

Further examination of Taxation Division officials and a statement from the Assistant Deputy Minister (Compliance) (Appendix D, Issue No. 13) disclosed the following information:

259 individuals owed \$5.2 million.

The other eight debts: one for corporations tax; one for non-resident tax and six for unremitted tax deductions, were all for comparatively small amounts.

Further disclosure revealed that the major portion of the \$5.2 million income tax was owed by six individuals only, for a total of \$3.7 million. Three of these individuals (one now deceased) were involved in activities bordering on criminal and had removed their assets from Canada before they themselves left.

Your Committee understands that this is a continuing problem, because a person emigrating from Canada is not required to obtain a tax clearance and by the lack of any agreement with other countries for the collection of tax on a reciprocal basis and also by the apparent inability of any government to make use of the courts of another country for tax collection purposes.

Your Committee recommends that this is an area where the government should take immediate steps, perhaps by a series of agreements with other countries as well as developing its own internal procedures, to minimize the evasion of payment of income tax by persons leaving Canada or removing assets from Canada.

Your Committee notes that there are proposals pending consideration of the White Paper, "Proposals for Tax Reforms", on this problem.

DEPARTMENT OF TRANSPORT

Paragraph 189. Provision of navigational aids without charge to users.

In 1958, the Treasury Board approved proposals of the Department of Transport for the purchase and operation of chains of radio aids to marine navigation on Canada's east coast. The Treasury Board has more than once requested the Department of Transport to review the policy of providing as a public service without charge these new navigational aids for both marine and civil air operations and to give consideration to the possibility and desirability of introducing user charges for such services.

The Royal Commission on Government Organization recommended that:

Except where the Governor in Council decides otherwise, charges will be made for all services rendered to the public and the amounts thereof be so established as to recover the full cost to the government of the service supplied.

The Department's investment in these electronic navigational aids for marine services is approximately \$7 million plus annual operating costs \$1.1 million. It also costs the Government approximately \$4 million a year to operate icebreaking services.

In line with government policy and the recommendation of the Royal Commission on Government Organization, your Committee is of the opinion that the Department should apply user charges where possible and in those areas where user charges do not appear to be feasible, the Department of Transport should seek specific exemption from the regulations.