

*Government Orders*

know that the hon. member worked in the private sector and I ask him: Without a known accountability mechanism, how can we improve the morale of civil servants and ensure that people know who manages what and how? What kind of fairness and justice can we expect in the public system from systems used in the private sector? What can the hon. member tell civil servants about this accountability?

[English]

**Mr. Mills:** Mr. Speaker, I would like to thank my colleague from Ottawa—Vanier for the question.

First of all on the question of contracting out, there is absolutely no question about the fact that some contracting out is good. The way this government has handled contracting out is sort of a preoccupation. An analysis was done about six months ago and a lot of the contracting out that the government has done has ended up costing the taxpayer almost twice as much as if the government had kept it inside. This is what is going on. In the name of contracting out and in the name of creating efficiency, the exact opposite is happening. That is just fact, and the Department of Supply and Services will verify that.

I do not know who the winners are in this contracting out. It is a terrible thing if you are a public servant and you talk about merit in this bill. If you talk about merit and with the way this government is contracting out, it is contradictory. It is absolutely contradictory. I could be sitting in my department, working along, thinking that I have been doing a good job, and I could be seeing an opportunity to advance in the next six months or eight years. I am working hard and trying to achieve, and then all of a sudden the deputy comes along and contracts out the job that I was working on. What really burns you is when you find out about a year later when the bills come in that the cost of contracting out costs the taxpayer twice as much. That does happen.

• (1720)

I am sure there are some examples in which it is almost the same dollar cost, but you cannot forget the cost of the tear on morale. When you multiply that principle of contracting out in every office, in every system from

coast to coast to coast, I think there is a very bad mistake being made here.

I think in the name of efficiency there are a lot of things going on that are not actually turning out the way they are being stated.

[Translation]

**Mr. André Harvey (Chicoutimi):** Mr. Speaker, I heard our colleagues in the Official Opposition especially the hon. member for Ottawa—Vanier talk about morale in the Public Service. At times his speech was so exaggerated and far-fetched that we had the impression our Public Service was as demoralized as the Soviet public service. I do not think that is the case, however.

If anyone has a morale problem, it should probably be the Liberals, not Public Service employees, would not you agree? A government is a little like a family. When management is strict and the budget is sensibly administered all members of the family are probably happier.

Of course, the Official Opposition would prefer the government to administer the status quo. Mr. Speaker, this is not a status quo government, and we have proved as much in many areas. If we had administered the status quo as the Liberals wanted us to do, the budget would now be \$300 billion instead of \$155 billion. The deficit would be over \$100 billion, instead of having shrunk to \$30 billion. I think that is something we should not forget.

In any case, I welcome the opportunity today to say a few words about Bill C-26, which is part of the reform process initiated by Public Service 2000. I think this reform bill will, over a period of several years, have an impact on all internal management rules and thus make the Public Service more flexible, more effective and more service oriented.

The Public Service Reform Act, a vital component of Public Service 2000, will restructure a number of outdated regulations concerning collective bargaining, staffing, human resources management and elimination of surplus goods. There are also some important points in this legislation, including the delegation of authority. The government wants to give more responsibility to people at the base, to all regional managers, who represent a very high percentage of all public servants,