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Chicago  
and the  
Midwest  
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markets  
for canadian  
exporters

**UNITED STATES**

**CHICAGO AND THE MIDWEST**

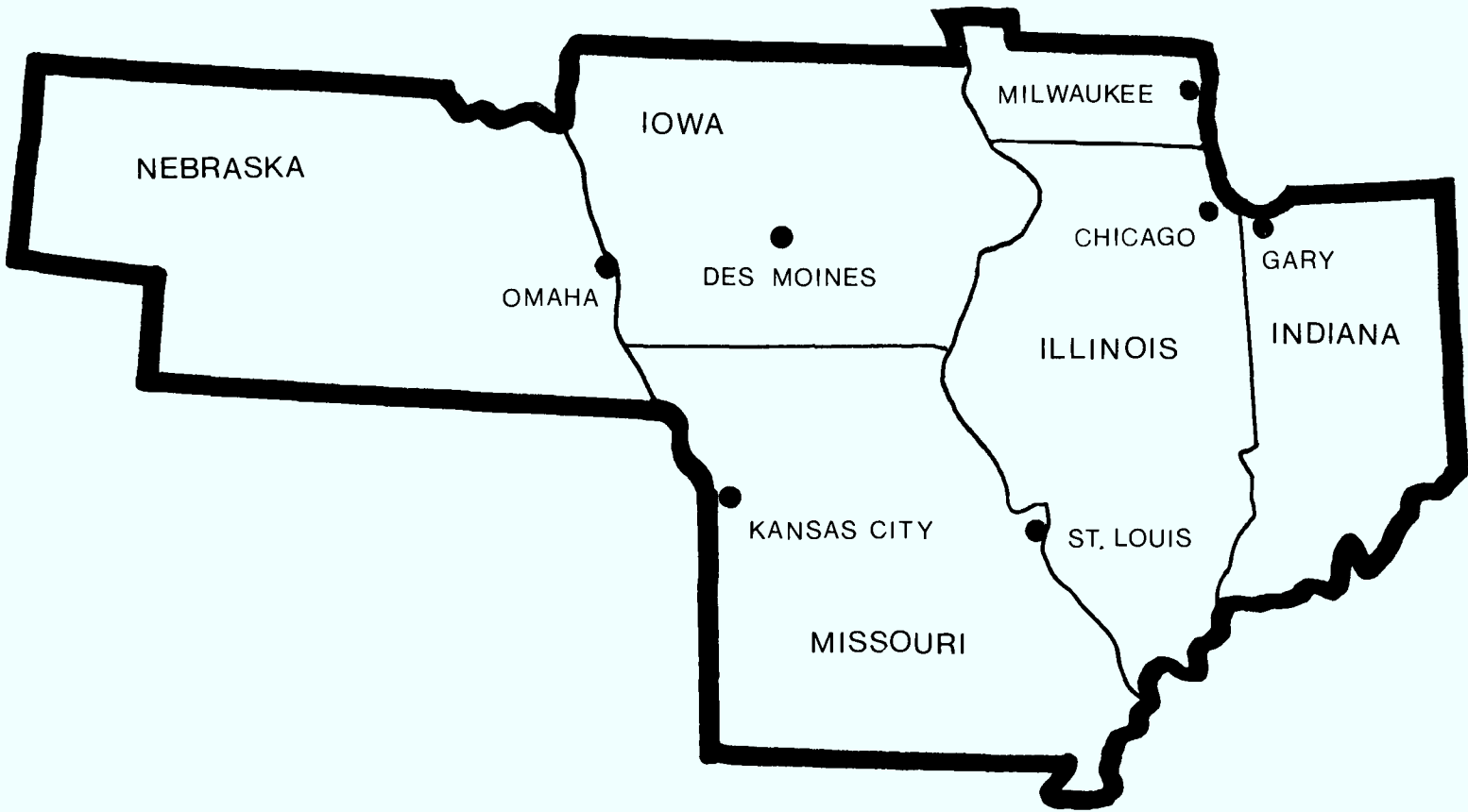


Government  
of Canada

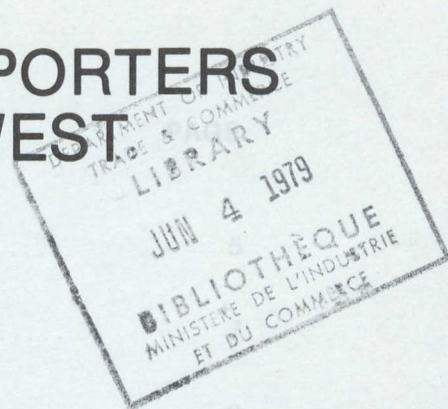
Gouvernement  
du Canada

Industry, Trade  
and Commerce

Industrie  
et Commerce



# MARKETS FOR CANADIAN EXPORTERS CHICAGO AND THE MIDWEST



I GENERAL

II ECONOMY AND INDUSTRY

III SELLING TO CHICAGO TERRITORY

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VII USEFUL ADDRESSES

TRADE OFFICE RESPONSIBLE:

TOTAL TRADE TERRITORY:

CHICAGO

States of Illinois, Iowa, Missouri, Nebraska, Southern Wisconsin

FOR FURTHER INFORMATION:

Commercial Division  
Canadian Consulate General  
310 South Michigan Avenue  
Suite 2000  
Chicago, IL 60604  
Tel: (312) 427-1031  
Telex: 00254171 (DOMCAN CGO)

United States Division  
Western Hemisphere Bureau  
Department of Industry, Trade and Commerce  
C. D. Howe Building  
235 Queen Street  
Ottawa, Ontario K1A 0H5  
Tel: (613) 992-4638  
Telex: 053-4124



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## I. GENERAL

### Area and Geography

The commercial division of the Canadian Consulate General in Chicago covers the states of



## THE MARKET

### Illinois

Area: 146,332 square kilometres (56,499 square miles)  
 Population: 11,229,000  
 Capital: Springfield (97,250)  
 Main Commercial Centre: Chicago (3,108,700)  
 Per Capita Income: \$7,432  
 Leading Industries: agriculture, machinery, food processing,  
 electrical machinery, primary metals,  
 transportation equipment

### Iowa

Area: 145,790 square kilometres (56,290 square miles)  
 Population: 2,870,000  
 Capital: Des Moines (201,404)  
 Per Capita Income: \$6,439  
 Leading Industries: agriculture, farm implements

### Missouri

Area: 180,486 square kilometres (69,686 square miles)  
 Population: 4,778,000  
 Capital: Jefferson City (32,407)  
 Main Commercial Centres: St. Louis (534,100)  
 Kansas City (527,766)  
 Per Capita Income: \$6,005  
 Leading Industries: agriculture, aerospace, transportation  
 equipment, aircraft and auto assemblies

### Nebraska

Area: 200,017 square kilometres (77,227 square miles)  
 Population: 1,553,000  
 Capital: Lincoln (149,518)  
 Main Commercial Centre: Omaha (377,000)  
 Per Capita Income: \$6,240  
 Leading Industries: agriculture, food processing, electrical  
 machinery

### Wisconsin (southern portion)

Area: 64,750 square kilometres (25,000 square miles)  
 Population: 3,500,000  
 Capital: Madison (168,671)  
 Main Commercial Centre: Milwaukee (666,400)  
 Per Capita Income: \$6,293  
 Leading Industries: agriculture, dairy products, food  
 processing

## I. GENERAL

### Area and Geography

The commercial division of the Canadian Consulate General in Chicago covers the states of

Illinois, Iowa, Missouri, Nebraska and southern Wisconsin. The total area is 737,119 km<sup>2</sup> (284,603 sq. mi.).

