

direction they want the private sector to take by pointing out the tough line they are taking with public servants, will lift a finger to restrain the business community.

Need I remind hon. members that in a similar situation, United States presidents Kennedy and Johnson called in representatives of the steel and aluminum industries and made it clear to them that they would not accept the exorbitant price increases which they were proposing to implement at that time? Will the Prime Minister do that? No, of course not. He is too busy lecturing workers on the need for them to show restraint. It seems to us that if the government is concerned about inflation, which it talks about incessantly, and if it wants to keep prices from escalating too much, and if the government wants to dampen inflationary forces, then it ought to be calling on all sectors of the community to practise the same restraint.

It seems unfair for the Prime Minister and his cabinet ministers to be giving the lectures they have been giving to the workers of this country. These people have not been receiving exorbitant wage increases, partly because they have been trying to be good citizens, and partly because the economy has not permitted them to be as demanding as they can be, have been, and should be when the economy is booming.

I would hope that the government would apply the same kind of thinking to prices and profits as is applied to the legitimate requirements of the working people of this country. Until it does that, the government is not dealing with Canadians in a just and equitable manner.

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to reply to the hon. member for Winnipeg North (Mr. Orlikow). It is correct that wages increased at a lower rate than the consumer price index in 1978. Therefore real wages declined. Much of the increase in prices resulted from higher food prices and the lower value of the Canadian dollar. It should be recalled, however, that real wages were increasing in preceding years and, even with the decline of 1978, were some 6 per cent above their 1974 level.

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With some moderation in food price increases in 1979, workers should realize a further gain in real terms. Increases

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under new wage settlements decelerated considerably over the period in which real wages were increasing and this deceleration continued into 1978. The historical record demonstrates that real gains are possible with moderation in cost and price increases.

It is not unreasonable that some workers might attempt to recoup some of the loss in real wages of the past year. However, it is desirable that this adjustment should be gradual, and that wages would not rise substantially and erode the gains we have made in our international competitive position. This applies not only to wages but to all costs, including profits.

Increases in average weekly earnings in the industrial composite decelerated from a high of 14 per cent in 1975 to over 12 per cent in 1976, and to 9½ per cent in 1977. Complete data for 1978 are not yet available, but January-November figures suggest an average 1978 increase of about 6 per cent.

The consumer price index increased almost 11 per cent in 1975, 7.5 per cent in 1976, 8 per cent in 1977, and 9 per cent in 1978. Real wages increased, therefore, by a little over 3 per cent in 1975, a little over 4 per cent in 1976, 1.5 per cent in 1977, and in 1978 declined by about 2¾ per cent.

Wage settlements in major collective agreements decelerated from 17 per cent in 1975 to 10 per cent in 1976 and 7.8 per cent in 1977. For the year 1978 as a whole, the average increase should be about 6¾ per cent. The first year increases were not substantially higher than increases for subsequent years in agreements. In the first quarter of 1978 they were 7.1 per cent, in the second quarter 6.6 per cent, and in the third quarter 7 per cent.

It should be emphasized that wage settlement data are for agreements signed in a given period and cover a limited proportion of all agreements in existence, and an even lower proportion of total wages for all employees.

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his three minutes have expired.

Motion agreed to and the House adjourned at 10.29 p.m.