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cover Just to the south of this country lies Canada's biggest customer—the United States. Our cover symbolizes the 167 million people who live in the 48 states of the Union—actual or potential users of Canadian products. In this issue a series of articles directs attention to this market and suggests ways in which the Department can help the exporter to approach it. (See pages 3 to 27).

editorial

Market on Our Doorstep

This issue of Foreign Trade *features a number of articles on various aspects of selling in Canada's largest export market, the United States. Last year $2.8 billion worth of Canadian goods moved across the border to American customers. Included were 945 types of goods—as different as maple syrup and calculating machines, lumber and church vestments, iron ore and pipe organs. They ran the gamut in value too from: from $616 million worth of newsprint down to $10.00 worth of grindstones. Here is a big market—diverse, complex, sometimes difficult, often rewarding.*

Our purpose in presenting this feature is not to instruct the Canadian exporter in how to go about selling in the United States, nor even to suggest what products will win acceptance there. We are not writing for those long familiar with the U.S. market. Rather, we have in mind the Canadian businessman who has not tried his luck there or whose initial ventures have not succeeded.

How can Trade and Commerce help him? In the following pages, a number of officers of the Department answer that question. This help takes many forms. It ranges from information on duties and advice on suitable agents and brokers, on packaging and design, to skilled assistance with complicated valuation problems, or the presentation of products at a vertical trade show.

The Department cannot itself become a salesman. It can arrange contacts, suggest the right approach, occasionally smooth out difficulties, and often bring to light promising opportunities. It can set the businessman on the road and point the way, but it cannot take the place of the exporter himself and his personal cultivation of U.S. customers.

With this reservation, we present these articles in the hope that they will encourage many Canadian firms to new efforts in the great market that lies on our doorstep.

—The Editor.

The U.S. Market

How T. & C. Can Help Exporters

How can the various branches of the Department of Trade and Commerce help the Canadian exporter in his initial approach to the U.S. market or with problems that arise there? Here is an outline of the services the Department offers and some advice on trade promotion.

DENIS HARVEY, *Director, Commodities Branch.*

CANADIANS who are seeking to expand their exports to the United States may look to the foreign trade promotion services of the Department of Trade and Commerce for help in a number of ways. Naturally, not all Canadian firms selling in that market need the Department's assistance. For example, anyone who examines the $2.75 billion worth of Canadian shipments to the United States last year discovers at once that a large proportion consists of materials which U.S. interests wish to obtain and have therefore themselves made substantial investments in Canada. This is partly true of newsprint, iron ore, and certain other minerals. In these and other cases where shipments between affiliated companies are involved, the Department's assistance is seldom required.

None the less, at times almost any firm finds assistance from the Department useful. Producers of raw materials sometimes seek advice on tariff classifications or information about trade treaty commitments. Exporters in many lines appreciate help in piecing together commercial intelligence affecting their fields. The primary purpose of this article, however, is to explain to those unfamiliar with them the services offered by various branches of the Department to prospective or present exporters to the United States.

Trade promotion methods in the United States and the services required by Canadian exporters to that market differ somewhat from those needed in other areas. The types of assistance which they request from Trade Commissioners' offices in the United States may not be those needed in strange tropical lands nor in countries with difficult languages and temperaments. It is not a clear-cut problem like the availability of an import permit that gives trouble at U.S. Customs, but something more complex, such as valuation methods. Or technical problems may arise over U.S. regulations on labelling, pricing, and packaging. Advice from the Department about the type of business connections to be sought or the selling practices to be adopted may be more necessary than it is in overseas countries. In merchandising methods, as in many other ways, the two countries differ more than appears at first sight and the exporter has to bear this in mind. Yet coverage by Canadian sales representatives is much less expensive and more rewarding than in any other foreign market. It is also true to say that, once the Customs problem is solved, many Canadian firms find that they can regard the U.S. market as an extension of the domestic market, with the same emphasis on personal selling.

Consists of Many Markets

To begin with, the "United States market" is actually an inadequate description: it is not a single market but many, with sharply differing characteristics, within one large free trade area. Experienced Canadian exporters have observed that many American firms work within limited horizons in their own country and that it takes the giants of industry to serve the national market. With a few exceptions Canadians, as potential exporters of manufactured goods to the United States, find themselves considering single states, border cities,

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environs of major cities, railway networks or just simply "pockets" here and there into which they can put the sales volume they want to feed to this hungry but unpredictable giant. Sometimes new exporters concentrate too much on the large cities such as New York, rather than turning their attention to those smaller areas nearer at hand.

The United States is, in fact, such a big market that even Americans do not understand all of it. The population of the State of New York is 15 million and that of the market area which Chicago serves is estimated to be 60 million. A single mail-order house imports approximately $20 million worth of consumer merchandise. By comparison, a Canadian's interest in these markets may be modest in scale. As a practical objective, he may be well satisfied with a small share of the import demand for his products in a city like Boston. Or perhaps his concern is to find regions where the population is of predominantly French or German extraction and so will have a predilection for his products. He may be looking for outlets serving the luxury market in suburban areas. Where the American thinks first in terms of resident buyers and mass merchandising for consumer goods, the Canadian manufacturer has more modest ideas. In consumer goods often the optimum he seeks is a rather special type of outlet—a continuing customer who finds him a useful alternative or a different source of supply and to whom style, special design or quality are the important things.

