

Supply—National Revenue

which to provide the best possible service and convenience to taxpayers in this important area which has a population of some 204,000 people and embraces 54,000 square miles.

It is not anticipated that the new district office can begin operations until the end of 1956. Suitable premises must be secured, the office must be staffed, and the necessary transfer of files and records must be made from the Vancouver district office which now administers the area.

With respect to the income tax appeal board, there is an increase of \$5,870 in the appropriation required. This is mainly due to the fact that the board, consisting of four members, has been divided into two-member sittings. This procedure has accelerated the number of hearings and consequently the cost of travel and the use of court reporters will increase. There were 404 appeals filed in the calendar year 1954, and 381 were disposed of by the board during the same period. As of April 1, 1955, there was a total of 212 appeals outstanding, including 43 which are on the reserve list awaiting judgments on similar cases, or for previous years, in the exchequer court or in the supreme court.

In this brief statement I have endeavoured to bring out the more significant points related to the taxation division's estimates. If hon. members wish, I shall make answers to any questions.

There is one point I want to add, which is not included in this statement, which I think is very significant. Our whole appropriation here is to the extent of approximately \$65 million. Last year, by reason of reassessment, we collected \$72.3 million additional.

Mr. Macdonnell: Mr. Chairman, however painful our personal association may be with the income tax division, we do recognize that it does a big job and with a very considerable amount of efficiency. I was struck with two or three of the figures, particularly the number of refunds running into the millions. I suppose the answer to that is that the department, in its regulations when it is dealing with deductions at the source, has to play safe. I presume that is the reason, and perhaps the minister will say the inescapable reason, why you must have these literally millions of refunds.

I was interested in what the minister had to say about the recruiting of personnel. I wish he would say a word or two more about that and tell us just the kind of people they are looking for and the method that they are taking. He might also say a word as to the number of refund cheques which are outstanding and not claimed. I think it amounted to 75,000 some years ago. I am

wondering what the story has been since then and whether it has been found possible to get on the track of those entitled and cut down the number.

Mr. McCann: The hon. gentleman expressed it well when he said that we are supposed to play safe. That is one of the reasons. There are other reasons which enter into the matter of refunds. For instance, the marital status of a lot of people changes; their exemptions change; their deductions for church and other purposes change; their medical expenses change; and it is these changes that make the great number of refunds that have to be paid back. What I wish to say is that they are paid back very promptly, and what I wish to reiterate is this. The peak-load coincided with the bulk filing period from February to May and is promptly handled, as evidenced by the fact that 1,350,000 refunds were mailed out by April 30. That is the due date; but many people, in order to get their refunds, make their returns in January, February and March and either get their refunds in cash or have them applied to their 1955 return in this instance. In the calendar year 1954 there were 2,722,000 refund cheques mailed to taxpayers with a round dollar value of \$18 million. Of those only 15,580 cheques were in the first instance returned undelivered, but of this number 11,300 were subsequently delivered to the current addresses, leaving about 4,300 cheques still on hand having a dollar value of \$120,000.

Mr. Macdonnell: Is that for the year or is that cumulative?

Mr. McCann: That is for the year. During 1954, 99.8 per cent of the cheques were delivered, representing 99.9 per cent of the money. Despite the difficulty imposed by the time lag there remain only 65,512 undelivered refundable portion cheques for a gross value of \$3 million. That has reference to the compulsory savings principle which was in effect in 1944.

With regard to staff, we always look for competent staff to do the work. We like assessors who have a C.A. or public accountant's degree. We make it our business to attempt to employ temporarily during the summer months young men who are taking this particular course with a view to having them become employees of the department when they have completed the course. We canvass the universities with a view to having them direct to the Department of National Revenue people who are training themselves in this type of work. They make excellent assessors and as they prove their worth they can increase their grades through competitive