

Routine Proceedings

FISCAL YEAR	TYPE OF EXPENDITURE	CHARLOTTE-TOWN	SOURIS	SUMMERSIDE	GEORGE-TOWN	TOTAL P.E.I
1985/86	Capital	-	153,013	246,041	5,446,078	5,845,132
	O&M	316,563	608,180	281,351	21,865	1,227,959
1984/85	Capital	51,358	299,595	39	205,417	556,409
	O&M	227,482	138,166	217,841	5,853	589,342
1983/84	Capital	603,592	549,627	165,177	50,852	1,369,248
	O&M (Not available)	-	-	-	-	-
1982/83	Capital	296,280	-	-	19,322	315,602
	O&M (Not available)	-	-	-	-	-
TOTAL		2,319,269	14,879,547	4,312,387	7,532,747	29,043,950

NOTE: (1) Figures for the fiscal 1981/82 fiscal year are not available.
 (2) O&M Expenditures, Harbours and Ports Branch, include major repair and maintenance and exclude administration costs and minor repairs.

Question No. 198—Mr. Peterson:

Since the implementation of the Postal and Courier Remission Orders of 1986 to date (a) what is the total number of shipments received into Canada under these provisions free of all federal tax and duty (b) what is the total value of these shipments (c) what is the total loss of federal revenues from these tax and duty-free imports?

Hon. Otto Jelinek (Minister of National Revenue):

(a) Customs and Excise does not maintain detailed statistical data (i.e. volumes, values and remitted revenues) on the Postal and Courier Imports Remission Orders. However, it is estimated that, in 1991, 27 million parcels were released under the Postal Imports Remission Order (PIRO) and 2 million parcels under the Courier Imports Remission Order (CIRO).

(b) Assuming an average value of \$20 per parcel, and deducting 4.5 million gifts sent by mail, the total value of PIRO shipments in 1991 would be \$450 million and the value of CIRO shipments would be \$40 million.

(c) Assuming an average combined duty and tax rate of 12%, the total revenue remitted in 1991 under PIRO would be \$54 million and under CIRO it would be \$4.8 million.

These orders were originally introduced in 1986 as a cost saving measure for the government in respect of the processing of very low valued postal and courier importations. At that time, it cost the department approximately \$10 to process, classify and collect duties and taxes on such shipments. Therefore, it was determined that for the vast majority of transactions involved, the cost of collecting significantly exceeded the revenue lost. In keeping with government priorities of fiscal responsibility and administrative efficiency, \$40 was chosen as the appropriate limit at that time.

The government has established an interdepartmental committee to investigate fully and make recommendations respecting the effect these orders are having on the Canadian mail order industry.

Question No. 199—Mr. Peterson:

Is the government aware that the United States government is not eliminating its existing customs user fees as specified in Article 403 of the Canada-United States Free Trade Agreement and, if so, what action is the government taking to ensure American compliance with Article 403 of the FTA?

Mr. Dave Worthy (Parliamentary Secretary to Minister of Industry, Science and Technology and Minister for International Trade): Under article 403 of the Canada-U.S. Free Trade Agreement (FTA), each party to the agreement is prohibited from introducing customs user fees with respect to goods originating in the territory of the other party. In addition, the U.S. undertook to eliminate existing customs user fees on goods originating