Canadian exporters sometimes make their initial effort in the U.S. market in great cities like New York, where competition is at its keenest. But smaller towns and cities close at hand often offer more attractive opportunities, better suited to the export potential of Canadian plants.

Teamwork Helps Exporter

In giving assistance to the exporter interested in the United States market, the Department's specialists work as a team. The Trade Commissioner is the active agent serving the exporter in the field, keeping in direct touch with Canadian industry, and also meeting the needs of the Department's headquarters in Ottawa. He provides knowledge of the U.S. market within his territory—such as the New England States, the Midwest, or the New York area—and is always ready to promote trade there. In addition, the Trade Commissioner is always keenly interested in developing new methods of testing his territory for outlets. Closely allied with him is the Area Trade Officer for the United States stationed in Ottawa, who is concerned particularly with the broad pattern of markets in the United States and with activities in the Trade Commissioners' offices there.

In Canada, the exporter's initial point of contact with the Department is usually the Commodity Officer, who is responsible for liaison with industry. The information he gains from discussions with manufacturers about their potential or actual marketing difficulties is contributed to the planning of the Department's trade promotion and to the solution of particular

problems. He develops means for testing markets. Sometimes the Commodity Officers undertake special surveys of possibilities in certain lines or even—to gain knowledge and experience—call on prospective customers in the company of Canadian manufacturers' representatives.

The Department's staff includes many experts equipped to handle special problems. Often the exporter with his eye on the U.S. market hesitates to try his fortunes because he anticipates tariff difficulties. The International Trade Relations Branch offers skilled assistance in this area. Its officers can guide the Canadian businessman in his initial approach to U.S. Customs and help him to obtain customs rulings in advance. (See the article on page 8 for more details.)

In Ottawa the Department prepares Directories which contain information on firms and their commercial interests for the use of Trade Commissioners in their offices abroad. (This information is, of course, strictly confidential.) In recent years, a special card index has been developed for the offices in the U.S. This lists local agents, distributors or customers whenever Canadian firms inform the Department that they have such connections. This reference material often includes a number of leads on selling methods used by the Canadian exporter and defines the regional scope of current business connections.

Testing the Market

Experience has proved that it is often useful to test out the U.S. market before making a final decision about the scope of an export effort there. One of the methods of market testing, particularly in specialized lines, is exhibiting at some of the many trade conventions and shows covering particular industries. The Department actively fosters participation by groups of Canadian manufacturers in a number of these special industry shows, as the articles on pages 12 and 14 explain. This technique is in contrast to the more general exhibits at trade fairs overseas, in which products of a number of different industries are often presented on one stand.

The United States is the only country so far in which the Department has experimented with a sample room —the Canadian Showroom in Rockefeller Centre, New York—which has been the subject of previous reports in this magazine. Displays at the Showroom have often led to successful U.S. sales.

The Trade Commissioners in various areas of the United States and the Commodity Officers in Ottawa often work together at trade shows and at the Canadian Showroom exhibits. The planning for and designing of Department-sponsored exhibits brings in another member of the team—the Canadian Government Exhibition Commission. Publicity about these shows is the responsibility of the Department's Information Branch.

Exports to U.S. Parent Companies

There are, of course, other and more specialized activities which deserve a passing reference. One which occasionally achieves fruitful results is the fostering of exports from Canadian subsidiaries to U.S. parent companies. If a ready-to-hand American sales organization can handle a limited volume of some lines that might be uneconomic in short runs for the larger U.S. plant, this may present an unusual opportunity for the Canadian plant to specialize in what may be profitable production. This situation has been exploited in several industries and has resulted in U.S. management taking a different view of relations with the Canadian subsidiary company. Undoubtedly more of this could be done from time to time if U.S. manufacturers would come to look on these Canadian plants as a supplementary source. Department officers at all points are on the alert to discover any such possibilities where rates of duty are not adverse and where company executives are interested and approachable.

Success Takes Time

The Department's trade promotion team does not blink at the fact that many Canadian manufacturers have, for various reasons, an initial fear of tackling the U.S. market. Certainly it is not possible to prejudge possibilities of sales across the border.

Unlike some foreign markets, success is not to be expected at the first attempt; important and continuing outlets for a desirable volume take time to develop. Style or quality and distinctive differences in the product may be half the battle, but persistence in canvassing to find the right outlets generally proves to be the other half. The Department's files yield cases of Canadian manufacturers who have tried in succession in New York, Detroit and other border cities, and possibly Chicago, before finally making a hit, say, with a large mail-order house. One exporter was rewarded with initial business at six figures when he did "connect". Articles in past issues of *Foreign Trade* have drawn attention to the experience of exporters in fields ranging from packaged foods to leather goods who over a period of months or even a year have worked gradually towards a meeting of minds with a local broker, wholesaler, or department store.

