

happened? Expenditures are up. Why would you think that any province or any municipality would pay any attention to a government that says, "Well, do as I say but don't do as I do."

That is the position we are in tonight, gentlemen.

The Hon. the Speaker: I would remind honourable senators that when Senator Connolly speaks it will have the effect of closing the debate.

Hon. John J. Connolly: Honourable senators, let me say at once that this is not an occasion for a long speech in reply. Indeed, it would take a long time to reply adequately because we have had a very wide ranging debate. Tonight we have covered the whole spectrum of the problems that face the Government of Canada and we have had the spectacle of all of the sins and defects and problems that exist in the economy.

Hon. Mr. McCutcheon: Not all.

Hon. Mr. Connolly (Ottawa West): Oh, yes—laid at the door of the Government. This is standard, and I think if we were on the other side perhaps we would be doing the same thing.

Hon. Mr. Flynn: Not perhaps—that would be the case for sure.

Hon. Mr. Connolly (Ottawa West): I do want to say one thing about the 30 per cent guideline. I read earlier what Mr. Justice Munroe said about the 30 per cent increase granted to workers on the St. Lawrence Seaway system. This Government did not appoint Mr. Justice Munroe to the Supreme Court of British Columbia. He was appointed by the Government that preceded this one. Certainly he is an ornament to the bench of that province, and he is an experienced man in the field of conciliation in the industry we are discussing tonight. He made it very clear that this was a local situation, affecting a small number of people employed for a short period of the year. But if he did not do that, then it was done very clearly by a man who does not claim to be an orator, on television a few nights ago. I am referring to the President of the C.P.R., Mr. Ian Sinclair, who agreed thoroughly with what Mr. Justice Munroe said, but he put it in a much better way than I could state it here. I hope I am allowed to refer simply to Mr. Justice Munroe's statement, with which Mr. Sinclair concurred.

Hon. Mr. McCutcheon: Unfortunately the railway men did not believe that.

Hon. Mr. Connolly (Ottawa West): That may be so, and if they misunderstood, that is another problem.

Hon. Mr. McCutcheon: I acquitted the Prime Minister of the 30 per cent guideline.

Hon. Mr. Connolly (Ottawa West): I beg your pardon?

Hon. Mr. McCutcheon: I say I acquitted the Prime Minister of establishing the 30 per cent guideline.

Hon. Mr. Connolly (Ottawa West): Thank you very much for making that statement. I want to say what I said earlier, that I have never claimed that the proposed transport legislation is going to be a cure-all or an end-all of all of the problems. I hope it will be a beginning.

I say to the members of the Opposition who have said that the Government is not and has not been concerned about inflation, that I wish they could sit at the council table and listen to the discussions of this problem, and hear of the attempts that are being made not only to cut government expenditure but to do everything possible to keep down prices in the interests of a sounder economy than the one we have. Inflation is certainly the first problem that faces the Government today, just as unemployment was the problem that faced the late Government. But that problem of unemployment fortunately was solved. I do not claim for this Government the credit for its solution entirely, but I think the steps taken by this Government had much to do with the ending of the unemployment that did exist. I do not blame the other Government for having created it either.

Having seen what was done about unemployment I say now I have confidence that this Government, having dealt strongly with the unemployment problem, will deal effectively and strongly with the problem of inflation.

In the second place, honourable senators, it may be—and I admit it—that collective bargaining in this industry, together with the procedures that have been followed, is outmoded. I do not think there is any question about that in view of the circumstances that exist in respect of the problems of both the trade unions and the companies. But, the law