

Mr. STIKEMAN: In the last sentence of that paragraph you state:

Many affiliated organizations feel that the same provisions should be extended to those payments as are now allowed for charitable and other expenses.

What are your other organizations and what is meant by "other expenses"?

Mr. BENGOUGH: What I had in mind at the time was that in some lines of business there was relief given to funds paid into trade organizations, and we think trade union dues should have the same consideration.

Mr. STIKEMAN: On the theory that the membership in a trade union would increase its productive capacity in the same way as membership in a trade organization?

Mr. BENGOUGH: Yes.

Mr. STIKEMAN: You state in the opening of that paragraph, that this is the only question which has been raised by your membership in addition to the other questions. Does this cover your entire points of difference in regard to the present tax structure?

Mr. BENGOUGH: Yes, I think this covers all that is sufficient.

Mr. STIKEMAN: That is very flattering.

The CHAIRMAN: We shall have to assume that we have everything in your brief.

Mr. STIKEMAN: That is all my questions.

Hon. Mr. CRERAR: The recommendation in the second paragraph is that exemptions be raised to \$2,400 for a married man and \$1,000 for a single man. That would of course apply all across the board.

Mr. BENGOUGH: Yes.

Hon. Mr. CRERAR: It is quite apparent that the demands on revenue are going to be very heavy in the future years, by reason of increased old age pensions, family allowances, interest on war debt and many other expenses of the Government. These items will, I should think, raise the revenue requirements to at least three times what they were before the war. I think I am correct in saying that of the personal income tax collected in 1944 almost half of it came from individuals with income under \$3,000 a year. If the exemptions are raised in the way suggested here it will result in a very substantial loss of revenue. Have you any suggestion as to how that might be made up?

Mr. BENGOUGH: Our suggestion would be that you take it off the bottom and put it on the top.

Hon. Mr. CRERAR: You say, "put it on the top." I have not the figures before me, but incomes in that bracket are very heavily taxed to-day. You referred to the excess profits tax, for instance, and suggested some reduction in them. Do you think the excess profits tax should be retained during the peace years?

Mr. BENGOUGH: We think so, yes.

Hon. Mr. CRERAR: What effect would that have, Mr. Bengough, on employment and on industrial development, on the ability and capacity of employers to expand their businesses and give more employment?

Mr. BENGOUGH: I could not say. You suggest that it might cause heavy burdens on those in the higher brackets?

Hon. Mr. CRERAR: Yes.

Mr. BENGOUGH: I would say the people in the lower brackets do not receive sufficient income, and it is relatively a heavier burden on them.