



NEWS

FROM **WATERLOO LUTHERAN UNIVERSITY**

WATERLOO UNIVERSITY COLLEGE - WATERLOO LUTHERAN SEMINARY

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046-1967
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March 8, 1967

For Immediate Release

Once 'Blacklisted,' Always 'Blacklisted'
When Exporting to British Market

United Kingdom customs are "well aware" that many Canadian companies are subsidiaries of United States firms and keep a close watch on Commonwealth content a Dominion Electrohome Industries official has warned.

David Lowater, export sales manager for the company, told an export management seminar at Waterloo Lutheran University that Canadian companies shipping to the U.K. market can be called upon at any time to provide detailed proof of Commonwealth content, or pay higher duties.

Companies asked to provide such proof are termed "blacklisted" and once on the list there is no way of getting off. Complaints to U.K. customs achieve nothing, he said.

"Once you are blacklisted, the proof of Commonwealth content must be supplied on each and every product and when a model change is affected, fresh costings have to be supplied."

Here are some of the ways a company gets on the blacklist:

1. If U.K. customs suspect that the product is not wholly manufactured in the Commonwealth.

2. If the goods are 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 purely a clerical error.

Mr. Lowater told businessmen and students attending the seminar that many factors 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.

"The first time you are called upon to prove the Commonwealth content, you will find it discouraging and frustrating," he added. "Many companies have had to fly representatives to London to sit down with U.K. customs, before they could complete a cost analysis to the satisfaction of the British government."

"I can only add that, while all I have said may sound discouraging, it should not deter you from exporting to Britain. It is a vast market with 56,000,000 people and has a tremendous buying power."