

*Routine Proceedings*

financial instruments, \$400 billion in cumulative debt. The government's most expensive program, debt servicing, which in 1991 will cost us \$41 million, is not evaluated. No one, including parliamentarians who are regularly called upon to vote on this matter, knows whether the program is managed efficiently.

This new way of doing or, should I say, not doing things, is a matter of serious concern to members of the public accounts committee. Others are concerned as well. Although the Comptroller General argued that the finance department's decision did not necessarily endanger the program evaluation function and that we should wait to see the results before judging the department's decision, the same Comptroller General acknowledged that the new method of evaluating tax measures was not what he would prefer. This decision must be a matter of serious concern to all parliamentarians. The department renege on the commitment it gave the public accounts committee in 1987.

What parliamentarians should understand is that the decision to reorganize the evaluation of tax measures puts at risk the independence of evaluations of those measures and the objectivity of the reporting. By giving responsibility for evaluating the effectiveness and efficiency of tax measures to the same managers who developed them, the department inevitably runs the risk of creating conflict situations. Human nature being what it is, officials will always have a tendency to protect the tax measures they propose after several months or years of hard work, even if they prove to be inefficient or too costly. From now on, with the new method of evaluating tax measures, officials will be asked to be both judge and jury.

The finance department told us that these managers would report to a director general who would be outside the authority hierarchy. However, it is likely that this director general will co-ordinate evaluations but have neither authority nor influence. The manager in charge of the evaluation group might not be informed if embarrassing results were discovered.

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That is why tax measures must be evaluated independently. As I already said, that is exactly what the Comptroller General of Canada ordered in his directive.

The public accounts committees ask for nothing more and nothing new. We ask the Department of Finance to apply Treasury Board's directives and standards.

Why make an exception today, when it was unacceptable four years ago? Besides the question of the objectivity and independence of evaluations, which involves the validity of the results and analyses, the department's decision will also have other major consequences. For example, the Department of Finance is losing employees who developed very valuable expertise in tax evaluation.

This will all be lost because the Department of Finance has dismantled that division. It will be hard to replace. The tax evaluation division was the only program evaluation unit in the Department of Finance.

The division had to examine tax revenues of over \$100 billion a year and tax expenditures of tens of billions of dollars. The Comptroller General's office wants all programs, without exception, to be evaluated periodically. When he appeared before the committee, the Comptroller General admitted that the Department of Finance was unable to evaluate all its programs, including the one we consider the most important, debt service.

The committee is concerned and parliamentarians should also be concerned about this bureaucratic decision. In fact, the committee thinks that the Deputy Minister of Finance will no longer be fulfilling his responsibilities if he does not apply Treasury Board's directives on program evaluation to the letter. As we know, these directives are from the Comptroller General. Parliamentarians must correct this situation.

This division was also meant to foster public discussion. Making information and evaluations public stimulated debate among parliamentarians and all Canadians. With this information, we were able to know whether tax measures were effective or not, whether the objectives and the ways they were reached were right and what these measures cost. With these documents giving a positive or negative assessment of various policies, we could tell whether the same objectives could be achieved at less cost to the public treasury.

The reorganization carried out by the department is therefore regrettable and could have harmful consequences, since Canadians and parliamentarians may from now on be kept ignorant.