The broad plains of Illinois and Iowa contain some of the finest soil in the world. Gentle rolling hills in addition to fertile lowlands can be found in Missouri, Nebraska and Wisconsin. The Missouri and Mississippi Rivers wind through the territory.

## Climate

The climate is typical of the midwest — varied and changeable with moderately heavy snowfalls in winter and some days of great heat and humidity, with thunderstorms and tornadoes, in summer.

## Local Time

Central Standard and Daylight Saving Time is used throughout the territory.

## Weights and Measures, Electricity

U.S. measures that differ from those used in Canada are:

- 1 U.S. pint = 16 fluid ounces = 473.12 millilitres
- 1 U.S. quart = 32 fluid ounces = 946.24 millilitres
- 1 U.S. gallon = 128 fluid ounces = 3,784.96 millilitres
- 1 Imperial proof gallon = 1.36 U.S. proof gallons = 5.15 litres

Electricity for domestic use is supplied at 115 volts, 60 cycles AC.

## Public Holidays

|                       |                                                                                    |
|-----------------------|------------------------------------------------------------------------------------|
| New Year's Day        | January 1                                                                          |
| Lincoln's Birthday    | February 12                                                                        |
| Washington's Birthday | February, third Monday                                                             |
| Good Friday           |                                                                                    |
| Memorial Day          | May, last Monday                                                                   |
| Independence Day      | July 4                                                                             |
| Labor Day             | September, first Monday                                                            |
| Columbus Day          | October, second Monday                                                             |
| Election Day          | November, first Tuesday after the first Monday<br>in year of Presidential election |
| Veterans Day          | November 11                                                                        |
| Thanksgiving Day      | November, fourth Thursday                                                          |
| Christmas Day         | December 25                                                                        |

The Canadian Consulate General observes the more important U.S. holidays together with Canada Day, July 1, and Canadian Thanksgiving Day, October.

In practice, business slows during the Christmas/New Year and July/August periods.



## II. ECONOMY AND INDUSTRY

The midwest states serviced by the Chicago Industry, Trade and Commerce office are rich in minerals. Illinois has large oil and bituminous coal reserves. Missouri leads the nation in lead output and joins Iowa, Nebraska and Wisconsin in the production of cement, lime and zinc.

All five states are manufacturing and agriculture strongholds. The total value added by manufacturing in 1975 was more than \$46.7 billion. In addition, total farm receipts in this area in 1975 amounted to \$16.5 billion.

There are roughly 40,000 manufacturing operations in the five-state area and it is "home base" for a substantial number of multinational corporations. The leading major industry groups in terms of value added are:

1. Machinery: particularly construction and farm
2. Primary metals: chiefly iron and steel
3. Transportation equipment: railroads, aircraft, automobile
4. Chemicals
5. Food processing and electrical machinery
6. Communication equipment and household appliances

The financial, distribution and marketing centre for the midwest states is Chicago. Chicago is also the largest industrial centre in the United States — (there are only nine countries in the world that generate a gross product in excess of Chicago). For the Canadian manufacturer thinking of exporting to the United States, here are a few interesting facts concerning Chicago.

- Chicago is the centre of the nation's most compact market. Forty per cent of America's demand lies within an 800-km (500-mi.) radius and 20 per cent of the demand is within a 480-km (300-mi.) radius.
- Within 800 km (500 mi.) of Chicago, total retail sales amount to one-third of the national total of \$197 billion, and the Chicago metropolitan area accounts for more than \$21 billion of total retail sales.
- One-third of the total home furnishings retail sales comes from within a radius of 800 km (500 mi.) of Chicago. This amounts to approximately \$10 billion, and the metropolitan Chicago area accounts for at least \$1 billion of this total.

As a marketplace, the five-state area provides remarkable opportunities for Canadian manufacturers. The major target markets are in the consumer, defence and industrial sectors.

The major metropolitan areas in the territory are experiencing steady increases in new construction, rehabilitation of old units and urban homesteading. This, coupled with a single-family unit housing boom, has fuelled the construction industry fostering sales of building materials as well as consumer durables such as furniture and appliances thus making for an attractive market.

Canadian manufacturers of consumer products should be aware that Chicago is the home of the world's largest wholesale buying and trade centre. The centre — The Merchandise Mart, Apparel Centre Complex — attracts thousands of retailers, importers, wholesalers, architects and designers as well as institutional buyers on a year-round basis. These are all key decision makers in the marketing and distribution of products in the United States.

As an apparel centre and market, the Merchandise Mart complex rivals New York and is second to none as a centre for contract furniture.

Chicago is host to more trade shows, conventions and fairs than any other city in the country. About 1,000 such events attract more than two million persons annually. McCormick Place exhibition hall attracts some of the world's largest shows with its 65,000 m<sup>2</sup> (700,000 sq. ft.) of exhibiting space.

With a disposable income of one-third of the national total — approximately \$155 billion within an 800-km (500-mi.) radius of Chicago — and its major retail outlets and mail order houses (including Sears Roebuck & Co. and Montgomery Ward & Co.) — Chicago has become the major consumer market.

As an industrial and defence market, this area is readily accessible to the Canadian manufacturer. Canadian exporters enjoy preferred access to this market, explicitly where products enter under the terms of the Autopact and Defence Sharing Agreement. In all other cases, sales success is due to close proximity, compatible technology and standards, parallel business practices and adaptability. Contributing to this is also the fact that Canada is a substantial market for U.S. manufacturers.

One market within the industrial sector that affords significant opportunities to Canadian exporters is components for the construction and agricultural equipment manufacturers. This market is composed of a small number of major firms based in the Chicago territory. Among these firms are Allis-Chalmers, Deere and Company, International Harvester, Caterpillar and Massey-Ferguson. The total value of shipments for this industry was \$21 billion in 1976 and purchases of component parts, raw materials and manufacturing services were approximately \$10 billion.

