

Mr. CLANCY: Does the shipping firm employ the broker?

Mr. SIM: No; the broker is the agent of the importer.

Mr. HALES: Mr. Chairman, I would like to inquire about the substantial difference between living allowances and travelling expenses. What is the difference in those two items?

Mr. SIM: The increase provides for additional expense to be incurred in increasing the number of appraisers that I mentioned earlier, because we are doing more and more of this valuation investigation. It does involve more expense; besides which my general observation has been that the cost of travelling has gone up, in common with other costs.

Mr. HALES: I realize that. What are living allowances? I see an item for \$30,000 for living allowances; what does that include?

Mr. SIM: This would be allowances for officers stationed abroad, I would think. That would be what it would refer to. It is to provide for living and rental allowances of employees in New York; London, England; Prague and Tokyo.

Mr. HALES: They are paid a salary plus travelling expenses, and living allowances over and above that?

Mr. SIM: Yes. This is absolutely necessary in the centres I have mentioned; but it is common to every branch of the government that has occasion to have foreign service officers in these countries.

Mr. HALES: I do not go along with that altogether. I think if they are paid a salary and travelling expenses, that is it. I do not know why they should have living allowances as well; that is the point I am getting at.

Mr. SIM: You could not get anybody to serve abroad if you adopted that formula, because the fellow would end up in bankruptcy.

Mr. HALES: Is the salary paid not high enough to take care of that?

Mr. SIM: No, that is not it: he gets the same salary as if he were here.

Mr. HALES: What is an example of the salary paid in London, for instance?

Mr. SIM: Well, a grade 2 appraiser is paid from \$5,700 to \$6,180, and a grade 3 from \$6,480 to \$7,200.

At this point I would like to introduce Mr. Younger, who was not introduced to the committee when the other two assistant deputy ministers were introduced. I would ask Mr. Younger whether those are chiefly grade 2 appraisers.

Mr. L. R. YOUNGER (*Assistant Deputy Minister, Customs, National Revenue*): There is one grade 4, but most of them are grade 2. The allowance we make, with all due respect, is not equal in many cases to other departments. It is not the same as the Department of External Affairs and, very often, the Department of Trade and Commerce, so far as living allowances are concerned.

Mr. SIM: Perhaps I should explain that our men, by the very nature of their duties, are not required to carry on the same social activities as our friends in the Department of External Affairs and the Department of Trade and Commerce. Therefore, they do not need as much money as these others do. But I am sure we are not wasting any money in this regard.

As was indicated by Mr. Younger, our allowances to our officers abroad are on a lower scale than other officers representing Canada in these other centres.

Mr. HALES: Could you give us an example of a living allowance paid to any one of those particular men? How much was paid?