

events and requirements." That is the loose money to which Senator Stewart refers.

Let us remember that when the Main Estimates come along, and we are examining them in the National Finance Committee, the government, whatever government, will say, "Look, we have to have some loose money for contingencies." In a board of directors meeting of a corporation we often say, "We have to have contingency money." Afterwards you look at it and say, "I see you have used it up. You had your contingency money, and it is a good thing we gave it to you, because, lo and behold, the contingencies have come along." However, the government is now coming along just before year-end, saying, "The contingencies came along, we spent it. Thanks for giving it to us. We are now asking you to give us the same amount for the remainder of the year." That is what it is doing.

It is wise, no matter what the government, for the National Finance Committee to look at exactly that type of thing. Traditionally, that is what it does. It says, "Here is a practice you are into." I think this is the place to underline it, not just in the committee but here in the Senate when we are looking at appropriation.

Indeed, we find other comments at the end of the report, such as this one:

Members expressed concern at the apparent precedent of funding an entire program out of lapses, which are not required for national defence purposes and accelerated tax collections which would have likely been justified even if the special farm assistance program had not been implemented.

Senator Olson dealt with that. To close off some of what Senator Olson had to say about whether the money had been spent or not, it reminded me of a cartoon of Dagwood and Blondie. Blondie came home to lighten up Dagwood's day after a hard day at the office by saying, "I saved you \$500 today." Dagwood said, "Thanks. How did you do that?" She said, "There was a dress on sale for \$1,000, but I got it for \$500, so I saved you \$500."

Hon. Gildas L. Molgat (Deputy Leader of the Opposition): Honourable senators, I had not really planned to become involved in this debate, but Senator Barootes' statements have forced me to my feet. I find Senator Barootes again using the new argument which has been in vogue for the past year now by my honourable friends on the other side, particularly in the other place. The whole problem is the recession. They cannot do this or that because of the recession.

First, I think we ought to remember that the recession, most unfortunately, had been in process for a year before the minister even admitted there was a recession. He never even uttered the word.

● (1510)

Senator Frith: Could not get him to say it.

Senator Molgat: Could not get him to admit it. Yet everyone else said, there is a recession on. But the Minister of Finance said, no, there is no such recession. Now, finally, when he admits there is one, everything is blamed on the recession.

Cannot do this, cannot do that, because of the recession that he used to say did not exist.

Senator Frith: That had nothing to do with their policies.

Senator Molgat: Every outside observer will now tell you that it was a made-in-Canada recession.

Senator Barootes: What about the recession in Europe and Germany and France? We made that? Canada did that?

Senator Frith: They made their own, too, of course.

Senator Molgat: So we have that most interesting convulsion of facts by my honourable friends. First of all, there is no recession, but everybody else says there is. The Minister of Finance says, no, no, no, it does not exist. Finally, when he admits it, it becomes the excuse for everything. And he created it in the first place.

Senator Frith: He hands over the portfolio and the next fellow says we are coming out of the recession we never got into.

Senator Molgat: The other individual who caused me to come to my feet—and I am sorry he has left—is the Leader of the Government. He said, in answer to Senator Olson, that they will be on target. There will not be this enormous deficit. They will be on target.

The problem is, what is the target? Because the target is, I think, a moving target, as we call it in military terms. And it is a moving target, in large part, because of the government, because they are cooking the books.

Senator Barootes: You better move faster than that.

Senator Molgat: It is a pretty tough accusation, I know, to say they are cooking the books. I make it on the basis of a very good authority—none other than the Auditor General. What does the Auditor General say about their bookkeeping? The federal government's spending watchdog says that the government's accounting methods are improper, and he is withholding full approval of the latest financial statement.

What would that mean in corporate terms? What would that mean to a company who got that kind of financial statement? The banks would immediately be on their backs.

Senator Frith: And the government would investigate them.

Senator Molgat: That is right. I am not the one who is saying they are cooking the books. The Auditor General is saying it. Let's proceed.

Senator Murray was talking about the deficit, that they will be on target. Let me tell you what the Auditor General says. First of all, the government claim: The government said, Tuesday, that it had finished 1991 with a deficit of \$30.6 billion. Now, that in itself is \$1.36 billion above 1989-90.

Senator LeBlanc: Pretty big target.

Senator Molgat: However, the Auditor General says the deficit is closer to \$32.6 billion—\$2 billion more than what the government admits to—when generally accepted accounting rules are used.

The Auditor General then proceeds to list some of the things the government has done wrong, and he is attaching to his