Experience has shown that there is sometimes a large element of chance in achieving success, but the objective of the Department is to simplify a manufacturer's problems of testing that market and to eliminate as many uncertainties as possible. In fact, its officers believe that trade promotion in the United States is not exceptionally difficult and, successfully carried out, has great possibilities. ●

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The U.S. Market

What Canada Exports

Substantial postwar rise in Canada's sales to the United States suggests a growing interdependence between the two economies. Analysis of recent figures shows interesting changes in the commodity composition of these exports—and these changes may continue.

ECONOMICS BRANCH,
Department of Trade and Commerce.

THE VALUE OF CANADA'S MERCHANDISE EXPORTS to the United States has increased ninefold since before World War II. With allowance made for the effect of higher prices, exports in volume terms have more than tripled since prewar and have increased by about 100 per cent in the last decade. The rate of growth in Canada's exports to the United States (and also in imports from that country) has, in fact, exceeded by a considerable margin the growth in the national output of each of the two countries. This suggests a growing interdependence between the two economies. This interdependence has been brought about, at least in part, by the breakdown of the prewar system of international exchange which had enabled Canada to sell only 35 per cent of her exports in the American market yet buy 60 per cent of total foreign purchases from that country.

Not only have exports to the United States undergone a substantial rise in absolute terms—they have also increased as a proportion of total exports. Ten years ago, in 1947, only 37 per cent of Canada's exports were being sold south of the international border—a figure only slightly above the 1935-39 average. This year, as for several years past, almost three-fifths of Canada's foreign sales will be made in the American market.

CANADIAN EXPORTS TO THE UNITED STATES

	Average 1935-39	*1947*	*1948*	*1951*	*1953*	*1954*	*1955*	*1956*
Millions of dollars	321	1,034	1,501	2,298	2,419	2,317	2,559	2,819
Per cent of total	35	37	49	59	59	60	60	59

By far the largest proportion of these exports consist of industrial materials, most of them traditional exports to the United States—newsprint, pulp, lumber and the major base metals. In recent years, however, other commodities such as petroleum, iron ore and uranium ores have achieved importance in the pattern of Canada's exports to the United States. Sales of highly manufactured products have at no time comprised a major part of our sales south of the border but currently they make up a larger share than in prewar years. Of the leading manufactured products some, such as whisky and agricultural machinery, have long been important exports to the United States and others, such as aircraft and electrical apparatus, have become significant in recent years.

Canada's leading exports to the United States are listed in the table on the opposite page, together with the percentage of total sales represented by exports to the United States.

The tremendous upsurge in the flow of trade across Canada's international border reflects the fact that in the United States economic output of industrial materials has, for years, been falling behind the ever-increasing needs of American industry. As a consequence, the U.S. has come to rely to an increasing extent upon Canada as a major continuing source of industrial materials. In a number of cases imported materials from Canada which a few decades ago were needed for marginal requirements only now constitute a significant proportion of total United States supply.

CANADA'S LEADING COMMODITY EXPORTS TO THE UNITED STATES

	1954	1955	1956	U.S. share in 1956
	millions of dollars			per cent
Wood Products				
Newsprint	558.6	578.8	615.9	87
Planks and boards	225.6	273.4	252.6	77
Wood pulp	206.4	233.8	245.1	81
Pulpwood	38.8	39.5	41.3	83
Plywoods, veneers	20.4	26.4	25.6	88
Base Metals				
Nickel	123.6	145.8	143.5	64
Copper	55.9	76.6	98.3	51
Aluminum	75.4	83.1	96.5	41
Zinc	38.3	47.5	54.7	74
Lead	24.3	16.9	12.7	66
Other Industrial Materials				
Iron ore	26.2	79.7	113.5	79
Crude petroleum	6.3	36.3	103.0	90
Asbestos	47.8	53.3	52.0	52
Uranium ores	8.1	26.5	45.8	100
Abrasives	22.9	22.8	24.7	87
Agricultural & Food				
Fresh and frozen fish	55.8	54.5	58.7	99
Barley	35.6	23.0	37.5	40
Fresh pork	17.2	15.0	12.5	99
Manufactured Goods				
Whisky	52.5	54.1	62.5	91
Agricultural machinery	50.1	60.6	52.8	83
Chemical fertilizers	39.2	44.6	41.9	85
Aircraft and parts	25.1	17.5	28.6	58
Non-farm machinery	10.4	10.8	19.0	40
Engines and parts	8.2	11.7	9.9	56
Electrical apparatus	9.3	7.5	10.0	47
All other exports	535.2	519.6	560.1	
TOTAL EXPORTS	2,317.2	2,559.3	2,818.7	

This does not imply that there will be an ever-expanding market in the United States for all of Canada's major export materials. The pattern of requirements is continually changing. For example, it is not likely that United States purchases of newsprint will rise as rapidly in the years ahead as in the past and sales of certain base metals may decline. On the other hand, it seems likely that rising shipments of new exports such as uranium, iron ore, crude petroleum and natural gas will more than offset declines in some other commodities. In the next few years, given continued prosperity and growth in the United States and Canada, it seems probable that the flow of goods to the American market will continue to expand but, temporarily at least, at a more moderate rate than in recent years.

