

Wages vs prices. What's happened in 1976.

The anti-inflation program is nearly one year old.

The program was announced last October 14 and the Anti-Inflation Act was passed by Parliament in December. The goal was to create a fair and stable economic climate for all of us. Guidelines were established for the control of prices, profits, incomes, dividends and professional fees. The federal government established a policy of spending restraint. The provinces are supporting the program and are applying guidelines in areas of provincial concern such as rents.

The target of the first year of the anti-inflation program was to bring inflation down from a rate of 10.8% to 8% or less. This goal is going to be reached. Still, many Canadians are concerned about rising prices and may feel

be added or subtracted depending on whether a group had kept up with or fallen behind cost of living increases before the program began.

More than half of the agreements and settlements reported to the Anti-Inflation Board have been within these arithmetic guidelines. A gradual downward trend in wage increases has started and it should continue as more Canadians realize that because of declining inflation, settling for less won't hurt them.

The real gains

Since the start of the anti-inflation program, the average Canadian has actually improved his or her buying power. This is because lower wage increases along with lower price increases have resulted in a gain in real incomes. The real gain is worked out by taking the actual increase