

# Paul Martin's Plan to Privatize Public Services

Can we believe Paul Martin when he says that he believes in the public sector?



Privatization

## P3's

Actions always speak louder than words and Martin's actions indicate that his words are false. Why would you appoint MP John McKay as the parliamentary secretary for public-private partnerships or "P3's", if you weren't planning to privatize government services?

Martin has given parliamentary secretaries unprecedented access to federal public servants and internal reports by having them sworn in as members of the Privy Council.

McKay, who is also parliamentary secretary to the finance minister, has received extensive tutoring regarding the governments plans for privatizing the public service. Some of MacKay's comments:

*"The more I get into it, the more I realize that this is the buzz item, the big ticket. This is the way government is going to be done."*

*"The sewer, water, all of that stuff can all be P3ed. Why does the government have to run a sewage system?"*

NDP leader Jack Layton argues that MacKay's new title suggests public services will be diminished under the Martin Government. McKay's reply:

*"They're locked in the Marxist-Leninist dialogue of the 1960's and '70s and I feel sorry for them. Because the choice is not between same old, same old government doing things the way they've been doing and P3s. The choice is P3 or nothing and Canadians are going to have to face the issue: Why does a public entity have to own the hospital? Why does a public entity have to finance a hospital?"*

Repeated polling shows that most of us expect the government to supply public services in order to maintain the Canadian standard of living. Canadians should be very concerned about McKay's comments. His words betray a fanatical adherence to a free market vision of public service. This is a vision that has already been discredited in British Columbia where deep cuts to public services are creating profound social divisions.

Not only will privatization tear our country apart, it will not accomplish its stated goal. Privatization does not result in savings to the taxpayer. The PSAC has studied previous attempts by Ottawa to privatize core services. The Department of National Defense was forced to cancel its plan to privatize its supply chain when the PSAC exposed the fact that the cost would actually increase. When profit is inserted into the equation something has to give. Either costs increase or service is reduced.

**Paul Martin and Gordon Campbell apparently have the same agenda; privatize government services to enable their corporate friends to profit at the expense of the Canadian public.**

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## Program Review

There is no doubt about Martin's plan for public services and government workers if he gains another majority government. The government announced that they will be undertaking an ongoing Program Review. The government's Expenditure Review Committee will consider all government departments, human resource management, procurement capital management and other issues.

**The government has announced that all program spending will be assessed against seven tests:**

- **Public Interest Test**– Does the program area or activity continue to serve the public interest?
- **Role of Government Test**– Is there a legitimate and necessary role for government in this program area or activity – Governance – who else is involved, is there overlap and duplication?
- **Federalism Test**– Is the current role of the federal government appropriate, or is the program a candidate for realignment with the provinces?
- **Partnership Test**– What activities or programs should or could be transferred in whole or in part to the private/voluntary sector? This is especially significant as the Prime Minister created a Parliamentary Secretary for Private-public partnerships.
- **Value for money Test**– Are Canadians getting value for their tax dollars?
- **Efficiency Test**– If the program or activity continues, how could its efficiency be improved? Does the program exploit all options for achieving lower delivery costs through intelligent use of technology, public-private partnership, third party delivery mechanisms, and non-spending instruments?
- **Affordability Test**– Is the resultant package of programs and activities affordable? If not, what programs or activities would be abandoned? How do program delivery costs compare to those in other jurisdictions and the private sector for similar activities?

The government's benchmarks for review clearly support privatization of public services. The fact that the prime minister has appointed a parliamentary secretary for Private Public Partnerships is on the face of it demonstrative of an ideological shift to further privatization. The finance minister has stated that the Martin government is looking at "spinning off some functions, either to the private sector or to arm's-length government bodies."

**When we vote at the next federal election we have to ask ourselves if Paul Martin's vision for Canada and public services is our vision for Canada.**