

Resuming the debate on the motion of the Honourable Senator Doody, seconded by the Honourable Senator Phillips, for the second reading of the Bill C-16, intituled: "An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985".—(*Honourable Senator Frith*).

**Hon. Royce Frith (Deputy Leader of the Opposition):** Honourable senators, I have three points to make with respect to Bill C-16. The first point is a procedural one I remember from the days when I had the enjoyment of sitting in Senator Doody's place. In those days I usually sponsored these bills and I had to give an undertaking that the bill was in the usual form. I take it that undertaking has been given?

**Hon. C. William Doody (Deputy Leader of the Government):** It is your bill; we are just presenting it.

**Senator Frith:** I thought that the notes for the speech about the bill had a familiar ring.

Honourable senators, the second point I wish to make is to remind this chamber that although the bill is lengthy it consists of short, operative provisions. It has then a schedule of the various estimates, or "votes". Those estimates, as some of our new senators will know from their experience in the House of Commons, are normally dealt with by committee. In our case, they are automatically referred to the Standing Senate Committee on National Finance, and in this case they were referred to that committee. I ask honourable senators, if they are interested in appropriations and the estimates, to look at *Debates of the Senate* for December 6, 1984, to which are attached, as Appendix "A", the report of Senator Leblanc (Saurel)—who is Chairman of the Standing Senate Committee on National Finance—with respect to the supplementary estimates (B).

I would like to draw attention to something noted by the committee with regard to spending reductions. In that regard I would like to quote, in part, from the report of the chairman of the committee, which is found at page 293 of *Debates of the Senate*.

With regard to spending reductions, announced at the time of the economic statement by the Minister of Finance in the other place on November 7, 1984, Mr. Manion informed the Committee that there would be some savings to be applied to the deficit. Mr. Manion indicated that these savings would remain in departmental budgets until the end of the fiscal year at which time they would be applied to reducing the deficit. However, the witness also indicated that the Treasury Board would have considerable difficulty in separating normal lapses from savings associated with the spending reduction. The Committee was surprised to learn that these savings were not being immediately withdrawn and applied to the deficit, thereby reducing interest charges. The Committee was also concerned that the government was not able to determine with any accuracy the extent of the savings associated with the spending reduction.

I draw that paragraph of the report to the attention of honourable senators as a matter of interest in case it escaped their attention.

The third point I wish to make is that I do not think it appropriate—no pun intended—for the Senate to deny supply which has been passed in the other place. I say this in spite of the fact that some of us who went on the now famous and, for some, notorious trip to Australia, were surprised to learn that the Senate in Australia has the power to deny supply. Of course, we also have the perfect right to do so. However, in my opinion it is not appropriate. It is appropriate to examine the estimates to try to do what we can to illuminate them but not to finally deny supply.

**Hon. Allan J. MacEachen (Leader of the Opposition):** Not today!

**Hon. Duff Roblin (Leader of the Government):** Who said that?

**Senator Frith:** My leader says, "Not today!" I have taken note of his remark. I have the impression that others have also taken note of his parenthetical remark—his stage whisper.

Honourable senators, for the reasons I have stated, we on this side of the house intend to support the bill at second and third reading stages.

**Hon. C. William Doody (Deputy Leader of the Government):** Honourable senators—

**The Hon. the Speaker pro tempore:** I wish to inform honourable senators that if the Honourable Senator Doody speaks now, his speech will have the effect of closing the debate.

**Senator Doody:** Honourable senators, we have little to add to what has already been said in the introduction of the appropriations bill. I appreciate the fact that Senator Frith is concerned about the lack of the government's immediate intent to transfer savings to the reduction of the deficit.

**Senator Frith:** I was not; I just pointed out that the committee was.

**Senator Doody:** I would say that maybe we will have another run at that later on; there is usually another set of estimates before we get through the year. Early in the new year there will be the supplementary estimates (D), which is the crunch. Those estimates show that the real numbers are true figures before we get to the new fiscal year.

I note with some interest the aside of the Leader of the Opposition to the effect that today the opposition is supporting the passage of this bill. It sounds as if there might be some interesting things ahead of us. I look forward to a new departure for the Senate and, perhaps, for a complete departure of the Senate.

Having said that, honourable senators, I ask for your support on second reading.

Motion agreed to and bill read second time.

• (1450)

**The Hon. the Speaker pro tempore:** Honourable senators, when shall this bill be read the third time?