in keeping with the traditional concept of it as the sovereign's civil service.

What went unnoticed in Canada in 1918—or, at least, unlamented—was that the new system stripped the departments of any formal power to control the selection, organization, grading, remuneration or career development of their staffs. Yet, in spite of this, the system gained immediate favour with departments, which it retained throughout the succeeding years. It unquestionably succeeded in its immediate object: the elimination of patronage throughout most of the service. This alone seemed worth almost any price.

During the first decade of the new system, the functions of the federal government remained virtually unchanged and the number of its employees actually declined. Expansion in the nineteen-thirties was modest and gradual. In the Great Depression, government jobs became eagerly sought after, and the main task was not to attract competent entrants but to select from among many suitable applicants. By contrast, the expansion in World War II was explosive, but the limitations imposed by the system of central control were minimized by the frequent resort, in the prevailing mood of urgency, to temporary expedients for organizing and manning the machinery of wartime administration. Only in the post-war period, therefore, was the 1918 system put to a serious test of its ability to meet the administrative needs of a large, complex and, after 1949, expanding public service.

Some years following the creation of central control over personnel administration, a comparable system of financial administration developed. The stimulus in this case was the onset of economic depression at the end of the nineteen-twenties, and the occasion was provided by the change of government in 1930.

Until 1930, the handling of public funds had been governed by the Consolidated Revenue and Audit Act of 1878, under which control over expenditures by departments was so loose that their funds were frequently over-

spent. Moreover, no central record was kept of the government's outstanding liabilities, and a survey made in 1930 revealed substantial over-commitments; it was found, for example, that the government was three years in debt to its furniture suppliers. These discoveries, coupled with the drop in revenues brought on by the depression, led in 1931 to a revised Consolidated Revenue and Audit Act which established a pattern of central control over financial operations of the departments.

The 1931 Act created a new officer, the Comptroller of the Treasury, with the task of ensuring that funds voted by Parliament were used for the purposes intended and that the authority to spend was not exceeded. This new officer was required to keep a continuous record of commitments, issue cheques, scrutinize all departmental expenditures to ensure that each rested on proper authority, and maintain for each department detailed accounts of all authorizations, commitments and payments.

At about the same time, there was a general tightening of control over various administrative procedures, partly in the name of greater uniformity but primarily to achieve economies. Increasingly, the principal agent in this process was the Treasury Board, a committee of ministers which had been established in 1867 and given statutory recognition in 1869. Designed to serve as a committee of Cabinet on matters of finance, accounting and general administration, the Treasury Board was, in fact, relatively inactive prior to 1931; it met monthly or less often and concerned itself with matters of detail such as reclassification of positions, travel and removal expenses, and grants of superannuation. Throughout the nineteen-thirties, however, the Board became increasingly active, extending its regulations to cover in detail a wide range of personnel and general administrative matters. These regulations in the form of Orders in Council or Treasury Board Minutes, grew steadily in volume and became a principal point of reference for the growing staff of the Comptroller of the Treasury in the pre-audit of departmental expenditures.

Until 1951, one major administrative responsibility—the control of contracts—remained in the hands of the Cabinet itself. Before the outbreak of the second World War, the Cabinet limited its review to proposals for public works contracts, and departments were allowed almost complete freedom in the purchase of supplies. From 1939 on, however, most war supply contracts were brought under Cabinet scrutiny, and in 1951 the control of all contracting was assigned to the Treasury Board. All major contract proposals, whether for the acquisition of land, the construction of works and buildings or the purchase of supplies and services, thereafter required specific approval by the Board, and all other contracts became subject to its regulations.

To a significant extent, the freedom of the operating departments in matters of accommodation, equipment and supply was further attenuated by the necessity of satisfying their needs through other departments such as Public Works, Public Printing and Stationery, and Defence Production, each of which exercised its own judgment within varying limits. These departments, in turn, were subject to the controls imposed by the Treasury Board.

All told, the structure of control built up between 1918 and 1951 was impressive—and unique. Measured against the most narrow objectives, it was also unquestionably effective: the standards of probity reached by the Government of Canada in its use of people and money are high. But good management consists in more than the avoidance of sin, and this Calvinistic approach to public administration, while well designed to discomfit bad managers, was bound to prove most frustrating to good ones.

Inherent in this system of control has been a tendency to self-perpetuation. By divesting departments of the authority essential to the effective management of their own affairs, the system tended to weaken their sense of responsibility. Each new evidence of irresponsibility within departments seemed to confirm the wisdom of the existing controls and to suggest the need for more.

This tendency has been further aggravated by the inbred character of control agency staffs, many of whom have made their entire careers in the centres of control. Set apart from departments in this way, the control agencies have been excessively mistrustful of departmental competence and integrity, and too prone to question and even override departmental judgments on operational matters. The assumption of a monopoly of virtue has been their besetting sin.

Fortunately for Canada, during the years in which this control apparatus was developing, the public service succeeded in attracting a number of exceptionally able administrators—for which achievement due credit must be given to the 1918 Civil Service Act. While the most perfect system cannot compensate for incompetent leadership, good men may succeed in the face of almost any obstacles of defective organization. But the damage to efficiency can be great.

NEW RESOURCES AND TECHNIQUES

Just as the changing scope and character of federal activity must respond to the changing character and needs of the Canadian community, so the government's structure and methods must take account of new resources and techniques as they become available.

Rapid developments in technology in the past century have transformed

administration no less than production, distribution, and the general standards of wealth and welfare. Early inventions such as the telegraph, telephone and typewriter enlarged the scale of effective administration and gave rise to new patterns of organization. Without business machines, many major government programmes such as family allowances, universal old age security and statistical services, would create intolerable administrative burdens. The value of these machines as tools of internal management has been equally great. The development of electronic computers carries one step further the process of technological change in administration. By making vastly increased resources of information readily available, in whatever form required, the new technology continues to enlarge the boundaries of effective action at a rapidly accelerating pace.

Inevitably, the changing technology creates an urgent need to adapt administrative structures and practices. There has been growing recognition that, in essence, the new devices and systems are only tools which serve, but cannot replace, the human mind. For administrators they create new opportunities and new responsibilities. For operating staffs they involve retraining for more challenging work rather than a displacement of labour. And because of their high cost and gargantuan capacity, their main effect on the structure of organization is to create new administrative "machine shops"—data processing centres which can respond to the demands of administrators and operators throughout the organization with increasing versatility.

As the largest organization in the community, government must, in the long run, feel the greatest impact of this new technology. It will also face the greatest task of adjustment. At senior levels of the service, there must be a growing awareness of what these machines can do, and of the administrative consequences of their use.

The increasing maturity and sophistication of the Canadian economy, which have given rise to so many of the new responsibilities of the federal government, are also of significance to its operating methods. The steadily expanding range of services, skills and goods available from private sources must be considered by the government in deciding how its administrative needs for such services and goods might best be met. Existing operations must be continually reviewed to identify instances where the development of external sources of supply might warrant—and might be furthered by—the abandonment of long-established internal sources. Attention must also be paid to the expanding services provided by other levels of government in Canada.

The case for contracting out to external sources rests primarily, not on any assumption that such sources are necessarily superior in virtue or effi-

ciency, but rather on the fact that the essential concern of government is with the attainment of goals of public policy. The particular instruments by which these goals are reached are of secondary importance at best, and pre-occupation with them can only divert the attention of ministers and administrators alike from their primary purpose. Most government operations are undoubtedly practical necessities for the execution of its policies but, other things being equal, it is preferable to buy rather than to make, in order to restrain the continuing spread of government and to strengthen the private sector of the economy.