Commodity Composition Changing

In the first six months of 1957 there was only a fractional increase in the value of Canadian exports to the United States from the comparable period a year ago, and the share of total exports going to the American market was unchanged. This very small movement in the value of total exports obscured some large changes in commodity composition, as may be seen in the table following.

CURRENT MOVEMENTS IN LEADING CANADIAN COMMODITY EXPORTS TO THE UNITED STATES

Commodity	1956 Jan.-June	1956 July-Dec.	1957 Jan.-June	Per cent change Jan./June 1956 Jan./June 1957
	millions of dollars			
Wood Products				
Newsprint	300.0	316.0	307.5	† 2.5
Planks & boards	123.1	129.5	96.9	– 21.3
Wood pulp	125.9	119.1	118.3	– 6.0
Pulpwood	17.5	23.8	17.3	– 1.1
Plywoods and veneers	15.3	10.3	9.8	– 35.9
Base Metals				
Nickel	75.6	67.9	82.1	† 8.6
Copper	48.1	50.2	40.9	– 15.0
Aluminum	40.4	56.1	53.4	† 32.2
Zinc	24.0	30.7	22.3	– 7.1
Lead	6.3	6.4	6.8	† 7.9
Other Industrial Materials				
Iron ore	25.7	87.8	25.9	† .8
Crude petroleum	46.3	56.7	80.0	† 72.8
Asbestos	26.8	25.3	26.8	....
Uranium ores	22.0	23.7	44.7	†103.2
Abrasives	11.8	12.9	15.5	† 31.4
Agricultural and Food				
Fresh and frozen fish	24.2	24.5	27.2	† 12.4
Barley	13.2	24.3	4.6	– 65.2
Fresh pork	6.9	5.7	5.5	– 20.3
Manufactured goods				
Whisky	23.9	38.5	21.4	– 10.5
Agric. machinery	40.8	12.0	36.3	– 11.0
Chemical fertilizers	24.0	17.9	21.6	– 10.0
Aircraft and parts	15.4	13.2	8.0	– 48.1
Non-farm mach.	7.5	11.5	11.8	† 57.3
Engines and parts	3.6	6.3	8.2	†127.8
Electrical appar.	5.3	4.7	4.4	– 17.0
All other exports	271.8	287.8	258.5	– 4.9
TOTAL EXPORTS	1,345.4	1,472.9	1,355.7	† 0.8

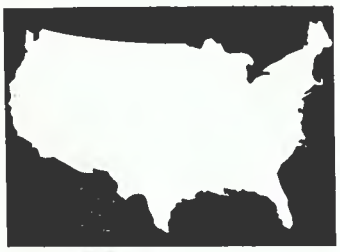
Looking Ahead

The slackening in the activity of the United States steel industry has resulted in no increase in Canadian shipments of iron ore to American mills so far this year. However, the other two leading "newer exports", crude petroleum and uranium ores, added $56 million to export values in the first six months of 1957 compared with the same period a year ago. Gains in nickel and aluminum more than offset losses in copper, lead and zinc. A lower level of residential construction in the United States has brought a decline in Canadian wood products sales there, especially of general purpose softwoods. The longer-term prospects for lumber exports

in the American market are, however, good insofar as the United States is becoming increasingly dependent on foreign sources to meet the demands of the construction industry.

Exports of manufactured goods continue to make up about 10 per cent of all Canadian sales to the United States and any significant value fluctuations in these commodities may depend chiefly on the placement of military contracts, such as those for naval armaments and army aircraft which Canada has supplied to the United States in recent years.

The medium-term prospect for Canadian sales across the international border is generally favourable, but considerable changes in their composition are likely to take place as the demands of a developing economy shift in emphasis. ●



The U.S. Market

Understanding Customs Problems

Some Canadian firms hesitate to try selling in the United States because they fear the customs tariff will prove hard to determine or too high. This article removes certain misconceptions about the tariff and how it works—and suggests ways in which certain tariff difficulties can be overcome.

R. G. C. SMITH, *Minister (Commercial), Washington.*

NO SUBSTANTIAL TRADE PROMOTION DRIVE in the U.S. market can be mounted until the exporter knows exactly how his product will be treated by the United States Customs. This is merely stating the obvious. Yet exporters continue to have a great many misconceptions about the structure of the U.S. Tariff and its administration.

Some Current Misconceptions

The more common of these misconceptions are set out in the next few paragraphs.

1. *United States duties are so high that competition is impossible.* It is impossible to make comparisons of the general level of duties because the word "level" can be interpreted in so many ways. In fact, it may be said that there is no such thing as a "level of duty". However, the United States has drastically reduced the rate of duty on a great number of items, starting in 1934 and continuing since then. Today a surprisingly large number of products come in at a low rate or at one that is not by any means prohibitive.

2. *Because Canada charges a lower rate on a product than the United States does on the same product, then the United States should bring its rate into line.* Such a deduction is not valid. Tariff rates are established by each country to meet certain local conditions and generally the rate charged by one country has little or no relevance to that charged by another. If it were not so, a little thought will make clear that in today's system of multilateral trading, the lowest rate charged on a product by any one country belonging to the free world trading community would have to apply to all. In fact, there are many products on which the United States charges a considerably lower rate than Canada does—and there are many products on which the reverse is the case.

