

family incomes. For most of us, this is not the case. The facts prove that since the start of the program most of us are better off than we were before because salaries, on average, are keeping ahead of prices.

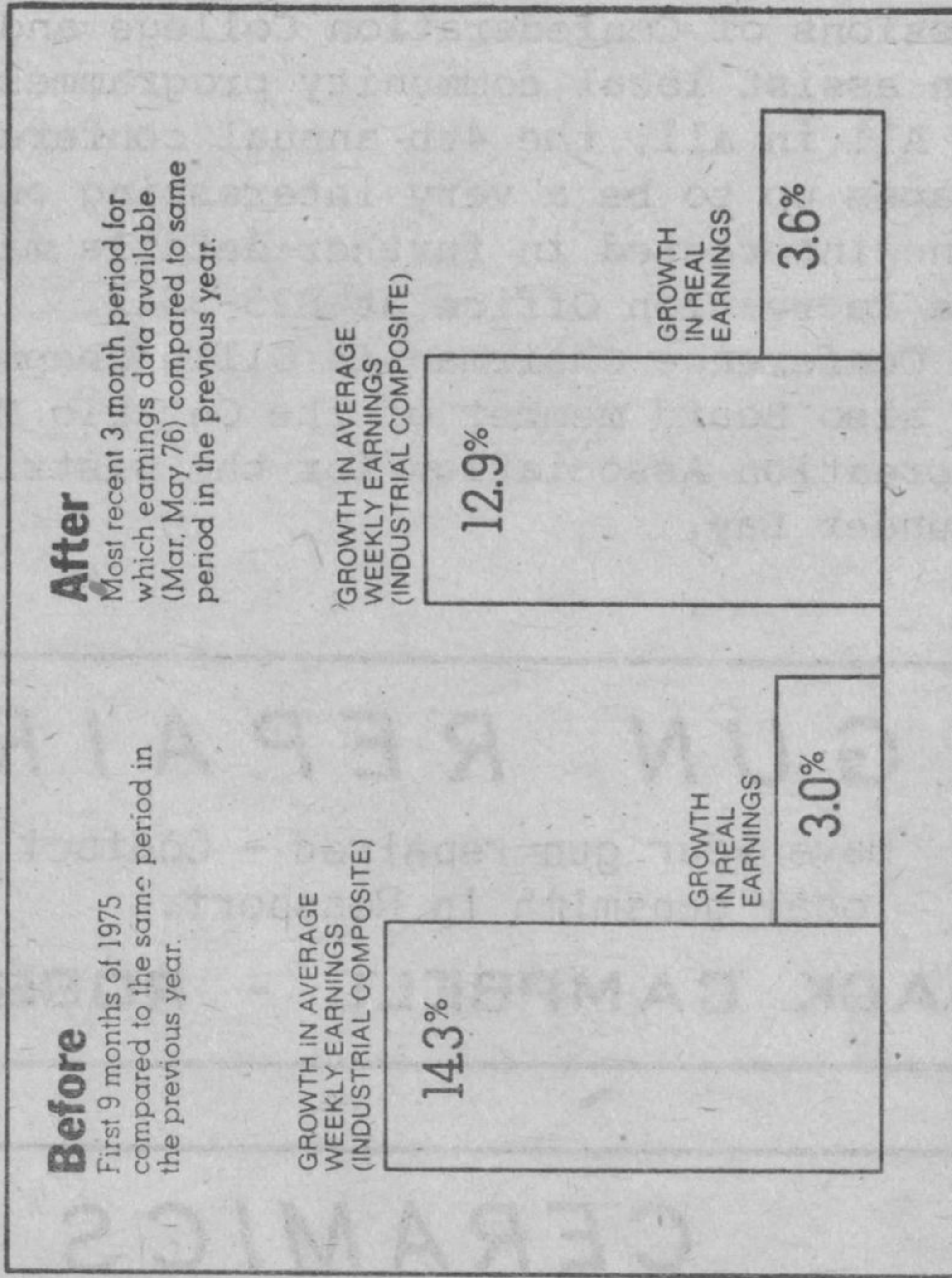
Prices

Last year, sudden and frightening price increases were happening all too often. By October, 1975, Canadians had experienced 20 months of inflation of 10% or more. No one could be sure how far the dollar earned one day would stretch the next. The anti-inflation program was brought in to control the rise in prices, giving Canadians a better chance to plan and live within their family budgets. Price increases have slowed down. By August, the annual rate of increase in the Consumer Price Index had dropped to 6.2%. Although some price increases have to be expected this month and next, the 8% target will surely be met.

Wages

The anti-inflation program has also helped to restrain increases in wages, salaries and other incomes. The Guidelines on compensation allow for a basic increase of 8%, plus 2% as a share of national productivity growth. Another 2% can

in earnings and subtracting from it the effects of higher consumer prices. Real incomes are probably the best measure of how we're doing, of how we can manage to pay our bills at home. By this spring, real incomes were up 3.6% over last year.



Controls on both prices and incomes are part of the reason why the inflation rate is dropping. The co-operation and hard work of most Canadians is the rest of the story. We will soon be moving into the second year of the program, with a goal of lowering the inflation rate to 6% or less. Working together we can reach this target too.

THE ANTI-INFLATION PROGRAM A REVIEW YEAR ONE