The increasing diversity of Canadian economic life has also given rise to growing competition between government and private business for administrative, professional and technical skills. This has necessitated increasing attention to the relative attractiveness of public employment, reflected for example in the creation of a Pay Research Bureau to examine trends in the private sector. Moreover, developments such as unionism, new patterns of industrial relations, and social security programmes, both public and private, affect the government as employer and require it to re-examine its own employee relations and incentives. With the emergence of strong staff associations in the public service, the impact of these external developments has already been felt and received statutory recognition in the Civil Service Act of 1961. The future course of developments cannot be forecast with any precision, but it is clear that the paternalism which has characterized employer-employee relations in the public service is giving way to new processes for the mutual accommodation of interests.

The growth of large-scale industrial and commercial organizations has been accompanied—and facilitated—by the development of a wide range of management “tools”: budgetary and accounting systems which permit better control over the allocation of financial resources and the assessment of performance; operational research and other techniques for evaluating alternative courses of action and for designing and appraising methods and systems; and improved methods of identifying and developing personal capabilities to eliminate chance and favoritism. Most of these techniques are understood in part of the public service, and many have been introduced, but by no means systematically.

Between government and business there are, of course, significant differences. One of these has already been noted: the political character of public administration and of the tests by which it is judged. Another obvious difference lies in the absence of the profit test in public administration as a guide to the allocation of resources and as a measure of competitive performance. Despite this apparent difference, both kinds of organization share the com-

mon objective of achieving maximum productivity. The immediate aim of the techniques of management developed for industry is to attain the organization's goals with the greatest possible economy of effort. Consequently, most of the techniques of management developed for business can be adapted to government, due allowance being made for the different tests by which economy or productivity must ultimately be judged.

5

THE TASKS OF MANAGEMENT: A NEW APPROACH

The frustrating effects of the preoccupation with controls have, in recent years, become increasingly evident both within the public service and among the public. The urgent need now is to identify the tasks of management facing the Government of Canada under present and foreseeable conditions, and to devise patterns of organization and guides to action which will best accomplish these tasks.

The needs of effective management fall into two general categories: first, those associated with the administration of departmental operations; and second, those involved in the central direction and co-ordination of government activities as a whole.

THE NEEDS OF DEPARTMENTAL ADMINISTRATION

The departments, as the active operating organizations of government, must be taken as the starting point in any search for greater efficiency and economy or improved service to the public.

The typical modern department is a large-scale organization, charged with a wide variety of services to or on behalf of the public or with the enhanced housekeeping tasks of accommodating, equipping and servicing the new operations. Its activities may encompass a large commercial undertaking like the postal service, the operation of harbours, airports, research laboratories and experimental farms, hospitals and schools, or marketing, lending and insurance services. It may need specialists in purchasing, design and construction, trans-

portation, communications, economic and social research, statistical analysis, records management, data processing or public relations. The lists could be extended almost indefinitely.

Each extension of government operations has increased the need for ministerial attention to policy. Simultaneously, it has increased the complexity of the administrative apparatus and the demands on administrative leadership. As a consequence, it is virtually impossible for ministers to be, in any real sense, the managers of their departments.

The size and complexity of departments also create a growing need to distinguish between the actual conduct of operations and the task of departmental administration. The former requires skill in the special operating techniques, the latter in the more generalized functions of management. To confuse the two functions within a department may be as damaging as to confuse the respective functions of departmental management and central directing agencies.

This distinction between administration and operations is of particular importance to organization. Administration is concerned with functions which must be performed at the directing centre of each department, regardless of its size, its programme responsibilities, or the geographic dispersion of its activities. The organization of operations, on the other hand, must be devised with precisely these considerations in mind. Unless operations are dispersed and operating responsibility delegated, administrators may be diverted from their essential task by the intrusion of operational questions. Where operations involve dealings with the general public, dispersion and delegation will make departments most responsive to public needs.

It is the task of departmental administration which needs to be clearly defined—the task common to all departments. Its principal elements can be set out as follows:

- To advise the minister, with the assistance of the chief operating personnel, on matters of departmental policy, and to serve as the channel through which ministerial direction flows to all parts of the department.
- To prepare plans of future programmes for consideration by ministers, and to forecast future needs for money, staff and other resources.
- To adapt the departmental organization to its programme responsibilities.
- To ensure the availability of qualified staff and other resources needed for departmental programmes, within the general limits authorized by ministers, and to allocate such resources.
- To develop and apply the tools of management appropriate to its operations.

- To appraise the performance of the operating units and of the administrative staff itself.

The fact that these functions are common to departmental administration throughout the public service means, in effect, that senior administrative staff can be used interchangeably among departments. Rotation of such senior personnel can be highly advantageous in promoting consistency, strengthening areas of weakness and, more generally, sustaining vigour within departments and among the administrators themselves. Administrators and the more specialized professional staffs should not, however, be treated as castes separate one from the other. Senior administrative posts should be accessible to all who have the essential qualifications of an interest in and an aptitude for the practice of management. But administrators should not be chosen because of professional qualifications unrelated to the functions of management. There must be other roads of advancement open to the specialist whose interest lies in the practice of his professional skills.

There is some evidence of a partial recognition of the proper role of departmental management in the public service. A number of departments have in recent years made substantial progress in the use of appropriate accounting techniques and other tools of management. The control agencies themselves have shown a growing awareness of departmental needs, and one of the major innovations in the Civil Service Act of 1961 is the provision that the Commissioners may delegate certain of their powers to the permanent heads of departments. But such changes have been marginal and the general system of control remains substantially undiminished.

The costly, frustrating and unproductive character of the existing system has been most strikingly acknowledged in the frequent resort to the use of semi-autonomous boards, commissions and corporations. By such devices, the established patterns of control have been abandoned in favour of forms of organization borrowed from the private sector. Ministers to whom such agencies formally report have tended to disclaim responsibility for their day-to-day operations on the grounds that these were the concern of the corporations' management. Thus, the agencies enjoy an administrative independence denied to departments, despite the fact that many of the activities of the two differ little, either in character or in their public impact.

In a few cases accountability is to Parliament directly; more frequently, a minister is answerable. While not intervening in day-to-day actions of these agencies, ministers are deemed to be accountable for their broad policies and the general efficiency of operations. And against this ultimate accountability are set ultimate powers: to choose and remove the top managers; to define

their objectives and policies in varying degrees of detail; to control their capital programmes and, in many cases, their operating budgets; and to require management audits at will. These are, in fact, the only powers which, realistically, a minister can normally exercise over his department. Tradition and the need for a reserve of power will require that all formal authority and the corresponding formal responsibility continue to reside in ministers, but they should be held personally accountable only for the policies and general effectiveness of their departments.

A further conclusion to be drawn from the experience with the agencies is that the meticulous controls to which the departments are subject are not essential to ensure the honesty and efficiency of operations or their conformity to public policy. What has been demonstrated is the utility in large-scale government operations of many of the management concepts and techniques of internal control developed in the private sector of the economy.

Almost certainly, the emergence of these non-departmental forms of organization must be regarded as a response to the changing role of government. This change has been of equal relevance to the departments, and the new agencies are therefore evidence of the failure to adapt the traditional forms and their underlying concepts to the new circumstances.

Above all, departments should, within clearly defined terms of reference, be fully accountable for the organization and execution of their programmes, and enjoy powers commensurate with their accountability. They must be subject to controls designed to protect those general interests of government which transcend departmental interests. But every department should be free of external controls which have no such broad purpose.