3. *United States Customs officers at ports of entry have the authority to charge any rate of duty they like and*

to value the product on the retail price if they wish. This simply is not true.

4. *The exporter cannot find out in advance the duty that his goods will be subject to on entry into the United States.* As will be shown in this article, there are well-established methods whereby an exporter can establish both the classification and the appraisal value well in advance of shipment. It may—and usually does—take time to arrive at the answers and may require considerable patience and understanding in complicated cases, but *the answer can be obtained.*

5. *Years after goods are entered, the exporter may be subject to a demand for heavy additional customs charges.* Once the process of passing the goods through the customs is completed (or "finally liquidated", to use the customs term) no additional charges may be imposed unless there has been a fraudulent entry. The misconception arises over cases that have not been liquidated, but released under customs bond until the correct classification and/or appraisal has been determined. Such a situation may be avoided by clearing up these details in advance of shipment.

6. *Each port of entry levies a different rate of duty.* It is always possible that one appraiser's opinion will differ from that given at another port of entry. However, again this can be avoided by securing a ruling in advance which is invariably circulated to all ports of entry and is binding upon them.

7. *A customs officer at any port of entry can give an advance customs ruling that will be binding at time of entry either at that port or at any other.* This is frequently a cause of complaint and disappointment. The fact is that only a ruling handed down from the Bureau of Customs at Washington is binding. A statement by any other customs office or officer, either written or verbal, (unless it quotes a Bureau ruling from Washington), is an opinion only and on actual import a different classification may prevail at time and place of entry.

Problem Has Two Aspects

Each customs problem involving the amount of duty payable on any particular product must be considered in two aspects. The first is the correct classification, which is the determination of the customs tariff item under which the product is classified correctly. This gives the rate of duty. The rate may be expressed as a percentage of the value (ad valorem), or as money per unit of weight, volume or measure (specific duties), or as a combination of the two.

In the event that the classification provides for an ad valorem calculation, then there is always a second aspect of the problem—the calculation of the appraisal value of the goods (appraisement). That is to say, on what value will the ad valorem percentage be applied?

The U.S. Capitol in Washington, home of Congress, the only body with the authority to fix tariff rates, except for minor adjustments negotiated by the President with other countries in exchange for concessions, within strictly defined limits.

The classification of any item in the United States Custom Tariff is governed by the Tariff Act of 1930 and its subsequent amendments. This Act provides for a great number of items and subdivisions but because it was written 27 years ago, many articles that are now common in everyday commerce are not specifically mentioned. Many of the new petrochemicals and synthetic textiles are typical examples. (The classifications under the Act are currently under review by the Tariff Commission. See *Foreign Trade,* December 11, 1954.)

In arriving at the correct classification, the customs officials must be guided by the letter of the law. It is the law that governs and *there is no provision for administrative discretion, at whatever level.*

Valuation Methods

The method by which the United States Customs arrives at the value for duty purposes was described in *Foreign Trade* of December 10, 1955. It is a complicated and cumbersome procedure that is in course of change under the Customs Simplification Act of 1956. The new procedure, which will simplify the problem greatly, is not yet in operation and probably will not be applied before January 1958 at the earliest. For the time being the methods described in the issue of *Foreign Trade* referred to above are still used.

Suffice it to say that it is very far from certain that the actual selling price at the Canadian factory will neces-

sarily apply. *Nevertheless, although this is a complicated subject, in nearly all cases exporters can deal with any artificially high appraisals by making certain adjustments in their pricing policies.* As a rule, these adjustments are neither important in substance nor difficult to work out. Moreover, as mentioned under the section "What Can be Done About It", the United States Government has charged the appraiser at Buffalo, Mr. E. J. Cannon, with the specific task of helping Canadian firms to understand and to cope with appraisal problems. The main point to be noted is that nearly all appraisal problems can be solved.