The list of components purchased by this sector is enormous and includes just about anything . . . and everything. For example, John Deere's Waterloo tractor plant purchased roughly 240 different categories of components to produce its tractor.

### **III. SELLING TO CHICAGO TERRITORY**

#### **Opportunities for Canadian Producers**

Despite already substantial sales of Canadian goods, tremendous potential exists for new Canadian exporters and new Canadian products. Buyers are interested in almost any item that can compete in quality, distinctiveness and laid-down price. Many existing U.S. supply sources are more distant than potentially competitive ones in Canada.

Centrally located, the five-state territory is in the heartland of the U.S. Chicago, the third largest metropolitan area in America, handles more freight trains than any other city and claims the world's busiest commercial airport.

#### **The Canadian Image**

Many American businessmen are not aware of the high level of development of Canadian industry and have misconceptions about Canadian design and quality. U.S. firms often do not regard Canada as "foreign" and Canadian merchandise consequently is bought and invoiced through domestic purchasing departments — which can work to your advantage. Proximity to Canada and personal and corporate connections result in receptivity and a willingness to buy on the same basis as from domestic U.S. sources.

## Positive Sales Psychology

Canadian exporters may face a double challenge: to sell as an American vendor sells and to overcome misconceptions about Canadian capabilities. The buyer must be assured that there is nothing risky about doing business with Canada or with a new supplier.

Before selling in the United States, Canadian companies should:

- 1) Go after business on a continuing basis;
- 2) Make the first impression a positive one, to a degree they might not consider important in Canada;
- 3) Quote, deliver and follow-up aggressively in competition with U.S. suppliers.

## The Initial Approach

The best introduction is by personal visit. Some type of representative or distributor may be appointed later but large volume buyers usually want to meet their prospective suppliers personally.

Appointments often are necessary with individual buyers and, as a matter of good form, it is usually advisable to start with the director of purchasing or his equivalent and through him meet the proper buyers. Advance notification in this case is also suggested.

A complete presentation on the first call is important. This should include literature, specifications, samples if possible and all the price, delivery and quality-control information a buyer needs to evaluate your capabilities against his current sources. Many buyers keep up-to-date records on their suppliers. A favourable impression is made if a résumé including the following can be supplied at the time of the first visit:

- vendor's name, address and telephone number;
- name, address and telephone of local representative if applicable;
- date established;
- size of plant;
- number of employees;
- principal products;
- location of plant;
- description of production facilities equipment;
- description of quality-control facilities and procedures;
- transportation facilities;
- approximate yearly sales volume;
- list of representative customers;
- financial and credit rating.

However, before visiting this territory we suggest that you write to the Canadian Consulate General, Commercial Division, Suite 2000, 310 South Michigan Avenue, Chicago, Illinois 60604, to obtain some preliminary information on opportunities existing there. Your letter should contain the following information:

- 1) A summary of your past experience in this market territory;
- 2) The channel of distribution you wish to pursue;
- 3) Prices f.o.b. factory but also c.i.f. Chicago including the U.S. customs duty;
- 4) Delivery time scheduling from date of receipt of order;
- 5) Warranty offered;
- 6) Rate of commission to manufacturer's representative or percentage discount structure for a distributor.

## **Reciprocal Visits**

Many buying organizations survey new vendors' facilities personally before placing continuing business. If they do not come as a matter of course, it is good sales strategy to invite them.

## **Following Up the Initial Call**

United States buyers expect to be called upon more frequently than their Canadian counterparts. This may be as often as every two weeks at some periods of the buying year. Although some Canadian companies may lack the sales force to accomplish this, the problem can be overcome by appointing a manufacturer's representative or selling through brokers, jobbers or distributors as the situation warrants.

## **Price Quotations**

Quotations should be submitted both on a laid-down basis, buyer's warehouse or factory, and an f.o.b. Canadian plant basis exclusive of Canadian sales and excise taxes. Always quote in U.S. funds unless specifically requested otherwise. The landed price should include transportation charges, U.S. customs duties if applicable, brokerage fees and insurance. The quotation should be comparable in format to quotations from United States sources. Buyers cannot be expected to understand or be sympathetic with customs duties or other matters peculiar to international transactions. This is solely the responsibility of the Canadian exporter and a "cost" of international business.

Canadian exporters may not be granted the same opportunities for renegotiating initial quotations as they have been accustomed to in Canada. This is because U.S. buyers must often work to tighter purchasing deadlines and target prices. Thus they may have to accept the first bid as final.

## **The Manufacturer's Representative**

The commission agent or manufacturer's representative is more commonly used as sales technique in the U.S. than in Canada. The better "reps" are highly qualified by education, training and experience. They know their customers and call regularly, not only on the buying level but on engineering, design and quality-control offices as well. The advantages of the rep include economy, closer contacts with buyers — sometimes social — and closeness to the scene of possible problems. The Canadian Consulate General in Chicago maintains information on the majority of manufacturers' representatives operating in its market territory and can often make suitable suggestions for Canadian manufacturers.

## **Delivery**

Delivery must be exactly to customers' specifications and these are as rigid as any in the world. Many U.S. plants work on inventories as short as one or two days and could be shut down by a delay of a few hours. Failure to adhere to rigid delivery schedules is one of the surest ways of not being asked to quote again.

## **The Defence Market**

The Consulate territory is currently the third largest region for Canadian defence exports to the U.S. but remains significantly underdeveloped.

Two major U.S. army commands are located in the territory.

U.S. Army Troop Support & Aviation Materiel Readiness Command (TSARCOM) in St. Louis, Missouri, annually spends \$1.1 billion procuring aviation and logistical support equipment for the army.

U.S. Army Armament Materiel Readiness Command (ARRCOM) in Rock Island, Illinois, annually spends \$2.3 billion procuring ammunition and weapons for army requirements.

St. Louis is also the headquarters and principal manufacturing site of McDonnell Douglas Corporation, the largest U.S. defence contractor.

A significant number of other prime and major subsidiaries of large defence contractors with local purchasing autonomy are scattered throughout the five-state territory. Suppliers must be registered with the Commands to be eligible for direct bid opportunities but promoting your expertise to individual procurement officers is a necessity for continuing sales opportunities.

Local buyers wish to evaluate Canadian firms on the same price/quality/delivery formula used for their U.S. suppliers and the onus rests on the Canadian exporter to see that no difficulties are presented with regard to duties and customs clearance. A working knowledge of the role of the Canadian Commercial Corporation in sales to the U.S. Department of Defence and the duty-free entry provisions of the Canada/United States Defence Sharing Agreement can be obtained from:

Chief, U.S. Division  
 Defence Programs Branch (32/2)  
 Department of Industry, Trade and Commerce  
 240 Sparks Street  
 Ottawa, Ontario, Canada K1A 0H5

Canadian Consulate General personnel are equipped to advise exporters of both technical requirements and market opportunities in this sector.