THE NEEDS OF CENTRAL DIRECTION

Although the departments are the primary operating units, each, as has just been noted, is only a segment of a single entity—the Government of Canada. The policies and programmes of each must be balanced against and harmonized with those of other departments and agencies; they must justify themselves, in the last analysis, in terms of their contribution, not to the department itself or its particular interests, but to the general interests of the Canadian people. The money it spends is not departmental money available as of right, but public money, and the ultimate test of its spending is not of its legality but of its effectiveness in the view of the public. The members of its staff are not departmental employees but members of a single public service, whose abilities must be so developed and so employed as to secure their best use for Canada. Thus, the authority of each department, however much

it should be strengthened, must be subject to the overriding needs of the government for unity, coherence and a proper regard for the general interests of the Canadian public.

The functions of overriding concern to the government collectively include the following:

- To weigh public desires for federal government action against the willingness and ability of the public to bear the financial burdens involved, and to establish the limits of action and the apportionment of burdens in an overall financial plan—the annual budget.
- To assess the financial, administrative and organizational implications, both immediate and long-term, of existing and proposed programmes, including the costs and benefits of each and its relationship to other programmes, and to define priorities and allocate the resources available within the limits of the total financial plan.
- To establish policies and standards governing the use, throughout the government, of money, staff and other resources, defining the objectives to be sought and guide-lines to be observed by departments, but without trying to prescribe the application of administrative policies and standards in detail.
- To ensure that all departments and agencies have strong administrative leadership and that the human resources available are consistently used for the greatest benefit of the public service as a whole.
- To foster the development and application of effective management practices for the control and improvement of operations throughout the government.
- To assess the general effectiveness of departmental activities and, in particular, the performance of departmental administrators in discharging their functions, as defined above.
- To maintain accounts in a form meeting the needs of Parliament and the Executive, which disclose the sources of public funds and the purposes for which they have been spent.
- To adapt the machinery of government to its changing tasks and objectives.

These functions of administrative direction are, of course, subordinate to the overriding task of political leadership: to define the goals of national interest to which government action is to be directed. The machinery for accomplishing this task embraces, in fact, the entire political process.

The tasks of central direction listed above are, of necessity, the collective responsibility of the government as a whole. But a collective responsibility for management can only be met effectively if there is one person whose job it is to furnish initiatives and ensure that the collective decisions are executed. In effect, this is essentially the same job individual ministers have in relation to their portfolios since, in the last analysis, all government policies and actions are the collective responsibility of all ministers.

Among the functions of central direction, only one, the preparation of the budget, has been assigned on this basis to an individual minister—the Minister of Finance. And it is significant that this is, at present, the only highly developed function among the eight listed. All others remain wholly collective concerns in varying states of underdevelopment.

In a private organization, it is the task of the chief executive officer or general manager to ensure that these needs are met. But the Government of Canada has not, and probably cannot have, a single chief executive in this sense. Other than the Prime Minister, no member of the Cabinet could occupy such a position in view of the powers of control over all other ministers which it would entail. For the same reason, it is clear that no official could do the job.

A Prime Minister has, of course, a recognized pre-eminence among his colleagues, but other matters even more important than the general management of the machinery of government demand almost all the time and energy of any man in this office. He will, of necessity, feel a special responsibility for the general efficiency and effectiveness of government operations, but cannot be expected to involve himself on any but very major or contentious questions.

Since Confederation, matters of central management have been progressively delegated by the Cabinet to its statutory committee, the Treasury Board, and the functions contemplated for that body under the Financial Administration Act of 1951 bear a close resemblance to the tasks of central direction identified here. A board of management on these lines can relieve the Cabinet of most of this work, but the Treasury Board has laboured under two handicaps.

First of all, it is composed of ministers who, as a general rule, have heavy departmental responsibilities and can give little time or attention to its work.

Historically, the primary responsibility for the direction of the Treasury Board has rested with the Minister of Finance, who by law has been its chairman since its inception, and whose department has provided its staff. But as the need has grown for energetic central direction of administration, so too have the departmental responsibilities of the Minister of Finance and his special concern with the financial plan of the government. Fiscal and monetary policy, public borrowings, cash management, international economic policy, the state of the domestic economy and the economic impact of government policies and

programmes—responsibilities such as these leave the Minister of Finance little time to devote to the day-to-day task of central administrative direction. Except during the annual review of departmental estimates, which has relevance to the budget, Ministers of Finance have had progressively less time to devote to the work of the Board.

The result has been to place most of the burden of central direction on the permanent staff of the Board and especially its Secretary. Even if this unintentional devolution of such functions to appointed officials were acceptable—which is seriously questioned—it cannot be effective on any major issue of programme control or administrative policy. Such issues, which arise constantly, can be settled only at the ministerial level, and there is, therefore, a need for continuous leadership by a minister with no departmental responsibilities to divert his attention or prejudice his viewpoint.

It is our conclusion that the Treasury Board needs to be strengthened by the appointment of a presiding minister with no departmental responsibilities, who would give day-to-day guidance to its staff, provide the initiative needed within the Board itself, and ensure that general considerations of good management find adequate expression within Cabinet on all matters to which they are relevant.

The Minister of Finance will obviously continue to have an interest in those functions of the Treasury Board which bear directly on his budgetary responsibilities and must be a member, *ex officio*, of the Board. There is, in fact, a close reciprocal relationship between his responsibilities and those of the Board. In its evaluation of departmental programmes and plans, the Board must consider among other things, their probable impact on the economy and will normally look to the Department of Finance for guidance on this score. And the probable effects on future expenditure levels of programme changes considered by the Board are of obvious interest to the Minister. Moreover, the Board's year-round evaluation of programmes and of departmental performance provides the basis for its annual review of departmental estimates of expenditures for the subsequent fiscal year, and the approved body of estimates, in turn, is one of the elements to be reconciled by the Minister in his budget. But the preparation and review of estimates must take account of the Minister's advice as to the desirable limits within which expenditure plans should be settled. There must, therefore, be close working relations at all times between the Minister of Finance and the President of the Treasury Board. Recognizing this convergence of interest in financial affairs, the position of President might well be associated with the Department of Finance, comparable in status to the Minister but different in function.

The second major handicap under which the Treasury Board now works is

the tradition of detailed control of departmental administration, as a result of which it has to consider about 16,000 submissions annually. Under these conditions, the proposed new President of the Treasury Board would find his time so occupied with individual cases concerning day-to-day administration that the essential tasks of the Board would receive scarcely more attention than they now do. The necessary abandonment of this tradition of control, to permit the proper functioning of departmental management, is therefore scarcely less essential as a means of freeing the Treasury Board to meet the needs of central direction.

There will remain certain categories of departmental action which will require specific approval by the Board. Ministers will wish to review proposals that entail very large expenditures or represent the launching of major programmes with heavy future commitments, actual or implied. But the limits of departmental authority to act independently must be raised substantially, and include all routine and recurring needs almost regardless of the sums involved. The greatest prospect of eliminating detailed review lies in the area of day-to-day administration: the adjustment of establishments within approved programme limits; the application of policies and standards governing accommodation, equipment and supplies, travel and entertainment, and the various allowances granted to staff to meet special conditions. The test of what is properly subject to specific approval by the Treasury Board must be its relevance to the essential functions of central direction.

With the strengthening of the functions and provision for day-to-day ministerial direction of the Treasury Board, there must be a redefinition of the role and character of its staff.

