

where the economic policies say we should have done more?

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, I remind the Minister of Finance in case he has forgotten—the Canadian people have not—that he is in government. He must account to Canadians for the policies that his government's own Economic Council says are damaging the Canadian economy.

Here is what the council also said in its summary. This council was appointed by this Prime Minister. It said that the government's approach to inflation fighting "threatens to increase both unemployment and the federal deficit. Because conditions differ from region to region, it also produces varying and sometimes inappropriate effects, adding to regional resentments and weakening national unity."

I ask the Prime Minister: Will he listen to his own Economic Council and stop the economic policies which are not only damaging the regions of this country, but in fact are weakening the very fabric of Canada's unity? Why will he not act on his own council's advice?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there was a very good reason why I wanted to refer not to the inaction on the part of the Liberal Party in dealing with fiscal policy, but the fact that the Liberal Party has resisted this government and everything that we have done to reduce the size of the fiscal deficit.

It is the two faced, cynical approach of the Liberal Party that is leading me to make that specific statement.

If Canadians need any further proof of this, what is the Liberal Senate doing right now? The Liberal senators are holding up Bill C-21. The Liberal senators are holding up Bill C-28. They are holding up Bill C-69.

If we do not get those three pieces of legislation through, we are going to have a hit on the deficit of over \$8 billion. That is going to hurt interest rates. That will undercut the competitive position of Canadian companies. If the hon. member had any honesty to deal with these problems—

**Some hon. members:** Oh, oh.

### *Oral Questions*

• (1420)

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, speaking of honesty, will the minister be honest enough to say that the—

**Mr. Speaker:** I think if both sides stay off that allegation it will be a lot better.

**Mr. Crawford:** He started it.

**Some hon. members:** Oh, oh.

**Mr. Gray (Windsor West):** Mr. Speaker, Canadians will want to know why the Minister of Finance has gone out of his way to refuse to answer the criticisms of this government's policy by the Economic Council.

[*Translation*]

Mr. Speaker, the Economic Council did not mention the Senate; the Economic Council did not mention the Liberals. It referred directly to the policies of this government. And according to the Economic Council, these policies have done serious harm to the economy of this country.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the only point for me raising the Senate and the Liberal Party is that we are trying to do some of the things that the Liberal Party says we should do and which we agree we should do. What we receive from the Liberal Party and the Liberal senators is a road-block, trying to stop us from doing the very things that this document and the Leader of the Opposition says we should follow. We are trying to follow those things but we need some co-operation from the Senate, from the Leader of the Opposition and the leader of the Liberal Party, who I believe is sitting in the gallery right now.

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### THE SENATE

**Mr. Tom Wappel (Scarborough West):** Mr. Speaker, my question is to the Minister of Justice.

On Monday, the Minister of Justice categorically stated about the constitutionality of the government's recent Senate appointments that there was no breach of section 51(A) of the Constitution because the appointments are divisional appointments and not provincial appointments.