## **IV. SERVICES FOR EXPORTERS**

### **Banking**

There are five Canadian banks with representatives in Chicago. In addition, the international divisions of the Canadian banks in Montreal and Toronto are in a position to assist exporters.

Please refer to Part VII of this booklet "Useful Addresses" for a listing of local banks serving this market.

### **Patents, Trademarks and Copyrights**

A very informative booklet entitled "General Information Concerning Patents" is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20302, at a cost of 75 cents.

**Patents** — All business with the Patent Office should be transacted in writing and all letters addressed to the Commissioner of Patents, Washington, DC 20231.

The patent laws of the U.S. make no discrimination with respect to the citizenship of the inventor. However, the application for patent in the U.S. must be made by the inventor and the inventor must sign the papers (with certain exceptions).

Most inventors employ the services of persons known as patent attorneys or patent agents. The Patent Office does, however, publish a list of all registered patent attorneys and agents who have indicated their availability to accept new clients, arranged by states, cities, and foreign countries.

**Trademarks** — A trademark relates to the name or symbol used in trade with goods to indicate the source or origin of the goods. Trademark rights will prevent others from using the same name on the same goods, but do not prevent others from making the same goods without using the trademark.

The procedure relating to the registration of trademarks and some general information concerning trademarks is given in a pamphlet called "General Information Concerning Trademarks", which may be obtained from the Patent Office on request.

**Copyright** — Copyright protects the writings of an author against copying. Literary, dramatic, musical and artistic works are included within the protection of the copyright law, which in some instances also confers performing and recording rights. The copyright goes to the form of expression rather than the subject matter of writing. *Note* that copyrights are registered in the Copyright Office in the Library of Congress and that the *Patent Office has nothing whatever to do with copyrights*. Information concerning copyrights may be obtained by addressing: Register of Copyrights, Library of Congress, Washington, DC 20540.

### **Canadian-American Commercial Arbitration Commission**

Reference to this Commission is often made in standard commercial contracts between Canadian and American companies. In the event of disputes, the Canadian firm simply refers to the Canadian Chamber of Commerce, 1080 Beaver Hall Hill, Room 712, Montreal, Quebec H2Z 1T2, and the American firm refers to the American Arbitration Association, 140 West 51st Street, New York, NY 10020.

## **V. CUSTOMS REGULATIONS AND DOCUMENTATION**

### **U.S. Exports to Canada**

Enquiries concerning the importation of U.S. products into Canada should be referred to the United States Embassy, 100 Wellington Street, Ottawa or the U.S. Consulate or Consulate-General in Vancouver, Calgary, Winnipeg, Toronto, Montreal, Quebec, Saint John, Halifax or St. John's.

### **Canadian Export Documents**

All Canadian exports to the United States, even when accompanying returned American merchandise, must be accompanied by Canada customs export form B-13. Canada customs requires three copies at the same time of exportation, but it is wise to prepare at least five. Two numbered copies will then be returned to the exporter unless otherwise specified on the B-13. By doing this, the exporter avoids having to submit a form C-6 for additional certified copies of the

B-13 should the goods be returned to Canada for any reason. Two numbered copies of the B-13 must always accompany the Canada customs entry as proof of export. B-13 forms may be obtained from Canada customs.

## **U.S. Customs and Market Access Information**

To enjoy success in the United States market, a Canadian exporter requires market access information which falls into two basic categories: customs and non-customs. The former covers subjects such as documentation, tariff classification, value for duty and rates of duty, while the latter relates to the many other U.S. laws affecting imports such as food and drugs, consumer product safety, environmental protection and so on. Exporters are strongly urged to obtain all market access information on new products to be marketed in the U.S. from the U.S. Division of the Department of Industry, Trade and Commerce, in Ottawa. The Division is constantly liaising with U.S. customs and other agencies on behalf of Canadian exporters, and over the years has developed an in-depth knowledge of the interpretation and implementation of regulations governing access for imports into the U.S. market.

The address is:

United States Division  
 Western Hemisphere Bureau  
 Department of Industry, Trade and Commerce  
 235 Queen Street  
 Ottawa, Ontario  
 K1A 0H5  
 Tel: (613) 996-5471

## **U.S. Customs Regulations and Documentation Tariff Classification and Value for Duty**

### **Request for Prospective Rulings**

The U.S. Division can obtain a PROSPECTIVE CUSTOMS RULING from Washington on behalf of a Canadian exporter for articles which have not yet been exported and are not at present under consideration by the U.S. Customs Service, provided that the following information is supplied. Failure to supply all of this information will only result in delays and confusion for the exporter.

### **General**

- a) We require a written request signed by a person who has a direct and demonstrable interest in the question, also indicating that the merchandise or subject of the request has not previously, or is not now, under consideration by any U.S. Customs Service field office.
- b) Also, include a statement of all facts relating to the transaction such as names and addresses and other identifying information of all interested parties (if known), the probable port of arrival in the United States and a description of the transaction appropriate in detail to the ruling requested.

### **Tariff Classification Ruling**

In addition to A and B above, the following information is required for a tariff classification ruling:

- 1) A full and complete description of the article.
- 2) The chief use of the article in the United States.
- 3) The commercial, common or technical description.
- 4) Metal, wood and mineral objects and combinations thereof should include a statement of the relative quantity (by weight and volume) and the value of each in order to determine the material in chief value and weight.

- 5) Textile materials and articles should be identified as in (4) and include the method of construction such as knit or woven, the fibres present in percentage by value and if wearing apparel, for whom it is designed to be worn.
- 6) Chemical products should be identified by their specifications and chemical analysis including a sample for U.S. customs use. Particular reference should be made if any part of the formula consists of a benzenoid chemical or its derivative stating the function of such chemical in the product.
- 7) Photographs, drawings or other pictorial representations of the articles should be submitted when samples are not sent.

## Valuation Ruling

In addition to A and B above, the following information is required for a Valuation Ruling:

- 1) All information required on a U.S. special customs invoice form 5515.
- 2) The nature of the transaction, whether f.o.b./c.i.f., ex factory or some other arrangement.
- 3) Relationship of parties (if any), whether the transaction is at arms-length (i.e. between unrelated parties) and whether there have been other sales of the same or similar merchandise in the country of exportation, whether an agency situation exists and an explanation or copy of any agreement, contract or other relevant document.
- 4) A full description of the merchandise in order to determine if section 402 or 402(a) of the Tariff Act of 1930 applies and other relevant information required under the appropriate section.

