

THE ANTI-INFLATION PROGRAM

# Where we're going, and where we're going.

## 1.

After one year, the anti-inflation program is doing what it set out to do.

The most important achievement has been the drop in the inflation rate. A year ago, consumer prices were rising at a rate of 10.6%. By August 1976, that rate of increase had dropped to 6.2%. This fall some unavoidable increases in energy costs and municipal taxes will affect the rate of inflation. In spite of this, the first year target of an inflation rate of no more than 8% will be met.

Increases in all forms of income - wages, salaries, fees, profits, dividends - are also being successfully restrained. On the average, prices have gone up less than wages this year. This

This Guideline is designed to protect and improve the real income of working Canadians, while bringing down the rate of inflation.

All governments are restraining their expenditures. The federal government is limiting growth in its own spending to keep it in line with the overall growth of the Canadian economy. This means that every day hard choices must be made to limit new programs and trim old ones. These choices are painful. But they have to be made if the government is to restrain its costs and avoid contributing to inflation.

## 3.

Nobody likes controls. Not the people whose private decisions are affected by them.