

## EVIDENCE

THURSDAY,  
March 5, 1959.  
10:30 a.m.

The CHAIRMAN: Good morning, gentlemen. We have a quorum and shall proceed. I realize there are many committee meetings this morning. May I, however, again ask you to endeavour to be prompt for our meetings.

You will recall during our last meeting on Tuesday we had the minister with us and we were discussing the general statements. The minister, unfortunately, had to attend a cabinet meeting this morning but will be with us later. Questions in respect of policy in accordance with the usual practice will be reserved for him. In the meantime, we will proceed. I think we reached the point that we were looking at the general item, item 254. May I suggest we turn to page 350 and we will take these items page by page. I shall merely call the page number until we come to the next item, item 255.

Again, in order to preserve continuity, I would ask you to complete your examination on one question before going on to the next question. We may proceed on page 350. The deputy minister, Mr. David Sim, with his officials, is in a position to answer any questions which may be put. Are there any questions on page 350?

Mr. BELL (*Carleton*): On the question of general administration, the minister the other day gave us a breakdown of the revenue by sources. Would Mr. Sim give us a breakdown of the cost of collection by the various sources, the excise tax other than sales, sales tax and excise duties and customs duties.

Mr. DAVID SIM (*Deputy Minister, Customs and Excise, Department of National Revenue*): The business of arriving at direct cost of collections in any government department is always difficult because departments are provided with free rent and the like which is not apportioned specifically to the department by the Department of Public Works. There is, however, a quick and easy way of arriving at an approximate cost, by taking the total amount collected and the total estimate of the department. That gives some idea as to whether or not the department is operating as efficiently and economically as in previous years. I will be very glad to put a complete table on the record. Perhaps the last five years would be good enough.

Mr. BELL (*Carleton*): Yes.

Mr. SIM: Starting with 1953-1954 and proceeding by fiscal years, the cost of collections in the first year was 1.61 per cent, then 1.84 per cent, 1.66 per cent, 1.67 per cent, 1.88 per cent, and for the year we are in now, the forecast is 1.90 per cent. In other words, it is less than 2 per cent as an approximate cost of collections.

Mr. BELL (*Carleton*): Those are the over-all cost percentages of all taxes and duties collected in the customs and excise division?

Mr. SIM: Yes.

Mr. BELL (*Carleton*): Is there a breakdown of that by the taxes themselves—a breakdown of the cost of the sales tax or other excise duty and the customs duty?

Mr. SIM: No. The obvious difficulty is that the same officers who collect customs duties collect sales taxes. It would be difficult to apportion the time