**Note:** Privileged or confidential information should be clearly marked with an explanation as to why it is considered confidential.

## Request for Internal Advice Rulings

Part 177.1(a)(2) of the Customs Regulations of the United States requires that questions arising in connection with current or completed transactions should be resolved by means of the INTERNAL ADVICE PROCEDURE at the port where entry was made. The request for an internal advice ruling can be filed by either the importer or his customs broker. The field office personnel will review the request and notify the importer of any points with which they do not agree.

The U.S. Division can provide valuable assistance and suggestions regarding points of law and previous customs practice which may support the importer's case.

Requests for advice from the U.S. Division should contain:

- 1) Copies of *all* documents related to the entry of the merchandise to which the request refers including those issued by U.S. customs.
- 2) A statement of *all* facts relative to the transaction from a commercial point of view such as domestic and foreign billing practices, price-list terms, end use of the goods, literature, drawings, pictures, method of shipment and all other pertinent facts.
- 3) A statement generally following the outline under "Request for Prospective Ruling". The U.S. Customs Service may, at its discretion refuse to consider a request for internal advice if, in its opinion, there is a clear and definitive precedent that supports its position. If the importer is not in agreement with this position, he may request a "Protest Review Decision".

## Request for Protest Review

When an importer does not agree with a decision of the U.S. Customs Service, he may request a PROTEST REVIEW within 90 days from the date of liquidation. The U.S. Division can assist the importer and his broker by providing advice and suggestions on what information can be used to support the importer's case.



## Entry at Customs

Goods may be "entered for consumption" at the port of arrival in the United States, whether at seaboard or on a land border, or the goods may be transported in bond to an inland port of entry and there entered for consumption.

For such transportation in bond to an interior port, an immediate transportation entry (I.T.) must be filled out at the port of arrival by either the consignee, the carrier, the U.S. customs broker or any other person having a sufficient interest in the goods for that purpose. In cases where the Canadian exporter assumes responsibility for entering the goods through U.S. customs, he may find that there are advantages in having shipments entered for consumption at the nearest or most convenient port of arrival. In this way he can remain in close touch with the broker and U.S. customs at that port of entry. However, where the U.S. purchaser intends making his own entries, it may be more convenient to have the goods transported in bond from the port of arrival to the interior port nearest the importer.

## Who May Enter Goods

Goods may be entered by the consignee, his authorized employees or his agent. The only agents who can act for importers in customs matters are licensed U.S. customhouse brokers. They prepare and file the necessary customs entries, arrange for payments of duties and release of goods.

The railway express companies or other transport companies may be prepared in certain cases to enter packages through customs for the account of the exporter. If there is some difficulty or special problem connected with a shipment, the carriers may turn the matter over to a U.S. customs broker at the exporter's expense.

Goods may be entered by the consignee named on the bill of lading under which they are shipped or by the holder of the bill of lading duly endorsed by the consignee. When the goods are consigned "to order" they may be entered by the holder of the bill of lading duly endorsed by the consignor. In most instances entry is made by a person or firm certified by the carrier to be the owner of the goods for customs purposes. When goods are not imported by a common carrier, possession of the goods at the time of arrival in the United States is sufficient evidence of the right to make entry.

A non-resident of the United States may make entry of his own goods as may a non-resident partnership or a foreign corporation. But the surety on any customs bond required from a non-resident individual, partnership or corporation must be incorporated in the United States. When merchandise is entered in the name of a Canadian corporation, that corporation must have a resident agent in the state of entry who is authorized to accept service of process in the corporation's behalf.

In general, to facilitate clearance of customs it is advisable to contact a licensed U.S. customs broker who will outline the services he can provide, together with particulars on brokerage fees and other related matters.

## Documentation

Normally the only documents required when shipping to the United States are a bill of lading as well as a special U.S. customs invoice 5515 and/or commercial invoice (preferably both). The use of a typewriter in preparing documents is preferred; in any case, they should be legible.

Note: Do not use red ink to fill out documents.

## **Bill of Lading**

Normally a bill of lading for Canadian shipments is required by U.S. customs authorities. In lieu of the bill of lading the shipping receipt may be accepted if customs is satisfied that no bill of lading has been issued. Entry and release of merchandise may be permitted without the bill of lading if satisfactory bond is given in a sum equal to one and one-half times the invoice value of the merchandise. A carrier's certificate or duplicate bill of lading may, in certain circumstances, be acceptable.

## **Invoice**

Shipments in excess of \$500 and subject to an ad valorem rate of duty, conditionally free of duty or subject to duty depending in some manner upon its value, should be accompanied at entry by a U.S. special customs invoice form 5515. However, copies of the commercial invoice are sufficient for shipments with an aggregate value of less than \$500, duty-free shipments or shipments of articles subject to specific rates of duty.

## **Completion of Form 5515**

U.S. customs forms 5515 are available free of charge from U.S. consular offices in Canada or can be obtained from commercial stationers. While only one copy is required by U.S. customs, it is usual to forward three: one for the use of U.S. customs when the goods are examined, one to accompany the entry and one for the U.S. custom broker's file. District directors of U.S. customs are authorized to waive production of special and commercial invoices if satisfied that the importer, because of conditions beyond his control, cannot furnish a complete and accurate invoice; or that a classification, appraisalment and liquidation can properly be made without the production of such an invoice. In these cases, the importer must file the following with the entry:

- 1) any invoice received from the seller or shipper
- 2) a statement pointing out in exact detail any inaccuracies or omissions in such invoice
- 3) an executed pro forma invoice
- 4) any other information required for classification or appraisalment.

Special information with respect to certain classes of goods is sometimes required when either the customs or commercial invoice does not give sufficient information to permit classification and appraisal.

## **Packing List**

U.S. customs authorities require three copies of a detailed packing list. This should indicate what is in each box, barrel or package in the shipment. If the shipment is uniformly packed, this can be stated on the invoice indicating how many items are in each container.

## **Payment of Duties**

There is no provision for prepayment of duties in Canada before exportation to the United States but it is feasible for the Canadian exporter to arrange for payment by a U.S. customs broker or other agent and thus be able to offer his goods to U.S. buyers at a duty-paid price.

Liability for payment of duty usually becomes fixed at the time an entry (either for consumption or warehouse) is filed with U.S. customs. The liability is fixed, but not the amount of duty which is only estimated at the time of the original entry. When the entry is liquidated, the final rate and amount of duty is ascertained. Obligation for payment is upon the person or firm in whose name the entry is filed.

### **Temporary Free Importation**

Certain articles not imported for sale may be admitted into the United States under bond without the payment of duty.

