

Mr. BENGOUGH: No. I have heard a lot about it, but frankly I have no information on it. I have heard of only one or two isolated cases of workmen who have actually laid off work or dodged work so as not to get into a higher bracket and get taxed. I do not think that is general.

Hon. Mr. McGEER: Labour has been making a demand for increased wages, has it not?

Mr. BENGOUGH: Yes.

Hon. Mr. McGEER: That trend is going to continue?

Mr. BENGOUGH: Undoubtedly.

Hon. Mr. McGEER: What is the effect of taxation on wages under those circumstances? Is it not to intensify the demand for increased wages?

Mr. BENGOUGH: Well, if the wages are raised I presume more taxes will be paid.

Hon. Mr. McGEER: If the wages go above the exemptions you have been speaking of, \$1,000 and \$2,400?

Hon. Mr. BENCH: Then, of course, up would go the minimum amount of the wages which you consider a man should have in order to maintain a minimum standard of health and decency?

Mr. BENGOUGH: I am not sure about that. We might be satisfied with that and leave it there. I could not say.

Hon. Mr. McGEER: What do you think about the paying of a family allowance to a workman's family and taxing the workman at the same time?

Mr. BENGOUGH: I do not agree with that. It ceases to be any advantage at all then.

Hon. Mr. McGEER: To my mind there is not only that objection, but it seems to be a duplication of taxation. One group is handing out family allowances and another group is taking them back. I do not know of anything more ridiculous than shovelling the allowances out of one door and shovelling them in another.

Hon. Mr. FARRIS: Is that not merely a method of equalizing the thing?

Hon. Mr. McGEER: It may be, but it is certainly not an economical method.

Hon. Mr. LAMBERT: Senator McGeer was asking about labour and taxation, about certain comparisons. I think he should have asked how the cost of living index in Canada compares with that in the United States. Perhaps that is not hardly relevant to the question we are discussing.

Mr. BENGOUGH: It is a little higher in the states.

Hon. Mr. LAMBERT: Considerably higher, is it not?

Mr. BENGOUGH: There is a greater spread between the wages paid in the United States and those paid in Canada than there is between the increase in the cost of living in the United States and the increase in the cost of living in Canada.

Hon. Mr. McGEER: And there is a very much higher level of farm prices in the United States than in Canada?

Hon. Mr. HAIG: And much lower taxation in the United States than in Canada.

Mr. BENGOUGH: Yes.

Hon. Mr. HAYDEN: And a very much lower cost of living in Canada.

At 2.50 p.m. the Committee adjourned to meet again when the Senate rises.