

restriction in the increases which have been made under the present order in rates above 50 cents an hour. It is understood to be the intention of these recommendations that the winning of increases should definitely be biased in favour of the lower rates. Whether on balance the total increases under the recommendation would be much greater than under the present order is a matter of judgment or speculation. Uncertainty as to this and as to possibility of tolerating such increases within the framework of the present price-ceiling policy and practices led the authors of the Majority Report to put forward the alternative of family allowances if, in the judgment of the Government, such increases could not be contained within the stabilization policy.

In contrast, the minority report does not turn back from its own implications. It is argued there that from increases in rates a substantial increase in productivity will result, that there can still be some squeezing of profits, and that a number of non-wage costs such as advertising can be reduced. If these are not adequate to absorb the increased cost, "there is nothing to suggest that the present policy of subsidies to the production or operation of consumer goods and services, where absolutely necessary, would not take care of the situation".

These rival recommendations raise crucial questions. Is it possible to change the Wage Control Order in such a way as to permit some increases of low wage rates and yet effect a stricter control over all than hitherto has existed? How far can wage increases greater than or even equal to those which have taken place under the present order be absorbed or neutralized by the sort of devices which have hitherto been used by the Prices Board to offset cost increases? Can the Government embark on a system of widespread subsidizing of firms in order to maintain their profits or offset their losses after wage increases have been granted? Would agriculture and other organized groups within the country tolerate such a policy unless they too received their share of such a flow of subsidies?