Such articles must in most cases be exported within one year of the date of importation. Upon application to the district director, this period may be extended for a period not to exceed a total of three years.

Such articles may include the following:

- articles for repair, alterations or processing (not manufacture)
- models of women's wearing apparel by manufacturers
- not for sale samples for order-taking (not to include photo-engraved printing plates for reproduction)
- motion picture advertising films
- articles for testing, experimental or review purposes (plans, blueprints, photographs for use in study or for experimental purposes may be included). In the case of such articles satisfactory proof of destruction as a result of the tests with the production of a proper affidavit of destruction will relieve the obligation of exportation
- containers for merchandise during transportation
- models imported by illustrators and photographers for use solely in illustrating
- professional equipment, tools of trade, repair components for equipment or tools admitted under this item and camping equipment; all the foregoing imported by or for non-residents sojourning temporarily in the United States and for use by such non-residents
- articles of special design for temporary use exclusively in the production of articles for export
- works of art, photographs, philosophical and scientific apparatus brought into the U.S. by professional artists, lecturers or scientists for use in exhibition and promotion of art, science and industry
- automobiles, automobile chassis, automobile bodies — finished, unfinished or cutaway when intended solely for show purposes. The temporary importation bond in the case of these articles is limited to six months with no right of extension.

### **Commercial Travellers — Samples**

Samples accompanying a commercial traveller may be admitted and entered on the importer's baggage declaration. In such cases, an adequate descriptive list or a U.S. special customs invoice must be provided. The personal bond of the commercial traveller is usually accepted to guarantee the timely exportation of the samples under U.S. customs supervision. Penalty for failure to export the samples entails loss of the privilege on future trips.

### **U.S. Anti-Dumping and Countervail Statutes**

Due to the complexity of these statutes, exporters are encouraged to contact the U.S. Division of the Department of Industry, Trade and Commerce for answers to any specific questions.

### **Anti-Dumping**

If a U.S. company has reason to believe that a product is being sold in the U.S. at a price lower than the price at which it is sold in its home market, an anti-dumping complaint may be filed with the U.S. Treasury Department. The anti-dumping petition must contain information to support the dumping allegations along with evidence of injury suffered by the U.S. industry affected.

A U.S. anti-dumping investigation must be conducted within specified time frames:

1. Within 30 days of receipt of an anti-dumping petition, the Secretary of the Treasury must decide whether or not to initiate an investigation.
2. Within six months (nine months in complicated cases) of the initiation of an investigation, the Secretary of the Treasury must issue a preliminary determination on whether or not there are sales at less than fair value, i.e. dumped prices.
3. If sales were made at less than fair value, the matter would be referred to the U.S. International Trade Commission (ITC) for an injury determination which must be made within three months of the date of referral to the commission.
4. If the International Trade Commission (ITC) finds injury to a U.S. industry, an anti-dumping finding would be issued.

### **Countervail**

Under the U.S. Countervailing Duty Statute, an additional duty may be imposed upon dutiable articles imported into the United States if any bounty or grant upon their manufacture production or export has been made. The U.S. Trade Act of 1974 enlarged the scope of the U.S. Countervailing Duty Statute to include duty-free goods. This amendment brings within the purview of the law the 70 per cent of Canadian exports to the U.S. which were previously exempt. Application of countervailing duty against free merchandise will in most cases be subject to an injury determination by the U.S. International Trade Commission.

## **Marking of Goods**

### **Country of Origin Marking**

All goods must be legibly and conspicuously marked in English to show country of origin.

The use of stickers or tags is permitted if used in such a manner as to be permanent, unless deliberately removed, until receipt by the final purchaser.

Certain small instruments and utensils must be marked by die-stamping or cast-in-the-mould lettering, engraving or by means of metal plates securely attached to this article.

The U.S. Customs Service may exempt certain articles from this marking. In such cases, the container must be suitably marked.

### **Composition Marking**

Any product containing woollen fibre (except carpets, rugs, mats and upholsteries, or articles made more than 20 years before importation) must be clearly marked with the name of the manufacturer or the person marketing the product together with a statement of the fibre content of the product. If not suitably marked, an opportunity to mark under U.S. customs supervision is granted.

When the fabric contained in any product is imported, it is necessary to state the fabric's country of origin.

Fur products must be marked as to type (particular animal), country of origin and manufacturer's name; in addition they must be marked if they are used, bleached or artificially coloured, composed substantially of paws, tails, bellies or waste.

## Food Labelling

All imported foods, drugs and cosmetics are subject to inspection by the Food and Drug Administration of the United States at the time of entry. The Food and Drug Administration is not authorized to pass upon the legality of specific consignments before they arrive and are offered for entry. However, the administration may offer comment on proposed labels or answer other enquiries from importers and exporters.

Advice on prospective food labels may also be obtained from the U.S. Division of the Department of Industry, Trade and Commerce in Ottawa.

## Import Prohibitions and Restrictions

In addition to goods prohibited entry by most countries in the world, such as obscene or seditious literature, narcotics, counterfeit currency or coins, certain commercial goods are also prohibited or restricted. Moreover, various types of merchandise must conform to laws enforced by government agencies other than the United States Customs Service. Fur products are also subject to the Endangered Species Act and importation of certain fur skins would be prohibited.

## Animals

Cattle, sheep, goats, swine and poultry should be accompanied by a certificate from a salaried veterinarian of the Canadian government to avoid delays in quarantine.

Wild animals and birds, or products thereof, are prohibited if captured, taken, shipped, possessed or exported contrary to laws of the country of origin. In addition, the purchase, sale or possession of such animals is prohibited if contrary to the laws of any part of the United States.

## Plants and Plant Products

Permits issued by the Department of Agriculture are required.

Regulations may restrict or prohibit importation.

Shipments of agricultural and vegetable seeds and screenings are detained pending the drawing and testing of samples and are governed by the regulations of the U.S. Federal Seed Act.

## Postal Shipments

Parcels of aggregate value not exceeding one dollar (U.S. value) may be entered free of duty.

Commercial shipments of more than one dollar value must include a commercial invoice and a customs declaration on the form provided by the Canadian Post Office and give an accurate description and value of the contents. The customs declaration must be securely attached to the package.

If the shipment comprises two or more packages the one containing the commercial invoice should be marked "Invoice Enclosed;" other packages of the same shipment may be marked as "No. 2 of 3, Invoice Enclosed in Package No. 1."

A shipment in excess of \$500 aggregate value must include a U.S. special customs invoice (form 5515) and any additional invoice information required. A shipment under \$250 aggregate value will be delivered to the addressee. Duties and delivery fees for each package are collected by the postman. Parcels containing bona fide gifts excluding alcoholic beverages, tobacco products and perfumes to persons in the United States will be passed free of duty provided the aggregate value received by one person on one day does not exceed \$10. No postal delivery fee will be charged. Such parcels should be marked as a gift and the value and contents indicated on the parcel.

