

Mr. NOWLAN: I did not hear the figure.

Mr. CARTER: You gave statistics; you said during the ten-month period the total net revenue collected amounted to \$1,543,698,181.

Mr. NOWLAN: Yes. I have not the breakdown in so far as different classification of goods is concerned, but I have it in so far as various classes of revenue are concerned.

The import duties, for instance—and I think this should go in the record—were forecast for the year 1958-59 which, of course, has not been quite completed; but the figure is \$478,274,220. The sales tax for the same period is \$686,349,355. Other excise taxes amount to \$236,648,271; and the excise duties, \$317,559,142. Together, with sundry collections, this makes a total of \$1,127,193, or a total revenue of \$1,719,958,181.

Mr. CARTER: That is very valuable information to have. I wonder if you could tell us now whether that decrease of \$41 million is more noticeable in any one of the categories than in another?

Mr. NOWLAN: It is a general decrease, except in respect of the excise duty. I will give you the figures for the first ten months of this past year. The import duties are \$396,763,204 or a decrease of \$21,257,000. The sales tax is \$696,511,000. I am leaving out the odd hundreds. That is a decrease of \$17,502,000. Other excise taxes, \$184,575,000, or a decrease of \$17,423,000. The excise duty is up to \$263,895,000, which is an increase of \$14,984,000 over the year before. The sundry collections, which include all the odds and ends we get in various ways from the other acts and everything else is \$1,951,000, or a decrease of \$184,000.

Mr. WINCH: I would like to ask the minister if he would explain the broad basic principles used in establishing a fair or proper price on the admission of goods into Canada upon which is based the import duty? I have in mind, of course, countries such as China with all the problems which arise there in the establishment of a price.

Mr. NOWLAN: Mr. Chairman, as the committee will remember, this matter was discussed at some length during the last days of the past session.

In general, the principle upon which our customs duties is based is the fair market value in the country of origin. That fair market value is determined by our appraiser if there are any questions raised in determining what this particular class of goods has been selling for in the country of origin. I stress the country of origin from which the goods come directly into Canada, because that is what governs. That sometimes creates a problem if the question is whether the shipment is a direct shipment or is trans-shipped, or something of that nature.

When you come to a problem such as the one to which Mr. Winch referred, in respect of a state-controlled country where no fair market value can be determined because the information is not available and the sales are perhaps not made domestically at all, or whatever the situation may be, as you can see it is almost an impossible task to determine a fair market value. This would be true in a country such as China where everything is controlled by the state. When that situation arises, where there is no yardstick by which you are able to establish the fair market value in the country of origin, under the act the minister is authorized to determine a method of fixing the fair market value.

There have been cases in the past—and in the fairly recent past—when we have had to do that. However, 80 per cent or more of the imports present no difficulty, or very little difficulty. They come directly from a country of origin such as the United States, Great Britain or France, or wherever it may be, where it is relatively easy to determine the fair market value.