

Government Organization

A good deal of political ideology and assertion are found in some of the statements made with respect to what governments should do in this regard. Some assert that everything should be left to unfettered free enterprise or private enterprise. They say that everything should be left to the private sector and automatically this will produce the supplies should be obtained from the private sector and automatically this will produce the greatest benefit for the government. It seems to me that this is certainly not the case.

In this regard we must view with some reservation the simple assertion of the Glasco commission, based on some studies it made, that wherever possible the government should buy. While I believe that private business can often do a job within our economy and society very efficiently and well, I certainly recognize that this is not necessarily and not always the case. So far as I am concerned, I am prepared to judge various situations on the basis of their merits and make decisions that will be in the interests of the economy and the country as a whole. I might give an example here with regard to the Saskatchewan government. In spite of the fact that certain supplies and various services were obtained internally within the government, it was often decided, because of a number of reasons, to buy other items rather than to make them. It seems to me that we need to take a pragmatic approach to this question and at all times keep in mind the public interest. The public interest does not always consist in making sure that certain private firms get the greatest possible amount of business. I also recognize that the Glasco commission made a valid point when it noted that in carrying on secondary activities within a government department the attention of officials can sometimes be diverted from the basic programs and purposes of the department.

One reason I doubt some of the advice of the Glasco commission in this regard, or some of its assertions about make or buy, was illustrated a few years ago when, following the 1964 change of government in the province of Saskatchewan, a royal commission on government administration was appointed. I certainly had a great deal of doubt about its conclusions in regard to make or buy inasmuch as it also concluded that the government should buy in all possible cases. I question the manner in which it accepted evidence as to the facts.

Mr. Jamieson: What year was that?

Mr. Burton: The report was submitted in 1965. On this point the royal commission accepted evidence very selectively. For instance, in the field of highway costs it noted that on a number of occasions it had been shown that the private sector could do the job cheaper than government crews, but when evidence was presented showing that certain government crews were able to do the job at a lower cost it dismissed that evidence as being irrelevant and not coming within its orbit of consideration.

I urge the judgments be made on the basis of merit in the light of all the factors. For example, on the question of highway cost, while I recognize this is a provincial matter I point out that the construction of highways may be cheaper using one method or the other, but if you rely entirely on one method, either on contracting out or doing the construction yourself, you may hold up the program. If you depend entirely on private contracts you may have instances where you cannot obtain bids. This involves various implications since, if you are then going to do the job yourself, you may have to assemble your own equipment at a great deal of cost, and certainly you are not going to assemble that equipment for one particular project.

Another point that came to light is that there is variability over time in the relative costs of doing various jobs or carrying out various functions by either public agencies or private agencies. It has been shown in a number of quarters that sometimes the job possibly can be done cheaper by a private than by a public concern, but that on other occasions it can be done on a cheaper basis by the public concern. I submit that this factor cannot be judged unless there is some government activity. For one thing, it is easier to keep the private sector honest when there is a certain level of public activity.

• (4:00 p.m.)

Highway construction which is a provincial activity, illustrates the point that unless some highway or road construction is carried on by public crews there is no yardstick by which to measure whether value is received from the private contractors whenever such jobs are undertaken by them. I believe that more objective consideration should be given to this point.

I should like to note as well, since the Canadian Commercial Corporation will come under the jurisdiction of the minister, that the purpose of this government agency is to