## **American Goods Returned**

U.S. products returned without any evidence of advanced value or improved condition may be entered duty free.

Articles exported from the United States for repair or alteration shall be subject to duty upon the value of the repairs or alterations. The term "repairs or alterations" means restoration, change, addition, renovation, cleaning or other treatment which does not destroy the identity of the article exported or create a new or different article. Any article of metal (except precious metal) manufactured in the United States and exported for processing and again returned to the United States for additional processing is subject to a duty upon the value of processing outside the United States provided the material which has been processed in Canada is returned to the original exporter for the further processing of the goods.

The cost or value of U.S. origin component parts used in the production of goods imported into the U.S. may be deducted from the value for duty provided the parts have not been subject to any change except operations incidental to the assembly process such as cleaning, lubricating and painting.

Special U.S. customs procedural requirements must be followed upon the exportation and return of American goods. Details may be obtained from United States Import Specialists at border points or from the U.S. Division, Western Hemisphere Bureau, Department of Industry, Trade and Commerce, Ottawa.

## **Duty on Containers**

If used in shuttle service, the following types of containers may enter free of duty:

- 1) U.S. containers and holders including shooks and staves of U.S. production when returned as boxes or barrels containing merchandise
- 2) foreign containers previously imported and duty paid if any
- 3) containers of a type specified by the Secretary of the Treasury as instruments of international traffic.

One-trip containers are included in the dutiable value of goods.

## **VI. YOUR BUSINESS VISIT TO CHICAGO**

There is no substitute for the personal visit. Correspondence, while better than nothing, does not excite the American businessman. In a few words, he wants to be shown.

### **Services of the Trade Commissioner**

The Commercial Division of the Canadian Consulate General in Chicago is equipped to function as the liaison between Canadian and local U.S. business and industry. It actively seeks business opportunities for Canada in its territory and relays these to firms thought to be interested and capable. Potential buyers and sellers are introduced, with guidance provided to either as required. Market surveys of reasonable proportions are conducted on behalf of Canadian firms and agents, distributors or other outlets recommended. The Maple Leaf Room of the Consulate General is available for product displays and in-office shows. Hours of the Consulate General are 9:00 a.m. to 4:30 p.m., Monday to Friday.

## Advise and Consult

When planning your first business visit to Chicago, advise the Commercial Division of the Consulate General well in advance of your arrival. Inform it of the objective of your visit and include several copies of the product brochures. It is extremely helpful if you work out the c.i.f. prices on at least part of your product range. You should also list any contacts you may already have made with the local business community.

With this information at their disposal, the Commercial staff will be pleased to arrange a tentative itinerary and make appointments on your behalf which you can confirm upon arrival. Because of the increasing number of businessmen visiting Canadian Trade Offices in the U.S., we recommend that you leave the arrangements for hotel reservations in the hands of your travel agent.

## When to Go

The best time to visit Chicago is during the spring or fall. Avoid the Christmas/August vacation period. Bear in mind that buying schedules may vary somewhat from Canadian timing. The Commercial Division is prepared to offer guidance.

## How to Get There (You and Your Product)

### Airlines

The following services are available to Chicago from:

- Toronto—Air Canada, American, United
- Montreal—Air Canada, American
- Winnipeg—North Central, Northwest
- Calgary—Air Canada
- Vancouver—Air Canada, United

Connecting flights to all major cities within the territory are easily made at Chicago's O'Hare airport.

### Rail

Grand Trunk—Windsor/Detroit/Chicago

Soo Line—International Falls/Chicago

Canadian Pacific and Canadian National offer rail service at other border crossing points in cooperation with U.S. railroads.

### Highway Distance Chart

|             | Chicago              | Milwaukee            | St. Louis            | Kansas City          | Omaha                |
|-------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Toronto     | 792 km ( 492 mi.)    | 932 km ( 579 mi.)    | 1,189 km ( 739 mi.)  | 1,559 km ( 969 mi.)  | 1,516 km ( 942 mi.)  |
| Montreal    | 1,332 km ( 828 mi.)  | 1,472 km ( 915 mi.)  | 1,730 km (1,075 mi.) | 2,100 km (1,305 mi.) | 2,057 km (1,278 mi.) |
| Winnipeg    | 1,339 km ( 832 mi.)  | 1,221 km ( 759 mi.)  | 1,582 km ( 983 mi.)  | 1,361 km ( 846 mi.)  | 1,046 km ( 650 mi.)  |
| Calgary     | 2,578 km (1,602 mi.) | 2,461 km (1,529 mi.) | 2,816 km (1,750 mi.) | 2,500 km (1,554 mi.) | 2,185 km (1,358 mi.) |
| Quebec City | 1,591 km ( 989 mi.)  | 2,110 km (1,311 mi.) | 1,989 km (1,236 mi.) | 2,359 km (1,466 mi.) | 2,316 km (1,439 mi.) |

## VII. USEFUL ADDRESSES

### Government Organizations

Canadian Consulate General  
Suite 2000  
310 South Michigan Avenue  
Chicago, IL 60604  
Tel: (312) 427-1031

Canadian Government Office of Tourism  
332 South Michigan Avenue  
Chicago, IL 60604  
Tel: (312) 782-3760

Government of Ontario  
Department of Industry and Tourism  
208 South LaSalle Street  
Suite 1816  
Chicago, IL 60604  
Tel: (312) 782-8688

Quebec Government Office  
35 East Wacker Drive  
Chicago, IL 60601  
Tel: (312) 726-0681

### Canadian Banks

Bank of Nova Scotia  
141 West Jackson Boulevard  
Room 2182  
Chicago, IL 60604  
Tel: (312) 427-7130

Canadian Imperial Bank of Commerce  
135 South LaSalle Street  
Suite 4100  
Chicago, IL 60603  
Tel: (312) 782-2209

Toronto-Dominion Bank  
One First National Plaza  
Suite 2790  
Chicago, IL 60670  
Tel: (312) 346-4628

Royal Bank of Canada  
33 North Dearborn Street  
Suite 1215  
Chicago, IL 60602

Bank of Montreal  
Two First National Plaza  
Suite 2330  
Chicago, IL 60603  
Tel: (312) 726-4573

### Transportation

Air Canada  
300 North State Street  
Chicago, IL 60610  
Tel: (312) 527-3940

Canadian Pacific Airlines  
233 North Michigan Avenue  
Chicago, IL 60601  
Tel: (312) 565-0033

Canadian National Railways  
105 West Adams Street  
Chicago, IL 60603  
Tel: (312) 726-2352

