- 16 -

that it would assist the war Labour Board in its tash or that its control could be made more rigorous because of it. They believe strongly that it would decrease rather than increase the support which labour would give to any revised policy. Believing as they do that nothing can obviate a continuing stream of wage increases, they consider that expenditure on children's allowances would, as far as the solution of present problems is concerned, be a waste of money.

Having been unable to reach agreement on these points, the Committee sets out the conflicting views, realizing that the conclusion reached depends on judgment as to popular response to such a policy which the Government is more skilled in exercising than are officials.

8. The Adjustment of the Present Cost of Living Bonus

There are two distinct problems concerning the Cost of Living Bonus raised by the Reports - (a) The need for adjusting cost of living bonuses now being paid in order to achieve equity if not uniformity; (b) the future place of the cost of living bonus in wage-control policy.

existing cost of living bonuses into the basic wage rate. It recommends this as a practical expedient, not as a logical solution. The Minority Report recommends that the highest cost of living bonus now payable to any wage earner, \$4.25 a week, covering the 17 per cent increase in the cost of living since August, 1939, be paid to every wage earner regardless of whether he has received many wage increases in that perod or none. Though the Board must have considered many cases involving this question, neither Report

offer

W.L.M. King Papers, Memoranda and Notes, 1940-1950, MG 26 J 4, Volume 356, pages C245781-C246460