

fight at the expense of political power, but these tough choices must be made. I want to tell you that I am proud to be part of a government willing to put its political future on the line in the interests of making sure that Canada has a good, viable economy.

Some Hon. Senators: Hear, hear.

Senator Flynn: May I just mention to the Leader of the Government that I belong to the political party that risked the election in 1974 on that basis, and lost it? That is even tougher.

Senator Perrault: That was not bravery; that was bravado. Restraints do not constitute the route to political popularity. Those who, in a very superficial way, measure the performance of our political parties by probing the entrails of the Gallup poll every month—which has gone up 4 points, for the government, incidentally, in the past four weeks—do not understand what responsible government is all about.

Senator Flynn: But there was no place to go but up.

Senator Denis: Wait another four years.

Senator Perrault: The present program of restraints, with its difficulties, inconveniences, frustrations and admitted shortcomings, was chosen as the best way to get the economy back on the course to full employment without inflation.

All of us recall the words of the Prime Minister 12 months ago when he said that this anti-inflation program would be "rough justice." He said that the government introduced the program with reluctance because it knew that certain Canadians would be inconvenienced and would be caused difficulties. He said that we introduced restraints with reluctance because voluntary restraints had not been accepted. However, it would be better, he said, than the "rough injustice" of inflation which was wiping out those least able to protect themselves. This government at no time promoted the anti-inflation program as a painless panacea. The government said that it was going to be tough and difficult, but the process, hopefully, would lead to better results for all after its conclusion.

It can be said now, 12 months later, that we have made a good start, an encouraging start, but the battle is not won. Let us look at some of the figures. We had some statistics from the Leader of the Opposition today and he said that everything is going from bad to worse. Not so. Twelve months ago we were rapidly becoming a society of grab and greed. That is not an accusation against any one sector of society. No one sector should bear the sole blame. All of us shared some of the responsibility. Inflation was running at 11 per cent, and I gave you the other figures. At the rate of inflation that we had one year ago, the 1975 dollar would be worth 50 cents in 1981, and a nickel in the year 2000. Many people, especially those who were on fixed incomes, such as pensioners, were being devastated by inflation.

I look back to 12 months ago, for example, to my own province of British Columbia. Still unsettled was a dispute between the supermarkets, bakeries and their unions. Meat cutters were asking for over \$30,000 a year in wages and

benefits; checkout girls were asking for an increase from \$11,000 to \$16,000 per year. The supermarkets warned that they would eventually be forced to settle, and would have to pass the costs on to consumers. Well, what would have been the result? The consumer price index would have soared. Workers in many other industries had contracts linked to the cost of living; they would have received automatic increases. And who would have lost in the squeeze between big business and big labour? The unorganized, the pensioners, the persons on fixed incomes, those in our society who did not have strong negotiating teams to muscle themselves big increases. Well, little wonder the government had to act, and when it did act the government made this pledge to the people of Canada:

That under the controls program the people of Canada would not be expected to endure a real loss of income. Instead they would have to accept a rate of increase in real income consistent with the growth rate of the economy.

That makes eminent good economic sense.

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Twelve months later it can be reported, despite the rhetoric and the accusations, that the pledge has been kept. The purchasing power of Canadian workers has improved, and labour's share of net national income is rising.

Let us review the facts. Wages first. The rate of increase in nominal wages is slowing down—nominal wages. However, Anti-Inflation Board data, to be released very shortly now, will show that while compensation increases were in the order of 15 per cent in the pre-control days—that was the average—they are now down to about 10 per cent.

At the same time, Canada's rate of inflation at the end of September over September of 1975—these are the new figures—has been limited to 6.5 per cent. This means that the Canadian worker has made significant gains in real earnings—3.6 per cent. It means that the worker and his wife have more purchasing power than they had a year ago.

I challenge the CLC, some of whose members are manning picket lines from coast to coast in Canada today, including, apparently, the leader of the New Democratic Party, who is reported to be picketing in Oshawa, to tell us of other countries where the workers have achieved the real gains in purchasing power achieved by Canadian workers during the past 12 months.

As of October the inflation rate may not be lower in Canada than in the United States, but the inflation rate in Canada is now diminishing, as of October, at a faster rate than it is in the United States. Yet we are supposed to be having a day of protest about an anti-inflation program which is producing some of the most encouraging economic facts of any nation in the world.

Some Hon. Senators: Hear, hear.

Senator Perrault: So far as our rate of inflation is concerned, we have done exceedingly well in the international arena, and it is time for Canadians to take pride in their performance.