

*Routine Proceedings*

It is somewhat a concern, certainly to myself, the New Democratic Party and the members of the public accounts committee that the department had to be essentially badgered into seeing the wisdom of a tax evaluation system and finally proceeded with that system. A division within the department separate and apart from the rest has now only after three and a half short years been disbanded very quietly by way of interdepartmental memo.

In defence of the department it has set up another system but one which I would suggest lacks the independence which certainly most of the committee and I would like to see.

We looked at what an evaluation system is and why we are talking about it. It is set up within the Treasury Board guidelines in the program evaluation policy in which in setting out the policy of an evaluation system it says: "The objective is to ensure that federal departments have relevant, credible and objective information available on the performance of their programs and they use that information for the cost effective and accountable management of programs".

The policy statement that follows says: "It is the government's policy to periodically evaluate the continued relevance, success and cost effectiveness, i.e. program performance of federal programs, and use that information to reconfirm, improve or discontinue programs".

In light of that this program within the tax department was ultimately set up. I think if we look further within that document, in table 1 as to the program evaluation issues, we see a number of questions such as: Does the program continue to be consistent with departmental and government-wide priorities and address realistically an actual need? In the basic evaluation issues are the activities and outputs of the program consistent with its mandate and plausibly linked to the attainment of the objectives and intended impacts and effects? What impacts and effects, both intended and unintended, resulted from carrying out the program? In what manner and to what extent does the program complement,

duplicate, overlap or work at cross-purposes with other programs?

The statement further says: "In what manner and to what extent were appropriate programs objectives achieved as a result of the program? Are there more cost effective alternative programs which might achieve the objectives and intended impacts and effects? Are there more cost effective ways of delivering the existent program?"

It is within that context that all departments have been asked by Treasury Board to set up and maintain an evaluation system. It is within that context I would suggest that over an approximate eight-year period the finance department was pushed, pulled and badgered into finally in 1987 setting up a tax evaluation system.

I think it might be helpful to look a bit at the history of this pushing, pulling and badgering in getting into the context of why we in the public accounts committee looked so seriously upon the disbanding of a tax evaluation division.

• (1140)

It was way back in 1983 that the Auditor General pointed out that the Department of Finance was the only major department without an evaluation unit. In 1984 he again noted that the finance department had displayed negligence in proposing a research and development tax credit that had cost the taxpayer almost \$3 billion.

He was pointing to the fact that had there been a proper evaluation within the department perhaps this bleeding of taxpayers' money would have been cauterized. The wound would have been cauterized and the bleeding would have stopped before it got to such an extent of depleting taxpayers' money into a program that was found wanting.

In the Auditor General's 1985 report he highlighted the problems associated in the Department of Finance by highlighting the remission order given to the Hudson's Bay Oil and Gas Company, once again showing that had there been a tax evaluation system set up within the department it would have been forewarned and not been in a problem that cost the Canadian government so many dollars.