

Mr. Chairman, as you said, I have a preliminary statement outlining the general situation in so far as these estimates are concerned and with your permission I shall read it to you.

The estimates now before the committee are those covered by votes 254, 255, 256 and 257, and they have been prepared for the financing of the operations of the customs and excise division of the Department of National Revenue for the fiscal year 1959-60.

As you are aware, this is a purely administrative division whose primary function involves the collecting of customs and excise duties and excise taxes. In other words, to administer the customs and excise laws and regulations and other acts by which control is exercised over the movement of all goods in and out of the country. This also includes control over international traffic.

This division is also concerned with domestic manufacturers in respect to the assessing of excise taxes and duties. All alcoholic and tobacco products manufactured are under customs and excise supervision, and all licensed manufacturers who pay sales tax and excise tax are visited by auditors to confirm their liabilities under the Excise Tax Act.

In discharging this responsibility, customs and excise administers completely the Customs Act, the customs tariff, the Excise Act; and the Excise Tax Act exclusive of Part 1.

In addition to these four Acts which customs and excise administers fully, it also administers in part many other acts, the principal ones being the Immigration Act, Export and Import Permits Act, Contagious Diseases Act, Canada Shipping Act, Precious Metals Marketing Act, Food and Drug Act, and so on, comprising some forty altogether.

As for the organization of customs and excise, here in Ottawa there are twenty-four headquarters branches, and some of these, such as excise audit, investigations, drawbacks, inspection and personnel also have field offices located throughout the country at centres which have been carefully selected as the most suitable for the branch concerned from the standpoint of efficiency and economy of administration.

Of these headquarters branches the dominion customs appraisers branch is the largest, and as you may know it is responsible for the formulation and administration of departmental policies on appraisal matters, and for giving direction with respect to the appraisal function at ports throughout the country. Dominion customs appraisers are called upon to conduct values investigations in various foreign countries for the purpose of determining valuation for duty of goods being imported into Canada. To facilitate the carrying on of these investigational duties, as well as other essential activities relating to the appraisal function, customs offices staffed by dominion customs appraisers have been established in New York; London, England; Prague and Tokyo.

Then, of course, there are the ports, outports and vessel clearing stations—some 434 in all—which are located throughout the country, at border crossing points, coastal and inland seaports, airports and wherever they have been found necessary for the maintenance of essential services to the importing and travelling public.

I have with me comparative statistics which will give some idea of the extent of these customs and excise activities.

For the current fiscal year 1958-59 the only statistics available are for the period from April 1, 1958, to January 31, 1959. During this ten-month period the total net revenue collected amounted to \$1,543,698,181, which, compared with the corresponding period the previous year, is a decrease of \$41,383,642 or 2.7 per cent.