

**MEMORANDUM**

**DEPARTMENT OF NATIONAL REVENUE  
(CUSTOMS AND EXCISE DIVISIONS)**

OTTAWA, September 18, 1953.

**TO COLLECTORS OF CUSTOMS AND EXCISE AND OTHERS CONCERNED:**

This Memorandum contains the authority granted for remission of duty and taxes and the regulations of the Minister of National Revenue made pursuant thereto in connection with the

**HAINES-FAIRBANKS PIPELINE**

On June 24, 1953 Order-in-Council P.C. 1953-7/980 was passed to cover certain importations and domestic purchases of materials, equipment and supplies used in the construction of the Haines-Fairbanks Pipeline and granted authority for the remission or refund of Customs duties and sales and excise taxes on the following:

- (a) Materials, equipment and supplies imported or purchased in Canada by the United States Government, and which are to become and to remain the property of the United States Government in Canada;
- (b) Materials, equipment and supplies imported or purchased in Canada by United States contractors, the cost of which is a direct charge to the United States Government under the terms of their contracts;
- (c) Materials and supplies imported or purchased in Canada by Canadian contractors, the cost of which is a direct charge to the United States Government under the terms of their contract;
- (d) Equipment imported or purchased in Canada by Canadian contractors, the refund claims in these cases to be filed at the end of their contract in amounts equal to the duty and taxes, calculated on the difference between the value of the equipment at the time of importation or purchase and its value at the conclusion of the contract as determined by the Department of National Revenue.

provided that—

- (1) No remission or refund will apply to goods purchased or imported for direct or indirect sale to other than the United States Government.
- (2) Articles and materials in respect of which remission or refund has been obtained, which remain on hand at the conclusion of the project, or which prior to that time are diverted for use other than mentioned herein, shall become subject to any customs duties and excise taxes ordinarily applicable, unless they are exported or destroyed, and the scrap and salvage resulting from any such destruction shall also become subject thereto, and the person who acquires the goods, whether by purchase or otherwise, shall pay, when he obtains possession thereof, the said customs duties and excise taxes levied at the rates then in effect, computed on a valuation as determined by the Department of National Revenue.

5. Claims for drawback shall be made under oath before a Collector, Justice of the Peace or Commissioner for taking Oaths, in such form as the Minister of National Revenue shall prescribe and shall, before payment, be verified to the satisfaction of the Minister, who may require, in any case, the production of such further evidence, in addition to the usual averments, as he deems necessary to establish the bona fides of the claim. Nothing in these regulations shall be deemed to alter or amend the law, or to affect any discretion vested in the Minister with respect to the payment or non-payment of drawbacks, and the Minister shall be the sole judge as to whether any claim for drawback shall be paid in whole or in part;

6. Whenever it appears to the satisfaction of the Minister that the process of manufacture into which imported goods have entered has resulted in the production of saleable by-products, the drawback otherwise payable in respect of such imported goods shall be reduced by a sum proportionate to the value of such by-products; that is to say, by a percentage equivalent to the percentage value of the by-products in relation to the total value of the goods manufactured or produced, excepting that drawback claims filed in respect of bituminous coal converted into coke shall be paid in respect of the full quantity of coal processed and represented in the coke covered by the drawback claim, without deduction for merchantable by-products or waste; and

Whenever it appears that the process of manufacture has resulted in the production of merchantable scrap or waste, drawback otherwise payable shall be reduced by a sum, representing duties and/or taxes, to be arrived at by applying to the Canadian sales value of the merchantable waste or scrap, the prevailing rates of duties and/or taxes, if any, on merchantable waste or scrap of the same kind, if imported as such; provided the prevailing rates of duties and/or taxes, if any, on the merchantable waste or scrap are not in excess of the rates of duties and/or taxes applicable to the prime imported goods. If the prevailing rates for the merchantable waste or scrap, imported as such, are in excess of the rates applicable to the prime imported goods, the rates of duties and/or taxes applicable to the prime imported goods shall be used;

7. The following documents shall be delivered with the claim for drawback, viz.:-

- (a) A copy of the import entry showing the payment of the Customs duties on the materials or articles in respect of which drawback is claimed. If a copy of the import entry, however, has been furnished with a previous claim for drawback it will be sufficient to "refer" to such copy and indicate the claim to which it was attached, without furnishing a further copy of the entry;
- (b) A certificate of importation, sale or transfer, in form prescribed by the Minister, when the claimant entitled to drawback is not the importer of the goods;
- (c) A certified true copy of the official order for the goods, which shall bear certification, signed by a recognized authorized representative of the United States Government in the following terms:

"I hereby certify that the goods described herein are for use in the construction of the Haines-Fairbanks Pipeline and are to become and remain the property of the United States Government and will be paid for by that Government and are, accordingly, exempt from duty and taxes by virtue of Order in Council P.C. 1953-7/980.

.....  
(Signature of authorized United States Government Representative).

Authorization No. ....

(4) *Authorized Exemption Certificate*

"I hereby certify that the goods described herein are for use in the construction of the Haines-Fairbanks Pipeline and are to become and remain the property of the United States Government and will be paid for by that Government and are, accordingly, exempt from duty and taxes by virtue of Order-in-Council P.C. 1953-7/980.

.....  
(Signature of Authorized United States Representative)"

Authorization No. ....

(5) *Procedure and Documentation*

All importations, refunds or drawbacks must comply with normal procedures and documentation requirements except as may be authorized by the Deputy Minister for Customs and Excise.

Deputy Minister of National Revenue,  
Customs-Excise.