

"devalued" the dollar. Prices were going to go up. "Tragedy" was going to come to Canada. Of course, it never did.

Honourable senators, I am not going to take the time to put this on the record. You can read how that index has gone up, and you can see what is happening today. That, of course, is partly why the labour people are, justifiably, saying, "We must have more." I do not blame them, but I still think that they do not have to follow the non-existent Pearson "guidelines."

Now, there is only one other thing I want to say, honourable senators. We are here because of the complete failure of the Government to face up to a fact and deal with it, a fact that was obvious months ago, but which they tried to talk away—"Collective bargaining. We believe in the principles of collective bargaining. We will not intervene." Nonsense! Nonsense! We are here because the Government failed to do what it should have done.

The railway men are out on strike and losing money because the Government failed to do what it should have done, and the economy is suffering, people tell me, to the extent of \$15 million a day. Not being an economist I do not know where they get these figures, but I am sure if it lasts much longer it will be far more than \$15 million a day, and all because the Government has failed to do what it should have done.

Tonight we are passing a bill, and I agree with my friend Senator Roebuck that the men will go back to work. We have a high regard for them. As a matter of fact, even if the bill had not been amended in the shameful way that it has been and under these pressures, I think that the men would still have gone back to work. I have great confidence in the members of the railway unions, and while I have not been as familiar with them over as long a period of years as has Senator Roebuck, I have some knowledge of them; they are responsible, law-abiding people.

Had the bill come through yesterday afternoon I would have voted for it because I wanted the men to go back to work, and they wanted to go back to work. However, having said that, I must say one or two other things, address one or two other remarks to the Government. In one sense they do not relate to what we are discussing tonight, but in the broad sense I think they do.

I say to this Government that it cannot continue to allow to essential workers the privilege of striking in areas in which the Government has jurisdiction. When I am here next mid-October or November I have no desire to be faced with a bill to tell the postal workers to go back to work because we are not going to give them a 50 per cent increase in pay.

I deplore the suggestion that the Prime Minister made when he introduced a bill respecting the Civil Service, which in due course no doubt will come before us. The bill provides for collective bargaining for associations of civil servants. With that I am in complete agreement, but then—and I have only the Prime Minister's statement as I read it in the *Globe and Mail*—they are going to go whole hog and give them the right to strike.

The Prime Minister went on to say, as I recall it, and I am sorry I have not got the quotation here, that only the non-essential civil servants would be allowed to strike. Well, I have a view that if we have any non-essential civil servants around here we should fire them. That would be one of the first dampeners on inflation. It would cut our budgetary processes. If it were not so late I would say a great deal about inflation and about the complete failure of this Government to control it.

That failure is inciting labour, and I do not blame labour, not at all. Here you have the consumer price index up by 4.8 points in the last 12 months. Putting it on a percentage basis we are up 2.2 per cent in the first six months of this year. Now, the Economic Council of Canada says that a tolerable increase is 2 per cent a year.

We in this country have rightly boasted—you have read the annual reports of the Economic Council and of the Governor of the Bank of Canada—that our prices have been more stable than in any industrial country in the Western world. However, at the moment we are just going down the toboggan slide and we are so far behind that it is not funny.

The Minister of Finance prepared a budget trying to restrain inflation. Can you convince any provincial government or any municipal government in Canada to exercise restraint, when the budgetary expenses of the Government of Canada in the first four months of the current fiscal year are approximately \$300 million more than they were last year?

I could quote you the figures of the Department of Public Works. We were going to cut back on capital expenditures. What has