The Fitness and Amateur Sport Act was passed in 1961 to encourage, promote and develop fitness and amateur sport in Canada. It provided for the establishment of the Fitness and Amateur Sport Directorate within the federal Department of National Health and Welfare and for the appointment of a National Advisory Council to study the fields of fitness and amateur sport and to advise the Minister on matters relating to the development of those areas.

The 1969 Task Force Report on Sport for Canadians recommended more government assistance to both sport and physical recreation in Canada. Sport was viewed as an important element of Canadian culture, requiring and deserving public support. Ensuing policy papers stressed the need to develop excellence in competitive sports by means of increased participation.

As a result of these new policies and the federal determination to provide stronger leadership, the Fitness and Amateur Sport Directorate was reorganized. To handle growing responsibilities, two program directorates were set up. Sport Canada was to concentrate on improving competitive ability at the national and international levels. Recreation Canada (now Fitness and Recreation Canada) was to be concerned with encouraging Canadians to take part in sport and physical recreation.

A further consequence of the new policies was the establishment of four "spin-off" organizations. The National Sport and Recreation Centre was created to provide office space and administrative services for national sport and recreation associations. Hockey Canada was set up to organize and manage Canada's national hockey teams, to co-ordinate their participation in international competition and to encourage the development of the sport in Canada. The purpose of the Coaching Association of Canada was to increase coaching effectiveness in all sports and to provide programs and services for coaches at all levels. Finally, Sport Participation Canada, popularly known as "ParticipAction", was created as a private non-profit organization to promote the fitness of Canadians through participation in sport and physical recreation.

This important period of development also saw the inauguration of several national projects within the Fitness and Amateur Sport Program. The national, multi-sport Canada Games have been held every two years since 1967, alternately in winter and in summer. The cross-Canada Sports Demonstration Project set out on the first of many tours of Canadian communities. The Canada Fitness Award Program was launched in the schools. Grants-in-aid were awarded to student athletes. Game