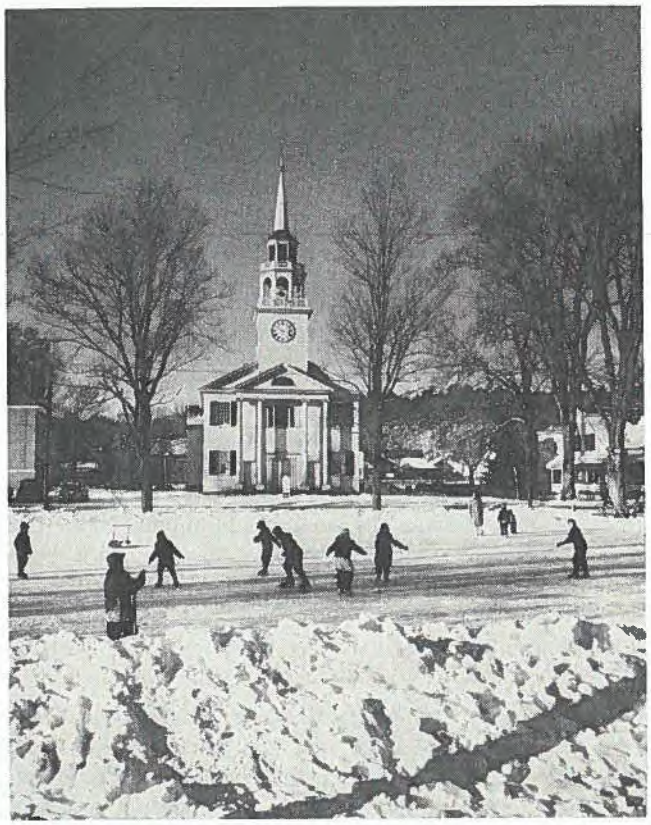
What Can Be Done about It

If an exporter wishes to know in advance the classification and appraisal his goods will receive on entering the United States, or if he is having difficulty through inconsistent treatment at different points of entry, if he suddenly finds that his goods have been reclassified, if he suspects there may be some mistake in the classification, or if his importer is paying duty on valuations somewhat above the F.O.B. factory selling price, then there are several alternative ways of dealing with the problem.

1. *The Appraiser of Merchandise at Buffalo*—In April 1956 the United States Government appointed Mr. E. J. Cannon to become a "father confessor" to Canadian exporters with customs problems. This operation was fully described in *Foreign Trade* of May 25, 1956. Since then, Mr. Cannon has dealt with about 170 separate cases and travelled across Canada from one ocean to the other. The primary objective of the operation is to make clear the intricacies of the Appraisal Law and point the way to a solution. However, Mr. Cannon will also take up the question of classification with the Bureau in Washington. Any Canadian firm may feel free to call on Mr. Cannon for help.

2. *The Bureau of Customs at Washington*—Any firm is entitled to ask the Bureau for a ruling on the correct classification of its merchandise. This may be done direct or through the Canadian Embassy at Washington. In submitting the question to the Bureau, it is of the utmost importance that *complete* information concerning the product be submitted. If the article is small but complicated, it may be desirable to send a sample. Many articles are classified according to the component material of chief value. Therefore if a product or article is made up of a number of different ingredients or components, a breakdown showing the value and quantity of each component is nearly always essential.

For example, recently the Embassy had occasion to request a ruling on a certain chemical product. It was first suggested by the Customs that it should be classified under a certain paragraph. But when the company submitted a cost breakdown of the ingredients, a much more favourable decision was obtained.



Determining the rate of duty on a product is one of the first important steps in deciding whether it can be offered profitably to U.S. consumers. One of the consumer products that is winning popularity there is ice skates. Last year Canada sold $1.2 million worth, despite a 12½ per cent customs duty.

It is also important to send complete information on the use of the article and who uses it. For example, a game was first classified as a toy until the manufacturer was able to show it was principally used by adults. Thereupon the Customs ruled it to be an article in chief value of wood—with a much lower rate of duty.

The question arises—should an exporter come to Washington to present his case, either with or without the help of a customs attorney. Generally, the case should be submitted in writing in the first instance with the request that, before a decision is made, the exporter be heard in person. This enables the Bureau to make a preliminary investigation so that, at a subsequent meeting, the officials are able to discuss possible alternative classifications with the exporter.

3. *The Canadian Embassy, Washington, or the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.* The Embassy and/or the

International Trade Relations Branch at Ottawa are always glad to hear from Canadian firms which have difficulties or wish information about the United States Customs. There is perhaps some advantage in putting an inquiry through the Embassy or the Department at Ottawa, instead of sending it direct to the Bureau at Washington. Possibly the exporter's case can be presented more completely because of the experience of close and amicable association with the Bureau over many years. This enables advice to be given to the exporter on what information is required or on how it should be presented. Moreover, as the investigation develops the Embassy may be able to give further information or otherwise protect the exporter's interests.

Search for Solutions

If the exporter finds that he cannot compete under the existing rate of duty, what can be done to find a solution? Probably nothing much, but there may be a solution depending on the circumstances. In the first place, it is essential to understand that there is no administrative discretion given to any official, *at whatever level*, to alter rates, no matter how compassionate the grounds may be nor how prohibitive a rate may turn out to be. Rate-making is the prerogative of Congress only (except for the delegation of authority to the President to negotiate minor adjustments in exchange for concessions by other countries within strictly defined limits).

Probably the first test to be applied when an exporter is in difficulties is to ascertain if the classification being applied to his product is correct or if the appraisal value used by the Customs is about equal to his actual selling price.

Appeal to the Courts

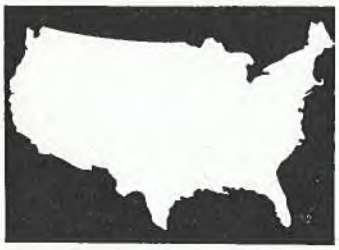
If, when he has received a firm ruling from the Bureau, he does not agree with its opinion and is not satisfied that in arriving at the opinion the Bureau was in possession of all the facts, the exporter (or his importer) may challenge the ruling in the Customs Court. This takes time and entails considerable legal fees but the courts frequently do find in favour of the exporter. Consequently, exporters would be well advised to consider relief through the courts, provided they think that they can produce a logical argument as to why the item is being classified erroneously. This will always be a difficult decision to make, but the Embassy or the Department of Trade and Commerce in Ottawa is always glad to discuss the problem with exporters. It is always advisable, however, to seek the opinion of a competent customs attorney who is best able to discuss the chances of success based on a search of the outcome of other cases that may have a bearing.