It must be recognized that the essential task of the staff is to assist ministers in discharging their collective responsibility for programme priorities and administrative standards. Their present location in the Department of Finance tends to encourage among the staff a preoccupation with the detailed scrutiny of expenditures. Among departmental administrators, this has engendered an undue emphasis on justifying the minutiae of operations at the expense of a proper concern with functions of management. It is desirable that this concept be dispelled and that there be a common awareness of both the central and departmental tasks of management.

The ultimate authority lies with the Cabinet and is exercised by the Treasury Board only by delegation; this delegation may, on any matter, be withdrawn or overridden by the Cabinet. When Cabinet chooses to concern itself directly with these functions of central direction it must have at its disposal the staff support normally possessed by the Treasury Board. For this reason, the Treasury Board staff should be transferred from the Department of

Finance to the Privy Council Office, where it would be more properly identified with the Cabinet and with the Treasury Board itself as a committee of Cabinet.

At the same time, the status of the Secretary of the Treasury Board needs reassessment. As the chief official adviser to the government on the co-ordination of programmes and the organizational and administrative needs of the public service, his importance is clearly at least equal to that of the permanent heads of departments. He must, therefore, have the status of a deputy minister.

This would mean the existence, within the Privy Council Office, of two deputy ministers—the Clerk of the Privy Council and the Secretary of the Treasury Board. In fact, however, the roles and interests of the two are complementary. The Clerk is concerned in the main with policy, and the Secretary with the functions of administrative direction.

The staff of the Treasury Board, while having no direct administrative responsibilities, clearly occupies a crucial position—as the group making the examination of programmes and estimates, drafting administrative policies and standards, evaluating departmental performance and generally stimulating effective management practices throughout the public service. Invested with such functions, and having access to the central authority of government, such a staff could conceivably destroy the proper balance between central and departmental responsibilities and powers. To prevent such an occurrence, there must be safeguards.

The development and maintenance of strong administrative organizations within the departments will provide a counterweight to any attempts at encroachment on their authority by the Treasury Board staff. But the existence of a state of conflict between the departmental and Treasury Board staffs would be scarcely less damaging than the aggrandizement of the latter.

The most effective safeguard lies in strict adherence to the rule that the Treasury Board staff be formed by the rotation of experienced administrators from departments. No officer should serve the Board until he has acquired a working knowledge of administration and demonstrated his ability and judgment, preferably within a department. Nor should appointments to the Treasury Board staff be of long duration. The benefits of such a rotational policy would accrue to Treasury Board and the departments alike, and such a policy would forestall the growth of pretensions to superior virtue in the central group.

In addition, the size of the Treasury Board staff must be held to a minimum, the emphasis being on experience and outstanding ability rather than numbers. With the abandonment of detailed and often routine controls, and

with the concentration of Treasury Board on the essential functions of central direction, the need for numbers—especially of junior staff—disappears. Moreover, the staff should be composed of officers of general administrative experience. Various individuals or groups among them may have to concentrate on particular aspects of the Board's responsibilities, to which more specialized experience in their past service will be relevant. But their responsibilities are essentially non-technical, and whatever technical assistance may be needed by the staff in the course of its work should be sought from the departments and agencies, whose operating needs require the use of highly qualified specialists of every conceivable kind.

An agency of central direction can rarely expect to be popular among departments. Although it should be concerned with encouraging energetic and imaginative administration within departments, there will be times when the Board must exert a restraining influence on departmental ambitions. But as long as it confines itself to its proper functions, it will be respected as an essential element of government. As a body serving broader interests and staffed with officers familiar with the needs of departmental administration, it will be welcomed by the departments as a source of guidance when new and unfamiliar problems arise.

THE PROVISION OF COMMON SUPPORTING SERVICES

The unity of the public service, which creates the need for central direction, is also relevant to the provision of administrative services for which departments have common needs.

As has already been noted, considerations of public policy may influence the administrative practices of the government in meeting its operating needs for staff, accommodation and engineering works, and supplies and equipment. Such considerations may necessitate not only the formulation of standards to govern such practices, but also the creation of common service departments and agencies charged with specific responsibility for ensuring that the public interest is recognized and served.

The pooling of common services may also be warranted by considerations of economy or administrative advantage. From the viewpoint of the departments, while the definition of needs for supplies and services is inescapably a part of departmental responsibility, the actual satisfaction of those needs may be only a chore which intrudes on the essential functions of devising and applying solutions to public problems.

Smaller operating units encounter a special problem in meeting their needs for a wide variety of administrative services, because of the prohibitive cost

of maintaining staffs to cater to such needs and the impossibility of keeping such staffs fully employed. Common service organizations, where they exist, can meet some of these needs, but for others the small unit may have to become the client of a larger operating unit. Although this problem exists for some departments and agencies in Ottawa, it is most prevalent and acute in the field, where little has been done to develop remedies.

No uniform pattern is proposed for the organization of common services. Instead, specific solutions are suggested in reports dealing with such matters as accounting, the improvement of office management and systems, accommodation, and purchasing. It is possible, however, to postulate certain general principles which should govern the provision of administrative services by one organization to another.

The first principle is that such arrangements must not impair the essential authority and responsibility of operating departments. This means that, within any general standards enunciated by the Treasury Board (which should be neither minutely detailed nor inflexible), the user of the services shall define his needs. Moreover, in order to emphasize to both the user and the supplier where responsibility lies, and to ensure that relevant costs are allocated to programmes, the cost of services should be chargeable to the user.

Second, service and control must be sharply differentiated. The suppliers of services should exercise no control over the users except within the strict limits of any responsibility for applying special considerations of public policy. The only general element of control will be exercised centrally in the form of an assessment of the level of service demanded by users and the degree of satisfaction given by supplying agencies, as part of the general evaluation of administrative performance throughout the machinery of government.

Third, means must also be adopted for ensuring that common service organizations do not become inbred and complacent. Their direction must be in the hands of senior administrators who come within the general rotational programme for the top levels of the public service and who will, therefore, be conscious of and sympathetic to the needs of the user departments. Moreover, to the extent that operations similar to those of a service organization are carried on in other parts of the public service, there should be rotation of the technical staffs involved. In addition, where similar operations exist outside the government, the staffs of service organizations should be encouraged to keep in touch with external developments in techniques, and the services of the government should be strengthened by the employment from time to time of experts from such outside services, either by contract or by the exchange of personnel for periods of several years.

Fourth, the organization of each common service must be designed to

serve the needs of its clientele. Certain professional staff services—legal, statistical and economic, for example—are needed primarily for the support of administrative activity in the head offices of departments, and might properly be concentrated in Ottawa. Other services, however, such as those concerned with accommodation, construction, supply and communications, must support the operating elements of the public service, which lie predominantly outside Ottawa; consequently, the organization of such services may require strong regional and even local components.

Finally, common service organizations can serve the Treasury Board and its staff as sources of technical guidance in the framing of policies and standards to govern administrative practices throughout the government. In addition, the government itself has need of a central service organization to maintain the financial records required for the central direction and evaluation of administration and for Parliament. This accounting agency can also provide related services to the departments but without the existing connotation of control.

THE IMPORTANCE OF ADMINISTRATIVE LEADERSHIP

A good plan of organization and an appropriate concept of management—essential as they are—provide no automatic guarantee of good administration. The essential ingredient is good people, especially at the top. The goals pursued by departments are matters of public policy but the effectiveness of their activity will depend primarily on the quality of administrative leadership. There must be, throughout the public service, senior administrators of outstanding ability with a strong sense of purpose and a clear grasp of their responsibilities.

