

C246372

23.

whole income tax. The Committee believes that labour in particular has a vital interest in the preservation of the income tax as one of the fairest and best of all possible taxes.

The Committee concurs in the Majority recommendation that such changes should be made in methods of tax deduction as will put deductions on a more level basis and dispel the impression that overtime pay is taxed at unduly heavy rates. The Committee understands that a start has been made on this change by the Department of National Revenue, and recommends strongly that the work be expedited.

14. Conclusion.

In the two parts of its Report, the Economic Advisory Committee has recommended the acceptance by the Government of most of the recommendations of the Majority Report.

In the Committee's view, the Government's program should include:

- ✓(a) Wholehearted acceptance of compulsory collective bargaining and provision for its administration by a Labour Relations Board;
- ✓(b) The institution of compulsory arbitration only (aside from grievance disputes) if labour and management are unable to carry out a no-strike, no lockout commitment;
- ✓(c) Extension of labour-management committees;
- ✓(d) Increased representation for labour on government bodies and specifically on the boards of Crown companies; *now added*
- (e) A renewed and re-affirmed stabilization policy rendered more effective, though more just, by a revision of the Wages Control Order and a reconstitution of the War Labour Boards;
- (f) A system of children's allowances, not related to the problems of wage control, but to circumstances

*Contingency
18.6.41*