

cartoonist for which talent she was hired by *The Hamilton Spectator's* editorial department during the summer of 1974.

Before this assignment, she gained three years experience as staff cartoonist on her university campus newspaper, *The Gazette*.

To date, the Olympic Coin Program has sold over \$130-million worth of sterling silver coins in many areas of the world. Net profits now exceed \$35 million. So far, the Program has paid \$1.25 million to the Olympic Trust of Canada for training and direct aid to Canadian amateur athletes.

### Participation in the Intergovernmental Committee for European Migration

Canada has applied to revive its association with the Intergovernmental Committee for European Migration (ICEM) through observer status, announced the External Affairs Department, October 10.

ICEM is concerned with resettlement of refugees by facilitating refugee movements to countries where they have been accepted. Canada, one of the founding members of ICEM when it was established in 1951, discontinued membership in 1962 when ICEM had fulfilled its membership in Europe. Since then there have been a number of refugee situations in other regions where ICEM has acted strongly in support of multilateral and bilateral refugee programs.

Canada, as an observer, could attend ICEM meetings, consult officially on matters of direct concern to Canada, participate in seminars dealing with international migration movements and could benefit from closer contacts with other associated states.

An annual voluntary contribution of \$10,000 will be given by Canada to ICEM towards administrative costs.

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### Restraints against inflation

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will be allowed to make up the difference.

In order to ensure that these guidelines will not impose an unfair burden upon low-income people, nor confer an undue advantage upon those with above-average incomes, there will be the two exceptions to the rule. First, the guidelines will not apply to any increase up to \$600. And second, no one will be permitted an annual increase of more than \$2,400.

These are the broad guidelines for wage and salary income. I repeat, they do not affect contracts or agreements already in existence, but apply only to new contracts. But I want to make clear that the income guidelines apply to all forms of income — including rents, dividends, fees charged by doctors, lawyers, accountants and engineers, executive salaries, business profit margins, and Government wages and salaries.

### Penalties for non-compliance

Compliance with the guidelines by the designated groups will be monitored by an Anti-Inflation Review Board.

The Board will identify those who do not comply voluntarily with the guidelines, and will report them to a special administrator. The Government hopes there will be few who do not comply.

The administrator will have the power to order a price increase rolled back, or a pay increase cutback. If his order is disobeyed, then stiff penalties, backed by the full force of the law, will be swiftly applied.

We believe that if the largest and most powerful groups practise price and income restraint, the effect will be felt throughout the entire nation. When the leaders set a reduced pace, others will follow.

If a large manufacturing company holds its prices down, the small businessman buying from that company will be under less pressure to increase his prices. If powerful trade unions cut back their wage demands, other workers will be more willing to aim for lower wage targets. When professional people and landlords restrain their fee and rent increases, then the wage-earner and the salaried person will see that there is justice and fairness in the system.

### Government restraints

I recognize that if those large groups are willing to do their part to help bring down the rate of inflation, then governments also must do their part. Therefore the Federal Government will limit further its own spending, to add to the restraint we announced in the budget last June.

Increases in the Federal Government spending will be severely controlled in three ways:

First, the wage guidelines will be applied to all employees of the Federal Government, its agencies and Crown corporations.

Secondly, there will be practically no growth in the Public Service, except for the limited number of people required to implement this program of restraint, and additional law-enforcement personnel required to implement the Government's new program to reduce violent crime. Details of that program will be announced in the weeks ahead.

Thirdly, we will eliminate or reduce spending in many smaller, but separate areas that all add up. For example, strict economies will be imposed on the administrative and housekeeping aspects of the Government's business.

I must point out, however, that this does not mean that Government spending will be absolutely frozen. Indeed it must increase if we are to continue to provide essential services, such as cushioning Canadians against part of the increase in the cost of imported oil, protecting the aged and others living on fixed incomes against some of the effects of inflation, and continuing to provide assistance to those who are unemployed. Programs such as these are the cornerstone of the economic and social policy of the Government — the maintenance of a high level of economic activity combined with a large amount of income redistribution and protection for the less fortunate. I know that Canadians would not want the burden of fighting inflation to be shifted to those least able to bear that burden.

The program I have explained to you tonight, and which I discussed earlier today with the provincial Premiers and with the leaders of the opposition parties, will be laid before Parliament tomorrow. We will ask Parliament to consider the legislation immediately.

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