

very much indication that it would be favourably considered.

Hon. Mr. Connolly (Ottawa West): I think that his report was to the effect that the railways said they would be perfectly agreeable to dealing with technological change in conjunction with the workers, and by discussion with their workers.

Hon. Mr. Brooks: It is a very important matter.

Hon. Mr. Connolly (Ottawa West): Yes, it is a very important matter. If I may say so, now that I am talking about the companies, it is also important to understand that the railways cannot really give too much attention to the importance of increased productivity and technological change if we are to remain competitive.

Hon. Mr. Brooks: That is agreed.

Hon. Mr. Connolly (Ottawa West): I come back to my first point and say that these companies, so far as their rate structures are concerned, are, in effect, a controlled industry. They cannot increase their rates, other than perhaps in a few cases of agreed charges, without going before the Board of Transport Commissioners. They went there in 1957 and 1958 and were awarded or authorized an increase of 17 per cent. It was felt that this would damage the economy to an extent that compelled the Government of the day to disallow the increase. In its place the Government awarded the railways a subsidy. From this it follows that the railways are not free agents, and have not been free agents in respect of control of the revenues they earn because they have been required to go before the Board of Transport Commissioners to have rate increases approved.

Hon. Mr. McCutcheon: That is not what the Prime Minister and the Minister of Transport say.

Hon. Mr. Connolly (Ottawa West): I think this is the fact.

Hon. Mr. McCutcheon: I know it is the fact. I am glad that the honourable Leader of the Government says so.

Hon. Mr. Thorvaldson: That is one of the unfortunate things about this situation.

Hon. Mr. Connolly (Ottawa West): I do not think it is too unfortunate.

Hon. Mr. Thorvaldson: It should have been attended to sometime ago.

Hon. Mr. Connolly (Ottawa West): If in the other place there had been an opportunity of considering the new transport legislation much sooner than it is to be considered, then perhaps some of these problems might have been resolved.

Hon. Mr. McCutcheon: Well, there has been three years' opportunity.

Hon. Mr. Connolly (Ottawa West): Yes, and there has been three years of filibuster too, if I may say so.

Hon. Mr. McCutcheon: Last night I noticed the Liberals filibustering their own bill.

Hon. Mr. Hayden: Order, order.

Hon. Mr. Roebuck: The honourable Leader of the Government has the floor and—

Hon. Mr. McCutcheon: I do not have to listen to this nonsense.

Hon. Mr. Roebuck: The honourable gentlemen on the other side who are interrupting have not asked if they might ask a question.

Hon. Mr. Connolly (Ottawa West): The honourable Leader of the Opposition did. I do not mind the questions.

Hon. Mr. Roebuck: I object to this continuous barrage that is coming from the other side.

Hon. Mr. Choquette: But the applause from your side is quite welcome.

Hon. Mr. Connolly (Ottawa West): I think, honourable senators, we might well revert to our normal—

Hon. Mr. McCutcheon: Yes, our normal friendly attitude towards one another.

Hon. Mr. Connolly (Ottawa West): Yes, I think we can do that very readily because we are good at it.

May I deal with the second point I wish to make with respect to the companies? I say that they have been prevented from increasing their revenues through rate increases, even when those increases have been authorized by the Board of Transport Commissioners, and they have been given subsidies amounting to somewhere between \$95 million and \$100 million a year. The result, in effect, of the rate freeze—I have no hesitation at all in saying this, and I am a member of the Government—is that really meaningful col-