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are offset by subsidies, it is the Government's money which is at stake. That most of the applications for wage increases are initiated or endorsed by employers is the evidence that in such circumstances bargaining is between employer and employee on one side and the Government on the other.

b) The assumption that collective bargaining, free from control, can be restricted to a limited range of wage rates is false unless organized labour is willing to accept, and the War Labour Board to exercise, a ruthless disregard of job differentials. It is an amazing omission in both reports that, in making these recommendations they completely ignore this problem of differentials. Since the Reports were submitted, the signers of the majority Report have given a decision in the Dosco and Algoma Steel Case restoring differentials disrupted by the increase in the basic rate. There is evidently no ground for the assumption that increases, achieved by collective bargaining in rates below 50 cents an hour, could be confined to the lower range of rates.

c) There is some implication in the Reports that what is recommended is a standard for a national minimum wage for organized labour even though this minimum might not be achieved immediately. It is the opinion of the Committee that, if there is such an implication, 50 cents an hour or any figure at the moment likely to be acceptable to labour is too high to be established now under our present price level. Under The Federal Wages and Hours Act of The United States the minimum standard is 40 cents.

The Economic Advisory Committee has, therefore, reached the conclusion that the recommendations that a floor be established up to which there shall be no wage control exercised ought not to be accepted by the Government without recognition that it will mean progressive disintegration of the whole stabilization program or the extension of subsidies on a grand and impractical scale to pay increased labour costs.

6. Thoroughgoing Revision of the Wage Control Order

Both Reports recommend drastic revisions in the Wage Control Order. The Committee agrees fully with the

recommendation