The development of senior administrators is of concern to central and departmental authorities alike. But the Treasury Board staff must bear a special responsibility for ensuring that the available resources of leadership are used to the greatest advantage of the government as a whole. It is not too much to say that this is the most important task of constant concern to the central staff. The essentials of this task will be:

- To assess the strengths and weaknesses of individual senior officers throughout the public service and the relative urgency of bolstering departmental management in one respect or another.
- To secure such appointments and transfers of officials as seem most likely to match individual abilities with departmental needs at any given time.
- To be actively concerned, in association with departments, with the development of future generations of leaders.

As in the past, the appointment and transfer of deputy ministers should be made by Order in Council, on the recommendation of the Prime Minister. This traditional practice serves admirably to underscore the role of the deputy minister in providing the bridge between the political world of ministers and the administrative world of the department, and provides a reminder to them of their need for a perspective encompassing the whole range of government. At the same time it emphasizes the collective interest of the ministers, and the special interest of the Prime Minister, in the effectiveness of management in the public service.

In framing his recommendations, the Prime Minister will naturally consult whom he chooses—including, as a matter of course, the ministers of the departments concerned. But the two permanent heads of the central staff—the Clerk of the Privy Council and the Secretary of the Treasury Board—should have a special role to play. Each is concerned—in complementary ways—with the whole range of government operations, and is therefore able to measure departmental needs for leadership against the men available. And in their respective positions they represent, in a sense, the two aspects which are fused in varying proportions in the office of a deputy minister: the development of policy and the management of operations. Thus they bear a joint responsibility for advising the Prime Minister on the appointment or transfer of deputy ministers whenever circumstances or their own assessment of need dictate.

The concern of the centre of government, however, must reach below the deputy ministers and take account of the development and use of other senior administrative staff throughout the public service. To ensure the satisfactory development and distribution of such staff on a government-wide basis, the central machinery must be actively concerned with appointments and transfers relating to certain positions in each department.

This central concern should extend, first, to those positions immediately below the deputy minister. Movement among departments at this level provides the last opportunity for achieving the broadening of experience and outlook which is so essential to the development of administrative leadership.

Special considerations apply to two other senior officials in each department: the chief financial officer and the chief personnel officer. These two are most directly concerned with the use of staff and public money, and with the application of the general policies and standards of the government relating to administration. Rotation of such officers among departments and the staff of Treasury Board itself will do more than anything else to ensure that the general policies and standards are applied with consistency throughout the government.

Moreover, it is important that these two officers should have the sense that their future careers rest primarily—though not exclusively—on the assessment

of their performance by the staff of the Treasury Board, rather than on their ability to please the heads of their departments. They must be in all respects members of their respective departments and so regard themselves, and could not be empowered to veto the wishes of their departmental heads and thereby impair the necessary authority and responsibility of the minister and his deputy. But they would, in effect, provide a "presence" of the central authority within the department, and their reluctance to concur in courses of action proposed by their departmental heads would not be lightly ignored.

For these positions—immediate subordinates of deputy ministers and the chief financial and personnel officers—it is proposed that the Treasury Board staff should, whenever the prospect of vacancies or their own assessment of needs dictate, initiate discussions with the department or departments concerned, with a view to securing the most effective use and development of senior administrators throughout the public service. Appointments to such positions should be subject to approval by the Treasury Board.

In addition to their specific responsibilities relative to these senior positions, the Treasury Board staff would have a general responsibility, in common with the departments, for identifying and developing promising officials in the middle ranks of administration. They must also, in evaluating performance, ensure that the departments themselves attach proper importance to the development and effective use of all their personnel. Moreover, in an organization as large as the public service, there is a constant danger of blind alleys, and particular care must be taken by departmental and Treasury Board staffs to guard against such pockets of frustration and to find new opportunities for able people caught in isolated or uncongenial positions.

As has been noted, the federal administration is fortunate today, and has been in recent decades, in the quality of its senior administrators. The distribution of ability is uneven and could be improved by greater flexibility in the use of senior officers. But this need is overshadowed by the more urgent need for a concept and plan of management which will provide greater opportunities for administrative leadership to become effective.

CHECKS AND BALANCES

There remains only the question of safeguards against those weaknesses in the public service which gave rise to the existing regime of control. The dangers of political patronage in the staffing of the public service, and of irresponsibility in the handling of public money must be recognized, and safeguards must be provided. But the remedies must be sought within a framework which fosters rather than frustrates good management.

The first guarantee of administrative integrity lies in the proposed new concept of management, with its emphasis on the sharper definition of responsibility, authority and accountability, and on the systematic encouragement of strong administrative leadership. But, in fact, the proposed new concept offers more specific guarantees in the form of checks and balances. The balancing of functions between departments and the Treasury Board, and between the Clerk of the Privy Council and the Secretary of the Treasury Board; the rotation of senior administrative personnel; the creation within departments of a "presence" of the Treasury Board—all serve as checks not only on the misuse, but equally on the ineffectual use of staff and public money. Yet none of these, unlike the existing controls, can act in any way to inhibit or impede energetic and imaginative administration.

In addition, the essential safeguards, independent of the framework of management under the authority of ministers, will remain: the Civil Service Commissioners and the Auditor General.

For the Civil Service Commissioners there will be a continuing task of certifying appointments to the public service, after satisfying themselves that selection has been made in a manner which establishes merit. Moreover, the new concept of management should end the confusion which has existed in the Civil Service Act and its administration, between the ideal of a unified service and the quite separate and unrealistic goal of uniformity in the treatment of public servants. Such matters as the basis and method of remuneration, and the special procedures which may be appropriate in the recruitment and management of different classes of people, would become more properly identified as functions of management. Thus, many sections of the public service which have had to be excluded from the Act because the uniform standards and procedures were inappropriate could now be brought within the protection of the Commissioners, and the ideal of a unified service could be more nearly realized.

The other external safeguard rests with the Auditor General, in his responsibility for judging the efficacy of government accounting systems, internal control and audit procedures and other techniques of financial management, and ensuring that public funds are adequately protected against misuse and are legally spent. This function and his duty of disclosing to Parliament and the public any evidence of illegality, irresponsibility and dishonesty in the handling of money, serve as powerful deterrents.

In the last analysis, the ultimate safeguard lies in the political process itself—in the accountability of ministers, both individually and collectively, to Parliament and through it to the public. The methods by which Parliament exacts this accounting from ministers and the public service are, of course,

beyond your Commissioners' terms of reference. It is only noted, therefore, that the growth and increasing complexity of government, which have generated new problems for the management of the public service, may well create new problems of accountability to the public and their elected representatives. Such, indeed, has been the experience of other parliamentary systems, resulting in a growing resort, in recent years, to new methods for the scrutiny of administrative action.

The importance to the public of efficiency and integrity in the machinery of government by which it is served is unquestionably great and grows with each new increase in the size and scope of government. But even greater is the importance of a service responsive to public wants and expectations. No plan of management and no system of checks and balances can, by themselves, offer guarantees of this responsiveness. This is the test, not merely of the machinery of government, but also—and principally—of the political process by which its goals are set.

6

A GENERAL PLAN OF MANAGEMENT

Within the concept of management presented in this report, it is possible to discern the outlines of a general plan.

At the centre of this plan lies the Cabinet, bearing the ultimate responsibility for government and cloaked with ultimate authority under the Crown and Parliament. Serving Cabinet and its committees, under the direction of the Clerk of the Privy Council, is the secretariat.

