

Noble
Paproski
Peddle
Ricard
Rodrigue
Rondeau
Rynard
Scott

Skoreyko
Southam
Stewart (Marquette)
Sullivan
Tétrault
Thompson (Red Deer)
Valade—54.

● (3:30 p.m.)

FINANCIAL ADMINISTRATION ACT

AMENDMENTS DEFINING VARIOUS TERMS AND AUTHORIZING THE EXERCISE OF POWERS

Hon. C. M. Drury (President of Treasury Board) moved that Bill C-172 to amend the Financial Administration Act be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Baldwin: On a point of order, Mr. Speaker, surely the minister intends to make a statement, even if a brief one, on a matter of such consequence as this, setting out the reasons for this proposal so that we on this side may be able to respond. I am not inviting the minister to make a two hour speech, of course. I want to make that quite plain.

Mr. Drury: I accept the invitation extended by the hon. gentleman, Mr. Speaker, and take note of the suggestion he made that my observations should be limited.

At various times since the publication of the Report of the Royal Commission on Government Organization, better known as the Glassco Report, this government has informed the house of the progress which has been made in the study and implementation of the recommendations contained in that report.

Hon. members are doubtless aware of conditions which existed in the days preceding the commission inquiry. There were many defects in the machinery of government. A failure to adjust the concepts and processes of public administration to a dynamic society had severely limited the capacity of departments to manage effectively their large and complex operations.

The commissioners, in the report on their inquiry, noted the formidable structure of detailed central control, which they described as costly, unproductive and frustrating. These were controls which not only divested departments of the authority deemed essential to effective management of operations, but controls which had seriously weakened the sense of responsibility of departmental managers.

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Financial Administration Act

Organization and systems had become unresponsive to changing conditions, needs and priorities.

The commissioners found that techniques of modern management, appropriate to public or private enterprise, were almost totally lacking. It followed logically that staffs were not adequately equipped to develop and implement concepts and systems essential to efficient operations.

Against this background of a vast organization, limited in its effectiveness by proliferation of controls, by divided responsibility, by an absence of modern management concepts, and by an all-pervading sense of frustration with the unreasonable restraints of the system, Glassco set out a concept of management that would revolutionize the machinery of government.

The challenge of the Glassco Report was quickly taken up; there followed a long series of events and hard work which have resulted in dramatic change in the style and calibre of administration in the government of Canada. Following study of the commissioners' recommendations, central agencies quickly reorganized to provide the leadership that would be needed to pilot the implementation of those recommendations. Extensive training programs were developed in a number of specialized areas, but especially in accounting, and departmental staffs were prepared for new and greater responsibilities.

Where senior level staff resources were inadequate to launch the program of administrative reform, we turned to the private sector and attracted highly-qualified personnel into the service. We also brought in consultants to speed up the process of reform and our staff learned from them. At the same time we developed our own specialized consultant capacity, so that the momentum of management improvement would be maintained.

● (3:40 p.m.)

Now departments have reached a level of managerial competence which could hardly have been contemplated when Glassco and his distinguished colleagues were commissioned to undertake their inquiry into government organization and operations. A full exposé of accomplishments to date would be difficult. However, by way of a further example, the introduction of program budgeting is unquestionably one of the historic milestones in the development of public administration, and Canada is recognized as a leader in this development.