
**COOPERATION WITH DEPARTMENT OF
NATIONAL REVENUE**

1. *This paper cancels T.C.S./M.I. 862 dated 7 June 54.
T.C.S./O.I. 55-24 dated 12 September 55.
T.C.S./S.A. 56-36 dated 6 November 56.
T.C.S./Act. 59-10 dated 16 March 59.
T.C.S./O.I. 59-41 dated 16 September 59.*

There will be occasions when officers of both departments can exchange information of considerable value. Representatives of the Department of National Revenue now make a practice of calling on Trade Commissioners wherever practicable. Customs Attaches on tour follow a similar practice. Every effort is made to give the Trade Commissioner advance notice of such visits.

2. Among its many duties, the Customs and Excise Division of the Department of National Revenue has the continuing problem of developing information for customs valuation, information on fair market value at time and place of shipment and, generally speaking, information likely to be useful in problems related to dumping. We can be prepared to make a contribution to their work, at request, when it can be done without creating an awkward situation. Trade Commissioners must maintain and retain the confidence of their business communities. The Department of National Revenue does not expect us to place that confidence at hazard. The Customs Officer will fully appreciate this point of view, when it is explained to him, and will be quite prepared to carry forward his inquiries on his own. Customs Officers are trained in this specialized work and have had long and successful experience in its implementation. Needless to say, officers of the Department of National Revenue conduct their investigations solely under the authority of their own Deputy Minister.

3. The Customs Act requires that goods be valued, for duty purposes, at not less than the price they attract upon open sale, in the country of export for home consumption, to customers of the same trade status and buying in like quantity as the Canadian importer. Therefore, when like goods, to those imported, are sold in the country of export, the Department of National Revenue seeks pricing information in the foreign market. When goods imported are not like the goods sold in the foreign market, the law requires that the minimum valuation be cost of production plus the same gross profit as is earned on similar goods in the country of export. In such instances, National Revenue officers are required to obtain details as to costs of production of the goods imported and, also, of the similar goods sold in the country of export, plus selling prices of the similar goods. The selling prices must be qualified as set forth in this paragraph's opening sentence.

4. Trade Commissioners abroad can be of assistance to our Canadian customs investigators in many instances. They can supply general information on the market and sometimes specific knowledge of the goods; in situations where they would not be compromising their own positions, they could