

year by law, I believe, in the fall of the year. The Public Accounts of Canada which were tabled a few weeks ago have been prepared in exactly the same form in which they were tabled when the last Conservative Government was in place.

I must say that the Auditor General of that day made similar reservations about those accounts. I am sure that my hon. friend is not suggesting that the public accounts tabled by the last Conservative Government, led by my hon. friend, the Right Hon. Member for Yellowhead, did not present a fair and balanced picture of the financial situation of the Government. If he is not saying that, then he cannot validly argue that these financial statements do not present a balanced picture.

Therefore, we are working to deal with these issues which involve the fact that there is a lack of an accepted accounting standard for these types of statements. We have involved the assistance of the accounting profession, as well as the work of the Comptroller General. I can assure my hon. friend that we are treating this seriously, certainly as seriously as the Government of the last Conservative Prime Minister, and we will do a lot better in dealing with these issues than he did.

**Mr. Lewis:** Mr. Speaker, the only thing the President of the Treasury Board omitted to say was that the deficit is \$85 billion higher.

#### PRESENTATION OF PUBLIC ACCOUNTS

**Mr. Doug Lewis (Simcoe North):** Mr. Speaker, my question is directed to the President of the Treasury Board. Does the Government agree with the Auditor General that the primary objective of the Government's financial statement is to provide the taxpayers, who are the shareholders of Canada, with a clear picture of the Government's financial position, or is the Government simply hiding behind compliance with the law? What is the Government trying to do? Will he give us the straight facts, and all the people of Canada the straight facts, or will he continue to hide behind compliance?

**Hon. Herb Gray (President of the Treasury Board):** Mr. Speaker, we are giving the people of Canada the straight facts in the public accounts by reporting to the Canadian people through Parliament. We have to tell Parliament how the Government has handled the money voted by Parliament. This is what the public accounts are designed to do.

One can argue that they should be in a different form, but to accept that argument one must have accepted accounting standards for government accounting which have not been put into place. One would also likely have to change laws of this Parliament, for example, laws calling for separate accounts for the Canada Pension Plan and the Unemployment Insurance Fund. If my hon. friend wants to suggest that, we can consider it. In the meantime we are reporting to the people of Canada in the way my hon. friend continues to argue we should. We are reporting to the people of Canada through Parliament. I am sorry that my hon. friend objects to that, but on other occasions he calls for more of it.

#### Oral Questions

**Mr. Lewis:** I suggest to the Minister that the financial statements are misleading and that is what the Auditor General has said.

#### ROLE OF PARLIAMENT

**Mr. Doug Lewis (Simcoe North):** Mr. Speaker, does the Minister not agree that there is a direct link between the deficit and Parliament's awareness of the magnitude of the deficit and the policies upon which we eventually decide as parliamentarians? If the deficit is not accurately stated, how can Parliament accurately decide on what policies to agree?

**Hon. Herb Gray (President of the Treasury Board):** Mr. Speaker, my hon. friend has raised a valid point. But I am suggesting to my hon. friend that one cannot necessarily accept the premise of some of the Auditor General's comments that we are not accurately stating the various liabilities of the Government. If one accepted that premise, one would also have to accept the argument that there are a number of assets we should be recording which would more than balance what he says are liabilities. For example, there is the value of our gold reserve, the value of accounts receivable for taxes, and the value of inventories and equipment on hand which, as the Comptroller General reported to the Public Accounts Committee on November 24, likely equal or surpass the amount of liabilities which the Auditor General suggests have not been recorded. If one wants to accept one side of the argument, one has to accept the other side. The result is that the statements do accurately and fairly present the financial affairs of this Government to the Canadian people.

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#### ESTABLISHED PROGRAMS FINANCING

##### FEDERAL ASSISTANCE FOR UNIVERSITIES AND COLLEGES

**Ms. Pauline Jewett (New Westminster-Coquitlam):** Mr. Speaker, my question is for the Minister of Finance and it concerns another government hoax. In the Speech from the Throne the Government announced a \$1 billion youth fund and an increase in transfer payments to the provinces for medicare and post-secondary education. We now know that the \$1 billion youth fund is in fact only \$260 million in new money and that the increase in transfer payments is automatic, not discretionary.

In addition, there is a further \$118 million lost to the young people due to the cap the Government has put on post-secondary education funding. In light of the Government's statements that youth are a priority, instead of engaging in this hoax will the Minister not at least live up to that commitment by removing the six and five cap on—

[*Editor's Note: At this point a disturbance took place in the galleries.*]