

In addition to the financial obligations set out in the statement of assets and liabilities, there are contingent liabilities . . . These include borrowings by Crown corporations which are agents of the government. These borrowings are a direct charge against the Consolidated Revenue Fund.

The total of these contingency liabilities is \$28.5 billion, almost half the total expenditures of the government in a given fiscal year. Two and one half billion dollars is for borrowings by Crown corporations which are agents of the government; \$500 million is guarantees of principal and interest of Crown corporations which are not agents of the government, and \$25.5 billion is for other outstanding guarantees and contingent liabilities. No business that I know of, Mr. Speaker, could tolerate contingent liabilities of that size without making some further disclosure than is being made now by the government.

There are other Crown corporations which I have not dealt with in the foregoing comments. They are Crown corporations which borrow on their own. The corporations themselves would raise funds on capital markets. But funds so raised do not require a parliamentary appropriation. Funds so raised are not classified as government spending, and do not affect the federal cash requirement. These corporations have moved off the books of the federal government, and some of their borrowing no longer appears on federal accounts. I think that Petro-Canada would be one such corporation and the Export Development Corporation would probably be another. In any event, these corporations can borrow on their own in the capital markets.

Independent borrowings by these Crown corporations create considerable confusion in federal accounts. First, if they raise some funds through a parliamentary appropriation and some independently, then some appears on the federal accounts and some does not. This is hardly a coherent approach to accounting as both amounts were borrowed by a government-owned entity. Second, as the government guarantees the independent borrowing of the corporation, the government is liable to repay the full sum in the event of a default. Independent borrowings of Crown corporations are contingent liabilities of the federal government. The amounts are off the main books, but the ultimate responsibility for repayment rests with the government nonetheless. That is probably as much as I want to say on this subject at the moment.

There is one other area of contingent liability which has not been brought up in anything that has come before us today, or in anything that I have said up till now. In the "Public Accounts of Canada 1979" there is reference to unfunded pension liabilities. In volume I, at page 7.7, under the heading "Supplementary Retirement Benefits Account", there appears the following:

This account was established by the Supplementary Retirement Benefits Act to provide for the payment of increased pension benefits resulting from indexation. No actuarial valuations are required to be made of the account. The chief actuary of the Department of Insurance has estimated that, if principles of actuarial funding were to be applied to the extent of determining the future cost of the benefits being paid to annuitants of the Public Service, Canadian Forces and Royal Canadian Mounted Police superannuation accounts as at March 31, 1979, an additional \$2.6 billion would have to be credited to the account to reflect the present value of those benefits as at that date.

Adjustment of Accounts Act

● (2050)

We are hearing a lot more about unfunded liabilities, especially in connection with pension funds. I say to the President of the Treasury Board, and his colleagues in government, that there are a good many more problems that he has not yet faced. Bill C-22 is a good step forward on the way we have to go, but as the President of the Treasury Board very well knows, as a past chairman of the public accounts committee, to borrow an expression that his leader used, he has a long way to travel before he rests and before the public accounts of Canada are in the state we think they should be.

We are looking forward to a short debate on this bill because we have been waiting for it for some time. I believe there will only be one more speaker from my party. We on this side have accepted with pleasure the suggestion of the government House leader that this bill be referred to Committee of the Whole. All members of the public accounts committee and the President of the Treasury Board well know that we have enough to do to keep ourselves occupied in the public accounts committee studying the report of the Auditor General, which is under permanent reference of the House to us, and the public accounts themselves. We do not need to have this bill referred to that committee for a lengthy study.

The minister has supplied me with some amendments that he is going to propose during the committee stage. I will take the intervening moments before we get to Committee of the Whole stage to look at these motions. We look forward to getting on with the job, Mr. Speaker.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to rise this evening as the Treasury Board critic for the New Democratic Party to comment on Bill C-22, an act to amend the accounts of Canada and make related amendments to certain acts. I was happy to hear the hon. member for Vancouver Quadra (Mr. Clarke), who is chairman of the public accounts committee of which I am a member, say that the bill which we are being asked to give second reading and hopefully third reading to this evening, is the same bill the Conservatives brought in a few short months ago. It exemplifies again that there is absolutely no difference between the Conservative party and the Liberal party.

An hon. Member: We brought the bill forward.

Mr. Anguish: They brought the bill forward. However, the people of Canada chose not to accept many of the other falsehoods presented by the Conservative party which led to their defeat at the polls on February 19.

An hon. Member: February 18.

Mr. Anguish: Although the President of the Treasury Board (Mr. Johnston) can take a great deal of credit for this bill being introduced, and I commend him and his parliamentary secretary on that, the credit should not go to the Liberal party, because they have had years and years to bring in this bill to amend the public accounts of Canada to reflect fairly the spending position of the government. Certainly the credit goes