



EWS

FROM **WATERLOO LUTHERAN UNIVERSITY**

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Attention: Business Editors
For Immediate Release

PROBLEMS OF EXPORTING TO U.K.

OUTLINED AT MANAGEMENT SEMINAR

Canadian companies shipping to the United Kingdom market may be required at any time to provide detailed proof of Commonwealth content, or face paying high duties, a Kitchener Dominion Electrohome Industries official believes.

David Lowater, export sales supervisor for the company, told a management seminar at Waterloo Lutheran University that companies asked to provide such proof are termed "blacklisted."

"The proof of Commonwealth content has to be supplied on each and every product and when a model change is effected, fresh costings have to be supplied," he said.

"You will be told, in writing, to supply these costings only once. Thereafter it is your responsibility to maintain up-to-date information and supply it to U.K. customs."

Mr. Lowater added that once a company is blacklisted, it remains blacklisted. There is no use complaining. It will have no effect.

"There is no set pattern to the way in which U.K. customs work and companies perhaps appear to be blacklisted at random," he said.

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Once on the list, a company must supply break-down statistics or face a levy which the customer has to pay. Here are some ways a company can get on the list:

1. If U.K. customs suspects that the product is not wholly manufactured in the Commonwealth.
2. If the goods get packed in cartons marked "Made in U.S.A." It is important not to pack goods in such cartons.
3. If the certificate of origin is made out incorrectly, even though it may be simply a clerical error.

Mr. Lowater listed many factors that must be kept in mind if the product shipped to Britain is to qualify.

He warned that goods brought into Canada, then finished, must change their essential character. It is not sufficient for them to be subjected to merely a finishing process.

If goods are shipped knocked-down, to be assembled in Britain, the Commonwealth content must be shown for each unit, even though collectively the parts form a finished product.

Items manufactured outside the Commonwealth from Canadian raw materials have no Commonwealth content. For example, clothing made in the U.S. from Australian wool, is treated as wholly non-Commonwealth.