

C O P Y

DEPARTMENT OF NATIONAL REVENUE
CUSTOMS DIVISION

File No. 195242

Ottawa , 18th July, 1938.

Messrs. E.O. Rabe & Company,
393 Sorauren Ave.,
Toronto, Ont.

Subject: Knitting Needles from
Germany on consignment.

Gentlemen:

The Department wishes to acknowledge the receipt of your letter of the 12th instant, in which you request to be advised respecting importations of Spring Beard needles from Germany on consignment.

As you are aware the Minister of National Revenue under the authority of Section 43 of the Customs Act has fixed the value for duty of knitting needles as set forth in Appraisers' Bulletin No. 3800. It will be noted the value is expressed in terms of Canadian dollars, and this value applies in respect to goods shipped on consignment without sale prior to shipment.

Sub-section 5 of Section 6 (the dumping clause) of the Customs Tarrif provides that where goods are imported on consignment without prior to shipment , the Minister may order the collection of the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada. This refers to sales prices in Canada of consigned goods and no special duty could be deemed to be applicable where such sales prices in Canada were not less than the laid down cost at which the purchaser could legally import direct.

The laid down cost at which the purchaser could legally import would not be in excess of the fixed value plus duty and taxes, transportation charges, and any other charges which would normally accrue subsequent to shipment from the place of direct shipment to Canada.

It will be noted the selling price to the purchaser in Canada is the basis upon which the liability to Special Duty would be determined, and not the amount remitted to the exporter by his Agent as proceeds from the sale of consigned goods so that the amount of commission charged by the Agent to his principals in IS not a factor for Customs purposes.

E. O. RAY & COMPANY

Department of National Revenue,
Commissioner of Customs,
Ottawa,

The certificate on the invoice only requires the exporter to certify that the value shown on invoices is not less than the fair market value as set forth in the certificate. If the exporter desires he may show a fair market value higher than the actual, by computing the fixed value in Canadian dollars to Reichsmark at the rate of thirty-two cents to the Reichsmark. No real purpose would be served, however, as in any case valuation for duty would be at fixed value.

When it is a fact that goods are not sold prior to shipment, the N/A Forms should be used for Customs purposes, clearly indicating thereon that the goods are on consignment without prior sale to shipment.

Yours truly,

signed F.R. Sims

for Commissioner of Customs.

Yours very truly,

E. O. RAY & COMPANY

ER/BR

& C O P Y

E. O. RABE & COMPANY

Department of National Revenue,
Commissioner of Customs,
Ottawa, Ont.

July 12th, 1938.

File No. 19343
(C.S. 4542)

Import
Subject of Spring Bearded Needles
from Germany.

Dear Sir:-

We have outlined in our letter of June 13th re seizure 4542/2248 the difficulties encountered in the import of needles for the Full Fashioned Hosiery Machines and would greatly appreciate your advise how we are supposed to transact future imports under the consideration that we can be allowed a trade commission of 25 percent of first cost.

Shall we advise the manufacturer to invoice on N-A Forms thus importing the goods on consignment?

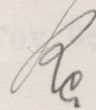
We are anxious to serve those hosiery mills which depend for technical reasons on us as suppliers for needles, but would like to have first your ruling in this matter before placing further orders with our principals.

Thanking you in advance for your early attention to the above matter, we are,

Yours very truly,

E. O. RABE & COMPANY

per



ER/SP

C O P Y

DEPARTMENT OF NATIONAL REVENUE
CUSTOMS DIVISION

File No. C.S. 4542

Ottawa, July 15th, 1938.

Messrs. E.O. Rabe & Company,
393 Sorauren Ave.,
Toronto, Ont.

Re: Seizure No. 4542/2248

Dear Sirs:-

With reference to your letter of the 12th inst. asking for the return of the documents obtained from you relative to the above numbered seizure action you are advised that while the Department will probably be quite satisfied to return same to you at a later date they are required here for the present.

If, after what you consider a reasonable delay, the documents have not been returned you may again enquire regarding same.

Yours truly,

signed C.H. Callbeck

GCK/EMJ

Chief Clerk for Commissioner of Customs.