

Hon. Mr. McGEER: The benefits extended this year to the man in the highest income bracket, say an income of \$15,000, \$18,000 or \$20,000, is very substantial, whereas it is a pretty small amount to the wage-earners.

Mr. BENGOUGH: We realize that.

Hon. Mr. McGEER: Have you any estimates of the average earnings of various trades and workers in Canada as compared with similar tradesmen in the United States?

Mr. BENGOUGH: I have all those figures.

Hon. Mr. McGEER: Roughly, how do the wage standards in Canada compare with those in the United States?

Mr. BENGOUGH: They are about three-quarters; anywhere from 50 per cent to 75 per cent.

Hon. Mr. McGEER: That is higher in the United States than in Canada?

Mr. BENGOUGH: Yes.

Hon. Mr. McGEER: Have you any idea of the relative tax levied on workers in United States as compared to Canada?

Mr. BENGOUGH: Not very full.

Hon. Mr. McGEER: I understand this year a million people in the lower income bracket have been exempted from taxation in the United States.

Mr. BENGOUGH: There has been some relief, but I couldn't tell right off-hand what it is.

The CHAIRMAN: You are referring to the excess profits tax. I take it that theoretically at least that tax was imposed in order to prevent any one from making money out of the war?

Mr. BENGOUGH: Yes.

The CHAIRMAN: The war being over, would it then logically follow in your opinion that the excess profits tax should no longer apply, but that the regular income tax should apply to producers and manufacturers even though they are making very large profits?

Mr. BENGOUGH: The income tax would apply, in the high brackets, yes. We have not gone into the allocation.

The CHAIRMAN: Your real argument is this, that the tax bears heavily upon the small man?

Mr. BENGOUGH: Yes.

Hon. Mr. HAYDEN: The witness has made use of the expression "the high brackets". Could we get an explanation of what he means by that? Where does it start?

Mr. BENGOUGH: Well, we want it to start from \$2,400 for a married man and \$1,000 for a single person.

Hon. Mr. HAYDEN: Anything above \$2,400 would be in the high brackets?

Mr. BENGOUGH: It would be in the higher bracket.

Hon. Mr. HAYDEN: That is obvious. But you have been using the expression "the high brackets", and I would like to know what you mean by that.

Hon. Mr. McGEER: Have you any idea of the effect of taxes on production? For instance, I have had some very definite reports from Vancouver that for some reason or other there is not a sufficient amount of production coming out of the day's work there to justify continued ship building in that community. That is a very serious thing for the Pacific coast if it applies generally. Do you know anything about that?