The Canada Employment and Immigration Commission pays out benefits based on claims, but it has not been receiving the government's share of the cost until the calendar year has ended and the annual rate of unemployment becomes known. However, the commission requires funds to meet its interim needs. These needs have been met from the contributions of employers and employees and advances provided by the government against its eventual share of the cost of unemployment. These advances have been treated as an asset of the Government of Canada, and at the end of each fiscal year their total value has been reported in the Public Accounts and in the government's statement of assets and liabilities. The advances to the unemployment insurance account made by the government to meet the expected cash requirements of the account at March 31, 1980, totalled $1.025 billion.

A calculation was made of the government's cost of paying benefits for calendar year 1979 plus January to March, 1980. This total cost exceeded the advances by $574 million and is an obligation of the government to the unemployment insurance account. Therefore, the total amount of the required adjustment is $1.025 billion plus $574 million, for a total of $1.599 billion. This adjustment has the effect of recognizing the total government's cost of paying benefits to the unemployment insurance account up to March 31, 1980, and better disclosing the government's expenditures. Bill C-22 will obviate the need to make this kind of adjustment in the future, since the act to adjust the accounts of Canada will require that the government recognize as budgetary expenditures its cost of paying benefits to the unemployment insurance account on a monthly basis.

The next item of significance with which this bill deals is the subject of revolving funds. It is the next largest amount dealt with. It relates to revolving funds and working capital advances. In a separate decision in response to other recommendations of the study of the accounts of Canada to which I earlier made reference, the Treasury Board approved a change to the method used to control revolving funds and working capital advances to become effective April 1, 1980. Under the previous accounting method the additional moneys provided by appropriations over revenues collected were treated as loans or advances rather than expenditures of the government. Recommendations 28 through 39 of the study of the accounts dealt with improvements to the methods of accounting for and disclosing the activities of these funds.

The approved change will recognize advances as budgetary expenditures at the time at which they occur. This is instead of treating them as non-budgetary loans. If a fund generates an excess of revenue over the money advanced, this amount in turn will be treated as a reduction of expenditure. In conjunction with the implementation of this change, it will be necessary to delete the outstanding balances of all such accounts effective March 31, 1981, and that is one of the purposes of the bill. The total of these balances as at March 31, 1980, was $859 million and involved some 56 separate accounts belonging to 17 different departments. About $650 million of this sum is the result of loans made to the airports revolving fund, much of which was required to finance the construction of Mirabel airport and the Pickering land assembly.

The only significant addition to Bill C-22 from its predecessor Bill C-13 is the last part called "Authorizations for Certain Revolving Funds". These are set forth in clauses 22 to 33 of Bill C-22. Generally parliamentary authority for revolving funds not originally authorized in specific legislation would be approved or rescinded through supplementary estimates. However, because of difficulties associated with co-ordination and timing between supplementary estimates in fiscal year 1980-1981 and Bill C-22, it was considered appropriate to include the rescinding of all previous revolving fund authorities and establishing new revolving funds in this bill. It is intended that future amendments to the revolving fund authorities set up by this bill will receive parliamentary authority through supplementary estimates. Consequently a special clause is included in this bill to facilitate amendment by an appropriation act.

There are some miscellaneous changes as well. For example, another amount to be adjusted relates to unamortized bond flotation costs. Prior to 1977 the flotation or administrative costs of issuing government bonds were recorded as assets and then charged off to expenditures over the life of the related bond issue. However, since 1977 the government has recognized flotation costs on new issues as expenditures at the time the issues were made. The balance of unamortized flotation costs of $140 million for issues prior to 1977 needs to be deleted from the accounts of Canada.

A fourth major item to be adjusted arises from loans totalling $387 million made to finance certain types of capital expenditures for the Canadian Broadcasting Corporation, the National Capital Commission, the Northwest Territories and Yukon Territory. Payments of principal and interest on these loans have not been made since March 31, 1975, because commencing on that date any new capital expenditures have been treated as normal budgetary expenditures of the government. These old loan balances have continued to be carried as assets in the accounts of Canada, pending the granting of parliamentary authority to delete and recognize them as expenditures.

[*Translation*]

Mr. Speaker, in addition to these assets, certain liabilities of the government have to be terminated to rectify the accounting and improve accountability to Parliament. These special accounts, until now designated as liabilities by the public accounts, basically constitute accounts which allow the agency involved to hide allocation of funds and revenue produced by sales so that these funds cannot be cancelled at the end of the fiscal year.

These accounts are as follows: the National Museums purchase account, the National Museums special account, the National Defence special liability account, the National Library purchase account, the Railway Relocation and Grade Crossing fund and the National Capital fund. I repeat that this bill proposes no new cash expenditure. It aims at implementing the recommendations included in the study of the