Canadian Pacific Ltd.  
1 North LaSalle Street  
Chicago, IL 60602  
Tel: (312) 346-4100



## REGIONAL OFFICES

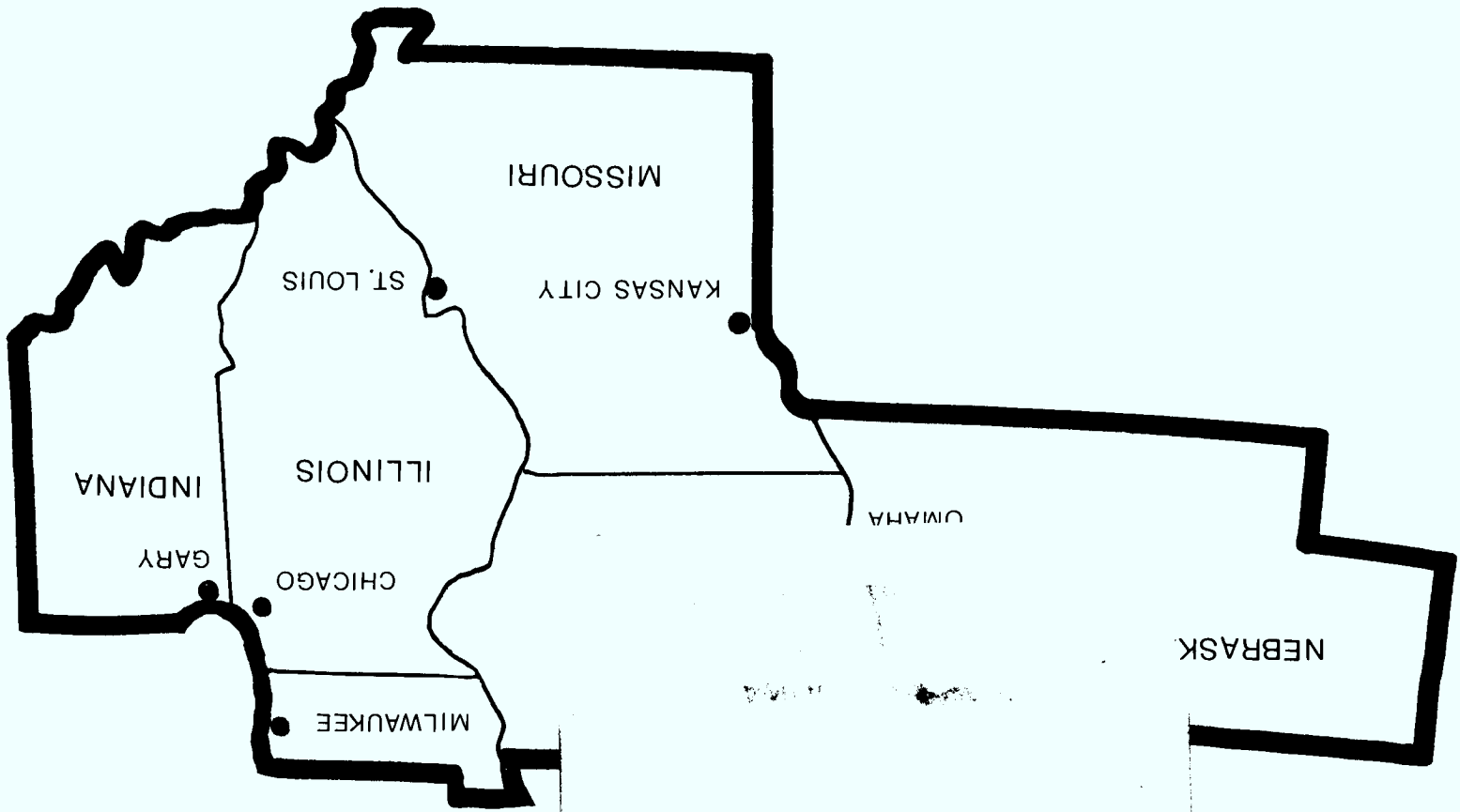
IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT ANY REGIONAL OFFICER OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE AT THE ADDRESSES LISTED BELOW.

|                                     |                                                                                                           |                                         |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------|
| NEWFOUNDLAND<br>LABRADOR            | P.O. Box 6148<br>127 Water Street (2nd Floor)<br>St. John's, Newfoundland<br>A1C 5X8                      | Tel: (709) 737-5511<br>Telex: 016-4749  |
| NOVA SCOTIA                         | Suite 1124, Duke Tower<br>5251 Duke Street, Scotia Square<br>Halifax, Nova Scotia<br>B3J 1N9              | Tel: (902) 426-7540<br>Telex: 019-21829 |
| NEW BRUNSWICK                       | Suite 642, 440 King Street<br>Fredericton, New Brunswick<br>E3B 5H8                                       | Tel: (506) 452-3190<br>Telex: 014-46140 |
| PRINCE EDWARD<br>ISLAND             | P.O. Box 2289<br>Dominion Building<br>97 Queen Street<br>Charlottetown<br>Prince Edward Island<br>C1A 8C1 | Tel: (902) 892-1211<br>Telex: 014-44129 |
| QUEBEC                              | C.P. 1270, Station B<br>Suite 600<br>685, rue Cathcart<br>Montréal (Québec)<br>H3B 3K9                    | Tél: (514) 283-6254<br>Télex: 012-0280  |
|                                     | Suite 620, 2, Place Québec<br>Québec (Québec)<br>G1R 2B5                                                  | Tél: (418) 694-4726<br>Télex: 051-3312  |
| ONTARIO                             | Commerce Court West<br>51st Floor<br>P.O. Box 325<br>Toronto, Ontario<br>M5L 1G1                          | Tél: (416) 369-3711<br>Telex: 065-24378 |
| MANITOBA                            | 507 Manulife House<br>386 Broadway Avenue<br>Winnipeg, Manitoba<br>R3C 3R6                                | Tel: (204) 949-2381<br>Telex: 075-7624  |
| SASKATCHEWAN                        | Room 980<br>2002 Victoria Avenue<br>Regina, Saskatchewan<br>S4P 0R7                                       | Tel: (306) 569-5020<br>Telex: 071-2745  |
| ALBERTA<br>NORTHWEST<br>TERRITORIES | 500 Macdonald Place<br>9939 Jasper Avenue<br>Edmonton, Alberta<br>T5J 2W8                                 | Tel: (403) 425-6330<br>Telex: 037-2762  |

BRITISH  
COLUMBIA  
YUKON

P.O. Box 49178  
Suite 2743  
Bentall Centre, Tower III  
595 Burrard Street  
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Telex: 04-51191



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du Canada  
Industrie  
et Commerce

