

Civil Service and its system of classification and pay were subjected to a great many pressures: pressures generated by new functions and increasing size and complexity; pressures generated by extreme variations in economic conditions; pressures generated simply by the passage of time.

In 1946, when the Royal Commission on Administrative Classifications in the Public Service made its report, the system was clearly in bad shape. The number of classes and salary ranges had been allowed to proliferate until all sense of an orderly structure had been lost. The underlying principles had become very obscure indeed. The Report of the Commission records the fact that there were at this time no less than 3,700 different classifications and 500 different salary scales in use, not counting those used for prevailing rate employees. Among the recommendations of the Commission was one calling for "a drastic re-arrangement and curtailment of the existing salary structure". It is interesting to note in passing the names of some of the people who served with this Royal Commission: the chairman was Walter Gordon, the former Minister of Finance; the secretary was John Deutsch, the present Chairman of the Economic Council of Canada; the assistant secretary was Paul Pelletier, Deputy Minister of DVA.

The recommendations of the Gordon Commission led to some improvement. An effort was made to cut down on the number of classes and salary ranges in use. It met with a fair amount of success but it would be an exaggeration to describe the result as the recommended "drastic re-arrangement". And, meanwhile, the postwar escalation in the demand for government services was bringing even greater pressure to bear on the system and on the relatively small group of harried officers of the Civil Service Commission responsible for its administration. Growing criticism of the system was heard from both staff associations and departmental management.

Some of the worst of the postwar pressures flowed from a relatively rapid and continuing upward movement of wages and salaries in the economy at large. Successive governments, committed to the principle of keeping Civil Service rates of pay in line with those paid by outside employers, found it necessary to grant an irregular series of across-the-board increases. They found also that there were gaps and defects in the existing machinery of pay determination.

The result was the Pay Research Bureau, which was established in 1957 to provide a continuing stream of objective information on the relationship between rates of pay inside and outside the Service.

In my opinion -- and you may take this as a somewhat biased opinion -- the decision to establish the Pay Research Bureau, and to make