Finally, if the exporter feels that there are no grounds on which a ruling may be protested successfully either to the Bureau of Customs or through the courts, he should consider whether or not action is possible through Congress. If the article or product is the subject of controversy and competes directly with U.S. industry, then it will be much more difficult to organize relief through a Congressional Act. However, each year there are numerous bills dealing with articles that may be described as of little importance to domestic industry on which the duty may be prohibitive or high. Not all of these pass Congress—but some do. For example, in this session of Congress there are bills calling for the removal of or lowering of duty on such items as: aluminum, nickel, casein, sugar for livestock feed, muzzle-loading pistols, glass jars, coarse wools, containers for petroleum products, amorphous graphite, articles of corduroy, baling wire, handmade paper, bagpipes, kilts, etc., jute fabrics, crude chicory, harpsichords, sparkling wines, mica, yarns, wooden handles for paint rollers, religious vestments, tourist literature. This list is given by way of illustration that this method of relief can be and is used for a wide variety of products. Probably only a few of these bill will be dealt with successfully but some may—and Canadian exporters should not ignore the possibility of action through Congress.

In a situation, therefore, where there seems to be some inequity in the classification of a product and a prospective importer can be interested sufficiently, it is always possible that he may be able to persuade his Congressman to introduce an appropriate bill. It is impossible, of course, to forecast the outcome of such action. Much will depend on the extent of opposition from U.S. industry and the degree to which the importer can mobilize support for the action.

How a Bill Passes Congress

The process of law-making in the United States differs greatly from procedure under the Canadian parliamentary system. For this reason, many Canadians do not fully understand the various stages in the passage of a bill through the United States Congress. The office of the Minister (Commercial) in the Canadian Embassy, Washington, has therefore prepared a summary of Congressional procedure to help Canadian businessmen interpret reports on the progress of legislation of interest to them in the Congressional mill. Readers who wish a copy of this summary should write to R. G. C. Smith, Minister (Commercial), Canadian Embassy, 1746 Massachusetts Ave., N.W., Washington 6, D.C.



The U.S. Market

Trade Fairs as Testing Grounds

The exporter who wants to try out the U.S. market before committing himself to a full-scale sales effort might consider exhibits at trade fairs across the border. The Department itself uses this technique in its trade promotion.

ROBERT GORDON, *Assistant Director (Export Promotion), Commodities Branch.*

TRADE FAIRS IN THE UNITED STATES have developed along different lines from fairs in European countries. In Europe the traditional fair is a "horizontal" one; it displays a wide variety of goods and had its origin in the mediaeval marketplaces. Frequently a large proportion of the exhibits come from foreign countries and these fairs are thus international in character. They are usually open to the public for a large part of the time and the consumer mingles with the buyer, both domestic and foreign. However, at most European fairs buyers only are admitted during certain hours of the day.

American trade fairs have taken two distinct forms—the state fair which evolved from annual agricultural exhibitions, and the specialized or vertical trade shows, open to buyers only, which have grown up chiefly in conjunction with the hundreds of conventions held each year in major United States cities. Both categories are familiar in Canada where exhibitions of goods have followed the same pattern.

The Canadian exporter who wishes to show his products in the American marketplace usually is interested primarily in reaching buyers at the importing and wholesale levels. He therefore exhibits chiefly in vertical trade shows. These shows primarily exhibit domestic goods, although imported products are displayed at some of them. Fairs of this kind are described in the article by R. F. Renwick on page 14.

Some International Fairs Held

In recent years the United States has been the scene of several international trade fairs of the European style. In 1952 the Chicago International Trade Fair was organized, patterned after the Canadian International Trade Fair (Toronto, 1947-54), but this venture has not been repeated. In April 1957 the first United States World Trade Fair was held in New York City. This was a horizontal fair of the European variety and was restricted to imported goods. The fair was organized chiefly to bring together a large collection of European and other products which American buyers would normally purchase on buying trips abroad. This initial fair was considered successful and the sponsors plan to hold it again in 1958. Although exhibiting costs are high, Canadian exporters may find it profitable to show at this fair, particularly as a means of introducing certain consumer goods to the United States market for the first time. Other international trade fairs in the United States are being planned and it is possible that fairs of this type will be held in Chicago, Boston and Detroit within the next three years.

Department Sponsors Exhibits

The Department of Trade and Commerce has organized exhibits in various trade fairs across the border. By using the trade-fair technique in this way, it is helping Canadian exporters to sell in the U.S. market. For example, the Department placed an exhibit in the 1952 Chicago Fair and in the 1957 United States World Trade Fair in New York. It has also sponsored exhibits in a number of vertical trade shows in the past two years, as Mr. Renwick's article describes.

