

An hon. Member: You do not understand.

Mr. Trudeau: Mr. Speaker, that remark was typical of the negative approach to society for which the NDP always stood. That may be an occupational malady for any person sitting on that side of the House, Mr. Speaker. When the CPI figures are bad for the country, they choose to believe those figures; but when they are good for the country, nobody on that side believes them.

Some hon. Members: Oh, oh!

Mr. Broadbent: Tell us more bad jokes.

Mr. Trudeau: I was saying, Mr. Speaker, that all of these income measures have increased by about 10 per cent—whether it be wage settlements, average income per employed worker, or total wage and salary incomes—all these measures have increased by about 10 per cent over last year, while the CPI in September had increased only 6.5 per cent over last year.

Year over year real increases in average weekly earnings for workers in all industries were higher in the second quarter of this year than any time since the first quarter of 1972.

The total share of wages in national income has regained the high point reached in 1971, while the share of corporate profits has correspondingly declined. This is yet another indication that the control of corporate profit margins is working successfully.

Of course it is true that wage settlements are showing a slower rate of increase this year than last. But what is important to the worker's wife when she goes shopping is that, because of price controls, she has more purchasing power this year than she had in 1975 before controls. Apparently it does not suit the CLC or the NDP, or for that matter the Tories, to tell that to the Canadian worker and to his wife. I wonder why. Perhaps the opposition will tell us why during the course of this debate; or will they stand mute in the face of the accusation of misleading the public for partisan purposes?

The figures are there, Mr. Speaker. They can be interpreted various ways. We only ask that they be interpreted the same way before controls and after controls.

I can understand the arguments of those who say that we need controls but they should end fairly soon, or that we needed controls and they should be modified; but I cannot understand the arguments of those who say we are worse off now with controls than we would have been if we had not had controls. I certainly cannot understand the arguments of the CLC, of many businessmen and of some hon. members on the other side of this House who are suggesting that we should take off controls now. I have said this before, Mr. Speaker: if it could be guaranteed that we would not return to the high rate of demand for various forms of income that were present with us one year ago, the government might be tempted to do that. But no person, certainly not the leader of the NDP, nor the leader of the CLC, has pledged his seat or office for the

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guarantee of that reality, that if controls come off, suddenly there will be no increase in the inflation rate.

From the very beginning of the controls program the government told the people of Canada that they would not be expected to endure a real loss of income, but simply to accept a rate of increase in real income consistent with the growth rate of the economy. They are experiencing that real increase. The figures I just cited show that, Mr. Speaker. Canadian workers are improving their purchasing power, and labour's share of net national income is rising.

● (1620)

[*Translation*]

No reasonable person can deny that controls have served the best interests of the Canadian worker, of the average Canadian. And when workers realize that fact fully, realize its implications for themselves and their families, they will have a right to feel badly served—not only by the CLC leaders, but also by those whose interest lies in undermining public confidence in the controls program.

It is evident that Canadians know they have benefitted under controls, and will benefit still further as the program continues to restrain prices and protect real income gains next year and into 1978. The fact that they know this is reflected in the 60 per cent of wage agreements which have been voluntarily settled at or below the guidelines since last October.

At the outset of the program, we said the immediate target was an inflation rate of 8 per cent by the end of the first year of the program. We are meeting this target. Our success so far gives us confidence that we will also meet next year's more difficult target of 6 per cent.

As we enter the second year of the program, Canadians can expect a further reduction in the rate of wage increases, a further reduction in the rate of price increases, a further reduction in the rate of increase of government spending and the growth of the public service.

And as those reductions take effect, we will approach closer to one of the major longer-term objectives of the anti-inflation program—a more realistic level of expectations among Canadians in relation to future income and price increases.

To accelerate the movement toward more realistic expectations, and to lay the groundwork for the removal of controls without a renewal of inflation, the government will be asking Canadians to take part in the consideration of economic and social policies appropriate to balanced growth without controls, and without inflation.

Within the next few weeks, the government will be placing before the people of Canada our analysis of the major problems Canada faces, the principles, and the strategic directions the government has chosen to pursue. In some strategic areas, policies are already clear, and were announced yesterday in the Speech from the Throne. Other important policy decisions, however, cannot be legislated or implemented with any hope of success unless they reflect the will, the understanding and the choice of those who would be most affected by such decisions.