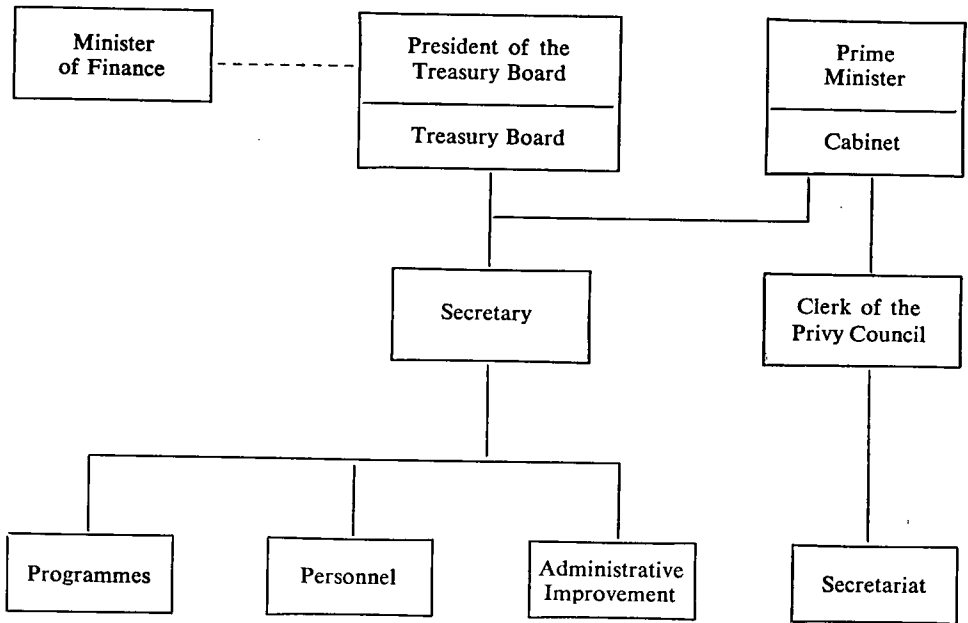
The Treasury Board, as a committee of Cabinet presided over by a minister with no departmental responsibilities, is responsible by delegation for the co-ordination of programmes and the general management of the public service. Serving the Board—and, when necessary, Cabinet itself—are the Secretary and a compact, highly qualified staff. Within the latter, three main divisions can be identified:

- A programmes division, concerned with the analysis of programmes, the review of departmental estimates, and the framing of general standards of administration.
- A personnel division, concerned with personnel policy and standards of personnel management, and staff relations in the public service.
- An administrative improvement division to stimulate and guide an urgently-needed programme of continuous improvement in operating systems and procedures throughout the machinery of government.

In addition, the staff of the Treasury Board share the tasks of reviewing the

plan of organization of the government and identifying necessary adjustments, of appraising the performance of departments and the abilities of senior administrators, and generally of fostering improved management and strong administrative leadership throughout the public service.

GENERAL PLAN OF CENTRAL AUTHORITY



The central accounting needs of the government are met by the Comptroller of the Treasury—more suitably called the Accountant-General—who can also provide related services for which departments have a common need, but with no powers of control.

The Civil Service Commissioners discharge those functions requiring independence from executive authority: the certification of appointments, the final hearing of appeals by public servants against disciplinary action, and the conduct of pay research independent of both management and staff.

Among departments and operating agencies there can be no uniformity of organization. However, the functions of management are common to them all and require, in each, the existence of an administrative staff capable of discharging these functions and providing a focal point for the matters of concern to the Treasury Board.

The full implications of the new concept of management in the federal public

service will reveal themselves in the other reports of the Commission. It will be evident, however, that the realization of this concept requires changes which cannot be made overnight. The goal is a long-term one, but it points the direction in which improvement must be sought. The sequence and pace of change cannot be prescribed by this Commission, but succeeding reports will identify many of the specific steps to be taken.

Your Commissioners are convinced that this concept of management will promote the interests of public servants through the enlarged opportunities it creates. It should, we feel, strengthen the ability of Parliament to comprehend and judge the conduct of the federal administration. And, above all, it offers the greatest hope to the Canadian public—overshadowing the immediate savings which our findings may disclose—of efficiency, economy and improved service in the despatch of public business.

BILINGUALISM IN THE FEDERAL ADMINISTRATION

Separate Statement by Commissioner F. Eugène Therrien, Q.C.

TERMS OF REFERENCE

The terms of reference of the Commission as set forth by Order in Council dated 16th September, 1960, direct the Commissioners to "inquire into and report upon the organization and methods of operation of the departments and agencies of the Government of Canada and to recommend changes therein which they consider would best promote efficiency, economy and improved service in the despatch of public business."

The Commission has limited its study of bilingualism in the federal administration to particular aspects of the problem, having decided that its terms of reference do not call for a broad and thorough investigation of the subject. In its various reports, however, the Commission has put forward certain eminently constructive recommendations, to which I subscribe.

In my opinion the terms of reference of the Commission are not restrictive concerning this aspect of federal administration; hence, the following statement and my dissent (the only one in the whole of this vast inquiry) concerning the interpretation of the terms of reference adopted by the Commission.

In view of the nature and character of the Commission, the terms of the mandate which it was given by the federal government, and the fact that I have no right to submit recommendations of my own, the facts cited and opinions hereinafter expressed represent neither the findings nor the conclusions of the Commission, and cannot be considered as such. They are the underlying reasons for my dissent, based on constitutional, legal, and factual considerations.

The Commission has investigated, among others, the following topics:

- The circulation of documents.
- The administrative requirements relating to the initiation of such documents and methods by which they are circulated.
- The numerous and detailed information demands on the public in the form of statistical and other returns.
- The burden imposed on the public by such demands and the usefulness of data thus gathered.
- The recruiting and selection of public servants and the composition of the federal work force.
- The education and teaching of children in schools of the federal government by its own qualified teachers, both in Canada and abroad.
- The Service colleges.
- The nature, scope and aims of public relations and information services in the administrative, commercial, technical, scientific and cultural fields.

The terms of reference of the Commission should, in my opinion, have led to more specific and more detailed conclusions and recommendations concerning the incidence of bilingualism in relation to the efficiency and economy in the federal administration.

THE NATURE OF THE PROBLEM OF BILINGUALISM

Thus far, the problem has been badly put in many quarters. Too often it is reduced to a matter of mere translation. Bilingualism in a country is the co-existence of (a) two cultures and (b) two languages.

Bilingualism in the federal administration is not, and should not be reduced to the single question of translation. Rather, it is, and must be, a problem of the co-existence of two languages, English and French.

It is almost superfluous to add that serious difficulties arise in finding solutions to this problem. To date, the federal administration has not been sufficiently concerned with seeking solutions.

SOME ASPECTS OF BILINGUALISM IN CANADA IN 1962

The bilingual character of the administration reveals itself in several ways:

1. Our money is bilingual.
2. Our postage stamps are bilingual.

3. By virtue of a recent decision, federal government cheques are bilingual.
4. French documents on file are generally translated into English.
5. Some of the forms used by the public are bilingual or are published separately in French and in English.
6. Some departments have bilingual letterheads; all others have letterheads printed in each of the two official languages.
7. In too few departments and agencies, civil servants are allowed to draft internal communications in French.
8. The French Canadian taxpayer is asked, in his own tongue, to contribute to support the federal government's activities, e.g., Government of Canada loans, income tax, etc.

