

*Adjustment of Accounts Act*

accounts of Canada which were authorized by the Treasury Board and the cabinet of the former government and supported by the Standing Committee on Public Accounts.

Mr. Speaker, we are now working on a policy concerning the evaluation of the posted assets of the government. We expect this policy, which aims at developing procedure and methods for calculating and registering asset values, to be ready for the preparation of the public accounts of 1980. Mr. Speaker, basically, this policy will enable us to show more accurately the value of the posted assets of the government, that is, the sums that are expected to be collected or recovered through financial claims.

● (2020)

[English]

I should indicate, Mr. Speaker, that there will be several, very few in number, technical amendments which will be brought forward during the committee stage of this bill.

**Mr. Bill Clarke (Vancouver Quadra):** Mr. Speaker, I am very pleased to speak first for our side on this long awaited Bill C-22, to adjust the accounts of Canada. As the minister knows, it has been a long time coming, and I think the House may well ask itself why the bill has come to us at this time and why the government all of a sudden felt moved to proceed with Bill C-22. The reason, I think, can be stated fairly easily.

The government has realized that the jig is up, or it has been caught with its hands in the till, if I can put it another way. It has been a long time that the House has been attuned to the fact that this bill was necessary. I, as a member of this House, and as a chartered accountant, have long been lamenting that the accounts of Canada were not presenting the facts in accounting language as they should for an enterprise of the size of the Government of Canada. I have not been alone in that kind of concern. Over the years the Auditor General, and more recently the Comptroller General, have expressed the concern that things are not described adequately or properly in the public accounts of Canada.

A result of the practice which has been followed by the government is that the expenditures of the government have been understated and the assets of the government have been overstated. We on this side agree with the proposals in Bill C-22, and that should be no surprise to the House since it is essentially the same bill as that proposed, Bill C-13, during the Thirty-first Parliament, introduced on October 19, 1979, barely one week into the administration of the Progressive Conservative government.

It is worthy of note that the press release put out by this new minister in April, 1980 is very similar to the press release put out by the former president of the Treasury Board, the hon. member for York-Peel (Mr. Stevens). Only the names have been changed, and I do not know whether that is to protect the innocent, but the one release with the name which I will leave out, begins:

—President of the Treasury Board, today announced major changes to the Accounts of Canada designed to improve financial control and accountability.

Our present President of the Treasury Board (Mr. Johnston) in his release has said:

—President of the Treasury Board, today announced introduction of legislation to make major changes to the Accounts of Canada designed to improve financial control and accountability.

Is it not strange that the wording is exactly the same, just nine months later?

**Mr. Knowles:** It sounds like a carbon copy.

**Mr. Clarke:** It is all but a carbon copy. I could go on, but I think I have made my point. The releases are practically word for word the same.

**Some hon. Members:** Oh, oh!

**Mr. Clarke:** I can hear some voices to the left suggesting it is because there is no difference in parties. If that were the case we would have had this bill years ago. Perhaps the present President of the Treasury Board would care to indicate whether he would like to have had the bill in shortly after he arrived in Parliament or a few years before he arrived in Parliament. In any event the record stands.

The Progressive Conservative government of the Thirty-first Parliament presented this bill barely a week after it met Parliament. Now we have the other side presenting almost verbatim the same bill, with almost verbatim the same press release. Perhaps I could just say that is a bit of a coincidence, but I think it is significant that the present government felt compelled, because of pressure undoubtedly brought by this side, to bring this bill along.

The House should be interested in looking at the history of events leading up to what made the Conservative government feel this bill was necessary. I do not have to go back too far, just to 1975. I think the minister alluded to the 1975 Report on the Study of the Accounts of Canada.

It is significant to observe that this study was the first of its kind since 1920. In other words, in this country where budgets have soared goodness knows how many times from 1920 to 1975, 55 years, there had not been any kind of study made of the accounts of Canada.

It is worth while, I think, to read three of the recommendations contained in that Study of the Accounts of Canada, released in 1975. Recommendation No. 10 found at page 5, says:

Assets and liabilities of the Government of Canada should be defined as follows:

assets are the financial claims acquired by the Government of Canada on outside organizations and individuals as a result of events and transactions prior to the accounting date; and

liabilities are its financial obligations to outside organizations and individuals as a result of events and transactions prior to the accounting date.

That is a fairly basic accounting definition to anyone with a modicum of accounting ability or business experience, but that is something which was not being followed by the Government of Canada in its accounts up until this point.