

*Supply—National Revenue*

practice in the department with the publication last month of order in council P.C. 1955-935, dated June 23, 1955. This is an order in council containing regulations governing payments for assistance in respect of offences against the customs laws and the Excise Act.

Under these regulations the Minister of National Revenue is permitted to pay any person for information or other aid given by that person in respect of offences against the customs laws and the Excise Act. Then there are detailed provisions as to the amount; for instance, 25 per cent of the net proceeds of any seizure, forfeiture or penalty where the net proceeds do not exceed \$5,000, together with percentages of the excess over \$5,000; and then percentages of the value of domestic goods seized and forfeited and so on, with quite a variety of provisions.

I should like to ask the minister how long it has been the practice of the department to make payments to persons for information and aid given in respect of offences against the customs laws and the Excise Act, how extensive the payments have been in recent years, and how the scale of payments set forth in the new regulations compares with the scale in effect hitherto.

**Mr. McCann:** Mr. Chairman, this has been a practice for a great many years, I think almost since confederation. I am happy to say that it is not used a great deal and that the amount we pay out in moieties is inconsiderable as compared with the revenue collected. I may state that no money now is paid to any officers or officials of the department.

**Mr. Fleming:** What was the amount paid in the last fiscal year, for example?

**Mr. McCann:** I am told that it was only a few hundred dollars all told in the last year.

**Mr. Fleming:** My other question is this. How does the scale of percentages and payments set forth in the new regulations compare with that in effect heretofore?

**Mr. McCann:** I am informed that the scale is practically the same, and that to which you have referred is just a rewriting of the regulations.

**Mr. Macdonnell:** Will the minister add a word to what he said on the precautions against the end-of-the-line dumping? Is it correct that the valuation for duty is on the basis of the sale in the country of origin over a period of six months, and not at the time of export? If so, how is that done?

**Mr. McCann:** That is right; it is over a period of six months.

**Mr. Macdonnell:** That means you have to go to the further trouble of getting prices over the whole period and averaging them?

**Mr. McCann:** Yes, the weighted average over a period of six months.

**Mr. Macdonnell:** What is the situation with regard to diplomatic clearances, the goods of diplomats coming in? What happens to their effects?

**Mr. McCann:** Goods brought in by diplomats are admitted free of customs duties and taxes and without examination; that is diplomatic immunity. This refers to all countries. Our people, when they go to foreign countries, are given exactly the same privilege.

**Mr. Macdonnell:** The minister has already answered my next question. Our own people returning get the same privilege?

**Mr. McCann:** Supposing a Canadian diplomat goes to the United States or Europe, the same privileges are given to him as we give to representatives of those countries coming into Canada. They pay no customs duties or taxes on the goods that they bring in. There is one exception to that, and that is automobiles. If an automobile were purchased by a diplomat he gets that immunity provided the automobile is not sold within a period of two years.

**Mr. Macdonnell:** Do our own returning members of the external affairs department get any concession with their effects which they may accumulate abroad?

**Mr. McCann:** Yes. People returning to this country get an exemption from taxation provided that they have been away from the country a year or over, and provided the goods have been in their possession for a period of six months. They cannot dispose of these goods within a period of 12 months, otherwise they would have to pay tax. This applies not only to diplomats but to Canadian citizens coming back to their own country.

**Mr. Macdonnell:** What is the situation with regard to premises occupied under lease by the Department of National Revenue? Is the rental paid by the department or by the Department of Public Works?

**Mr. McCann:** It is always paid by public works.

**Mr. Fleming:** Referring to the matter of payments made to persons rendering aid or furnishing information in the course of the enforcement of the provisions of the Excise Act or similar taxing acts, will the minister indicate where in the details of the estimates there is any provision made for payments