On the other hand:

1. It is practically impossible to obtain precise statistics of the number of French Canadians employed in the civil service and the number of bilingual public servants; yet statistics on alcoholism in the public service are readily available.
2. The use of the French language as a medium of communication within departments and agencies depends largely on the number of French-speaking public servants. The number of French-speaking public servants is very limited. The view that such a state of affairs is regrettable has been expressed not only by French Canadians but also in many English Canadian quarters. Of 5,000 public servants in receipt of an annual salary of more than \$8,000 (as reported in the Public Accounts of Canada for 1961), less than 600 are French-speaking Canadians. (These figures do not include employees of the Crown corporations nor officers in the three Armed Services, for whom no figures are available). In eleven departments, only six of the 163 civil servants receiving \$14,000 a year or more are French Canadians.
3. The number of French Canadians holding key positions in the government administration is insignificant, save for a few district offices in the Province of Quebec. In several key departments, not a single high official is French-speaking.
4. In the public service, as in the Army, the value of an officer or an official, in recruitment and promotion, is too often and wrongly considered to be in proportion to his knowledge of the English language.
5. Some of the all-too-few French Canadian high officials simply accept this situation. Others find it too irksome and leave the government service to seek elsewhere positions more in harmony with their aspirations.

6. In too many departments and agencies, and even in district offices in the Province of Quebec, English is the language of internal communication.
7. With very few exceptions, annual reports, information bulletins and other reports published by departments and agencies are always drafted in English. The French edition is generally published weeks or even months later, by which time it is often out-of-date and useless.
8. The percentage of internal and external bilingual forms is higher than the percentage of correspondence in the French language. This may be due in part to the fact that all French correspondence has to be translated, with consequent serious delays and inconvenience for the French Canadian population.
9. In the federal administration, and markedly in the Armed Forces, there is little or no understanding of French Canada's claim to certain rights, especially with regard to the co-existence of the French language in Canada, nor of the way in which bilingualism bears upon efficiency in the administration.
10. In the Army, certain so-called bilingual courses given in Quebec (for instance, courses on civil defence) are not only an instrument of assimilation but also, to an even greater extent, a means of debasing the French language.

COMMENTS

French Canadians cannot feel at home all over Canada as long as the co-existence of their language goes unrecognized, not only in written texts, but in fact. They refuse to be regarded by the federal administration as second-class citizens.

The position of bilingualism in the federal administration has remained hazy; the problem has never really been faced; in the past, friendly gestures in the form of occasional half-measures have had to suffice; events have been in control, not under control. More and more it is recognized that Canada's bi-cultural and bilingual character is a heritage and a very precious asset, to be developed and preserved not only by French Canada but by Canada as a whole. The federal administration is ideally suited to make a vital contribution to this development.

French Canada is one of the two components of our country which existed as a political and legal entity long before Confederation. Confederation is a pact which recognizes, confirms and guarantees the rights of this component, and it is necessary to honour the spirit of the text, avoiding any limited inter-

pretation and admitting freely the right to co-existence of the French language and culture in Canada.

There is no single and easy remedy to the federal administration's weaknesses and shortcomings in the matter of bilingualism. The administration itself does not even realize its own weaknesses and shortcomings, nor will it fully admit that they exist. It does not avail itself of the means at its disposal to find solutions of immediate or long-term benefit.

THE PROBLEM OF BILINGUALISM OUTSIDE CANADA

Outside Canada, certain governments have conceived and established bilingual public administrations which have proved efficient. Within Canada, some measures, however imperfect, which confirm the bilingual character of the country, have been accepted. However, in my opinion, bilingual aspects of federal administration are neither adequate nor satisfactory.

In South Africa, the constitution puts the English and Afrikaans languages on an equal footing and gives them the same rights and privileges.

The laws, regulations, orders, and notices of public interest issued under federal, provincial, municipal and other local authority are published in the two official languages.

In the South African public service the position is as follows:

There are generally no examinations for entrance into government departments, but a public servant cannot be promoted without having passed an examination in the two official languages. The Department of Foreign Affairs requires, in addition, knowledge of a third language.

Forms for internal and external use are bilingual or available separately in each language.

Departmental manuals and annual reports are always published simultaneously in both languages.

For communications within the service, public servants may use the language of their choice or use one of the two languages alternately on a month-by-month basis. The same procedure applies to training courses in the public service.

In Belgium, the use of languages in public administration is governed by the law of 1932 which provides:

- (a) In the central government departments and in public services or establishments, all business is conducted in the language prescribed for the regional authorities and public services, without recourse to translators.
- (b) Every executive official in charge of a branch has a bilingual associate of equal rank or of the next rank down, selected from the branch con-

cerned, and such associate can never be called upon to do actual translation.

- (c) Except in the central administrative services, no one can be appointed or promoted to a public position unless he is familiar with the language of the commune or district in which he will be occupying such position.
- (d) In the central government departments, a proper balance must be preserved in the number of positions held by employees of each linguistic group. This rule also applies in recruiting personnel.

In Switzerland, bilingualism, or rather trilingualism, in administrative matters rests more on custom than on law, the only legal provision being section 116 of the Federal Constitution, which stipulates that German, French and Italian are the official languages of the Confederation.

In practice, the situation is as follows:

- (a) Correspondence is never translated.
- (b) For communications with and within the central government services, the civil servant may use any one of the three languages.
- (c) Correspondence between the federal government on the one hand and the cantonal governments, the communes and individuals on the other, is carried on in the language of the canton, the commune or the individual concerned.
- (d) As far as possible, each linguistic group is represented proportionately to its numbers. In some departments, minorities even get a proportionately larger representation than their numbers warrant (e.g., the French Swiss in the Department of Foreign Affairs).
- (e) Throughout the country, wicket employees are bilingual.
- (f) The Army is divided into unilingual units.
- (g) All departmental reports are published simultaneously in the three languages.

CONCLUSION

1. In the federal administration of Canada, bilingualism is not treated as it should be, that is, as an efficient instrument of administration.
2. The number of French Canadian public servants at the higher level of the federal administration is insufficient.
3. The policy of the administration regarding bilingualism is wasteful both of energy and of money.

SOME SPECIAL ASPECTS OF BILINGUALISM IN THE FEDERAL ADMINISTRATION ARISING FROM FACTS BROUGHT OUT DURING THE INVESTIGATION BY THE COMMISSION

Personnel

REPRESENTATION OF THE FRENCH SECTOR: The number of French-speaking Canadians at the higher levels is not proportionate to the size of the French Canadian group in all departments and agencies of the federal government. Candidates for higher ranking positions are not sufficiently sought out among competent French Canadians who are already in the service; such do exist.

It is to be deplored that not one of the Assistant Under-Secretaries in the Department of External Affairs is a French Canadian.

RECRUITING: The number of French-speaking public servants is not directly proportionate to the administrative requirements of French Canada, which is not confined to a single geographical area but, on the contrary, extends throughout the whole of Canada.

Entrance examinations for candidates to positions in the public service do not conform to the French-Canadian educational system, nor are they set in French by qualified French Canadians. Imperfect mastery of the English language is considered to be a shortcoming which prejudices the French Canadian candidate or civil servant.

There is an almost total absence of training courses of high quality, in keeping with the spirit of each language, given in English by competent English instructors and in French by competent French Canadian instructors, and available to public servants free of charge during working hours.

BILINGUALISM—AN ESSENTIAL QUALIFICATION: Bilingualism is not an essential qualification for all employees who deal with the public in bilingual towns and districts. In all departments, particularly in the Departments of External Affairs and Trade and Commerce, the present number of bilingual civil servants posted abroad is clearly insufficient.

WORKING CONDITIONS: French Canadian public servants cannot freely use the French language as a means of communication within the federal administration.

Courses now given to public servants (or to the public) under the direction and control of the federal administration are not everywhere available in French to all who wish to follow them.

There is a shortage of competent French-speaking stenographers in the Department of External Affairs and in all the other departments and agencies of

the federal government: the reason for this shortage is that no supplementary remuneration is paid to those so qualified.

