

## CUSTOMS, DUTIES AND TAXES

(2) *Note 100, Part II, Para. 3, Sub-paras. (g) and (h)*

The value of U.S. property applied by the Department of National Revenue for duty and tax purposes is as laid down under Note 100, Part II, Para. 3, Sub-para. (g) as follows: "Sales price shall be determined by CADC after calling for bids, and shall be deemed to include duty and tax payable by the purchaser to the Canadian Government".

CADC is accountable to the Department of National Revenue for that amount of the receipts collected on behalf of the Canadian Government as duties and taxes (Note 100, Part II, para. 3, Sub-para. (h)). The Department of National Revenue set a composite rate for duties and taxes and notified the President and General Manager of CADC of this composite rate by letter dated May 27th, 1950. CADC has been informed by the Department of National Revenue, Customs and Excise Branch, that this composite rate was set after taking the following factors into consideration:

- (a) All U.S. Government property reported to CADC for disposal by U.S. Agencies was not necessarily procured by the U.S. Government from sources outside Canada and due to its age and lack of records of original procurement the composite rate would apply to all U.S. property reported for disposal in Canada under Note 100.
- (b) The composite rate likewise takes into consideration the many classifications of U.S. property reported for disposal that would normally be entered into Canada duty free. Some of these classifications include heavy crawler tractors and other heavy construction equipment of a type not manufactured in Canada, specialized vehicles of models and types not manufactured in Canada, other light vehicles and equipment of models and types not manufactured in Canada, certain classifications of scrap, etc.

CADC has been advised by the Department of National Revenue that any additional reasons for or clarification of the above subject of setting the composite rate for duties and taxes should be obtained from that Department.