There are no development programmes whatever for public servants or members of the Armed Forces of all ranks to teach, by the use of courses and appropriate lectures, the aims and attitudes of the two ethnic groups, the meaning of the Canadian Confederation and the role of French Canada as a partner therein.

FORMS AND DOCUMENTS: Instruction manuals and circulars intended for employees of the federal government are not generally supplied and distributed in both the English and French languages.

Internal forms used by federal government departments and agencies, as well as external forms for the use of taxpayers are not generally bilingual, thus involving an unwarranted expenditure and leading to inefficiency. A few only of these external and internal forms cannot, from a practical point of view, be made bilingual. For these, solutions can be found; for instance, they could be printed separately in French and in English, each bearing a note to the effect that the same form may be obtained in the other language. Sorting, handling and stocking of stationery is extremely burdensome because letter-heads, return addresses on envelopes, and memo pads in the federal government are not bilingual. Translation is not limited to essential documents; the practice of translating all documents on file is useless, costly, unnecessary, and means that translators, whose work is an art, are occupied on routine work.

BUREAU FOR TRANSLATIONS: Translation remains an important problem in a bilingual country. In my opinion, the remuneration of translators is inadequate.

The salary of a Translator Grade I in the federal administration is equivalent to that of a Clerk Grade 4 (\$4,050-\$4,500). A survey of salaries in the private sector reveals the following minimum salaries:

Depending on qualifications and experience, salaries range from about \$5,000 to \$10,000 for a translator; a Unit Supervisor may receive \$10,500, and the Director of a Translation Service \$16,500.

INFORMATION: Information intended for the public is not usually drafted in French and issued at the same time as English material to the French language information agencies of the country. French information services with adequately paid French Canadian Information Officers have not been provided for and do not exist in each department and agency of the federal government.

Today, May 22nd, 1962, as I write this statement, the newspapers of the country carry an advertisement of the Civil Service Commission for French Information Officers, at \$6,000-\$6,600 per annum, for the Departments of

Transport, Northern Affairs and National Resources and the Unemployment Insurance Commission. This is a step in the right direction, but it appears that the salaries offered are clearly lower than those recognized and paid in the private sector.

The late publication and circulation in French of public documents, which have been held up because of translation, represent a costly and totally inefficient practice. What purpose is served by publishing a document in French so late that it has no usefulness?

The Department of Citizenship and Immigration distributes an information pamphlet designed for immigrants, in eight foreign languages. All reference terms in this pamphlet (and there are many) are in English. The bilingual and bi-cultural character of Canada is not properly reflected in all the other publications intended for new Canadians and foreigners.

HEALTH: For all practical purposes, French is not recognized as a language of communication in all federal hospitals. Internal and external forms used in these hospitals are by no means all bilingual.

NATIONAL DEFENCE: The general use of the French language everywhere and by all French Canadian members of the Armed Services is recognized neither in theory nor in fact.

The bilingual educational system in use at the College Royal Militaire de Saint-Jean is not found in the other Service colleges in Canada.

One does not find in the Armed Services a proportionate number of capable senior French Canadian officers.

Units with French as the language of instruction and technical training have not been organized nor planned in the three Services.

Against all logic and contrary to principles of efficiency and economy, in sorting, handling, stocking and printing documents, forms and information bulletins in the three Armed Services, bilingualism is not recognized.

In the present state of world affairs, our Armed Forces are coming increasingly into contact with French-speaking peoples. There are no appropriate French language training courses in the Armed Services.

Imperfect mastery of the English language is an obstacle to recruitment and to the promotion of competent senior French Canadian officers. So-called bilingual instructions in the Armed Services (a word in French, and a word in English) are instruments of assimilation and destruction of the French language and culture in Canada.

EDUCATION: *Military Camps in Canada:* Schools subsidized by the federal government do not offer equal facilities to English-speaking and to French-speaking children. However, it must be noted that the Department of National

Defence in each province follows the educational system of that province. In eight of the ten provinces, official teaching is exclusively in English, while in Quebec and Ontario instruction is in both languages.

In the Province of Quebec, the children of servicemen at military camps may attend English or French schools. But the same does not apply within the military camps in Ontario where teaching is exclusively in English, even where there are large groups of French-speaking children; French-speaking servicemen who wish their children to be taught in French must bear the costs of education from their own pocket.

The Department of National Defence has not so far authorized the setting up, at any military camp in Ontario, of a single class with French the teaching language, in spite of the fact that in some such camps there are important groups of French-speaking children of school age.

Except at the camp at Rockcliffe, Ontario, the Department of National Defence makes no grants to French-speaking children of school age at military camps outside Quebec, to enable them to obtain an education in a French school in Quebec or in one of Ontario's bilingual schools.

Military Camps, Overseas: The minimum figure of 25 pupils, required for setting up a class in which French is the teaching language appears excessive for two reasons:

- There need be only ten children of school age to secure permission to establish a school at a military camp in Canada.
- In 1961, the average number of pupils per teacher in National Defence schools in Europe was only 19.1, and as low as 9.4 in secondary schools.

When the number of pupils does not justify the organization of separate classes, a grant for tuition fees (and another for travel expenses) is not available for French-speaking children of school age, to enable them to pursue their studies in a French-speaking country or in Canada.

Penitentiaries: The practice of offering instruction in French to all inmates who wish it, in classes specially set up for this purpose, is followed only in penitentiaries in the Province of Quebec.

Educational Costs Abroad: English and French-speaking civil servants posted abroad do not all receive the same financial assistance to ensure that their children receive complete instruction in their mother tongue.

REGULATION OF BILINGUALISM: The co-ordination of bilingualism in the federal administration, in my opinion, should be placed under the jurisdiction of the Treasury Board which represents the general and central administrative authority.

CONCLUSIONS

In Canada, the cost of bilingualism should not be considered, and still less admitted, to be an obstacle, any more than the cost of bilingualism or trilingualism is so considered in Belgium, Switzerland or South Africa.

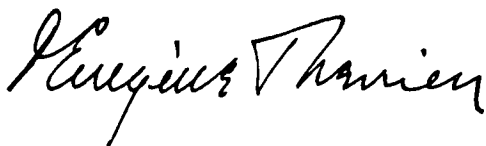
The opinions expressed in this report are based on the principle of the duality of language and culture in Canada and the possibilities of its application in the federal administration.

French Canada must, of course, within the federal public service look to the quality and excellence of its spoken and written language and its culture: no one will dare assert that a language with skimpy vocabulary and ill-formed constructions can be more acceptable in Canada than elsewhere. To achieve the desired objective, French Canada must preserve the integrity of its culture.

French Canada has existed since 1534; bilingual Canada completed its second century of existence in 1960. The country will celebrate the centenary of Confederation in 1967. Surely, the two constituent groups in the country have now attained sufficient maturity to face the problems of the day. The men needed to find solutions and accept the consequences of their decisions are available to each group.

The existence of any federation or confederation rests on mutual respect for the pact and on a just equilibrium which cannot be disturbed without causing deep perturbation. The Canadian federal administration, in the matter of bilingualism, has not so far conformed to the spirit and the letter of the confederation pact, nor to efficiency in the fullest sense of the word.

I point out once again that the opinions expressed above are my personal views. The facts reported have been gathered from my own observations during this investigation. The Commission has not attempted to pass judgment on the facts and the opinions herein set forth. The attitude of the Commission flows from its interpretation of the terms of reference, which, it considers, do not call for a comprehensive study of the broad problems dealt with above.



F. EUGÈNE THERRIEN
Commissioner.