In addition to exhibiting in organized fairs in the United States, the Federal Government has also sponsored a Canadian Government Showroom in Rocke-

feller Center, New York, for the past six years. This Showroom has featured six to eight exhibits a year in specialized fields. Products displayed have ranged from shoes to scientific instruments and Canadian exporters of a wide variety of goods have been given an opportunity to introduce their merchandise to the New York market. Products which have been particularly successful in attracting the attention of the discriminating New York buyer include wallpaper, winter sports equipment and clothing, ladies' shoes, food specialties, church furnishings, and many others. These shows have been designed to attract both the buyer who purchases for domestic consumption and the many New York firms, known as offshore buyers, who purchase for shipment abroad. A Showroom like this has proved its worth and although the one in New York will shortly be discontinued, a similar sample room may be opened later at the Consulate-General in Chicago to house displays of Canadian goods.

New Venture Planned

A new venture in trade fair exhibits in the United States will be undertaken in Boston when the Canadian Trade Fair takes place in the spring of 1959. This will be a horizontal trade show, organized from the ground up by the Canadian Government, and will emphasize exports from Eastern Canada to the New England States. It will be designed to exploit the advantages which exporters from Eastern Canada have in this market—such as short freight hauls, similarity of climate, and the large proportion of the population with Canadian affinities. If the show is successful, particularly from the trade promotion point of view, Canadian Trade Fairs in other close-to-the-border American cities may be considered.

Choosing a Fair

In what type of United States trade show can the Canadian exporter exhibit his product to the best advantage? If he is thinking of exhibiting on his own account, the vertical trade show covering his special field undoubtedly offers the best means of displaying his goods to a large number of buyers. There are, of course, many vertical trade shows which are confined to American exhibitors and which do not rent space to foreign exporters. In these cases it may be profitable for the Canadian company to display its goods in a hotel sample-room at the same time as the trade show, inviting buyers who will be attending the show to see its display. Our Trade Commissioners in the United States can assist materially in organizing hotel sample-room displays of this kind. The few international trade fairs held in the United States do not usually interest the Canadian exhibitor because space is expensive and these exhibitions seldom attract large numbers of buyers. However, there may be exceptions to this rule, particularly when a company is interested primarily in consumer advertising or when the show is held in New York. For example, the first United States World Trade Fair in New York brought a large number of foreign, as well as many domestic, buyers.

Government-Sponsored Exhibits

Firms that wish to promote the sale of their products in the United States market but do not feel justified in making the expenditure required for a company

During the summer, the Canadian Government Showroom in Rockefeller Centre featured Canadian products which won 1957 awards from the National Industrial Design Council. The picture shows a lighting fixture, coffee table and chairs which formed part of the display. Exhibits like these have helped to win a place for distinctive Canadian products in the U.S. market.

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exhibit in a trade show may be able to have its products included in a Department of Trade and Commerce exhibit. Although not all classes of goods are suitable for display in these exhibits, where space limitations are always a factor, most manufactured goods and specialty foodstuffs can qualify. Firms wishing to take part in a government exhibit should consult the Commodity Officer in the Department of Trade and Commerce who handles their products. He will be able to tell them when shows at which their products might be exhibited will take place. The Commodity Officer can also provide information about trade shows in which a company may find it profitable to exhibit on its own account.

All exporters, both actual and potential, in the industries covered receive invitations to supply samples for exhibits sponsored by the Department of Trade and Commerce in vertical trade shows in the United States. To reap the full benefit of participation in a government exhibit, a company should have a representative on the spot to answer technical questions about its product and to write orders if the occasion arises. The buyer who, when he inquires about a product, is referred to an address in Canada is not nearly as likely to place business as the one who has the opportunity of talking directly to a company salesman or executive officer. Attention to this phase of exhibiting will bring more worthwhile results. ●

Vertical trade shows, geared to one industry, are proving a valuable sales tool. The right exhibit at the right show can bring rewarding business.

R. F. RENWICK,
Consul and Trade Commissioner, Chicago.

CANADIAN FIRMS who see in the vertical trade show a good way of entering the U.S. market or expanding sales there often find it difficult to select the right one. The United States has so many fairs, exhibits and conventions that serve national, regional, state or local interests that the decision is not easy. But the very range of choice means that nearly every firm can eventually find a vertical show that satisfies its special requirements.

Wide Range of Choice

The fact that vertical trade shows are held in practically all of the larger U.S. cities does not necessarily mean that the exporter may reach a specific market by showing at a fair in the biggest city in the area. The fair may be a national one catering to jobbers or distributors, but the dealers in the area may be accustomed to attending a regional show geared to their particular interests.

New York, Chicago, Boston, Cleveland, St. Louis, Detroit and Atlantic City are all important convention centers. However, the most important convention city in the U.S. is Chicago. The Chicago shows have an excellent market coverage and are said to attract 30 per cent more visitors than trade shows in other U.S. centers.

Strategically located near the geographical and population center of the United States, well served by all means of transportation and hotels, Chicago was host to 750 conventions last year as well as 550 trade shows—the majority of them held in conjunction with conventions. As an example, the two main and two less important furniture shows attracted 70 per cent of all U.S. furniture manufacturers. The National Shoe Fair occupies 1,200 hotel sample rooms and sufficient business is booked to keep the shoe manufacturers busy for five months of the year. And there are other major shows devoted to building products, foods, giftware, garments, sporting goods, boots, livestock, durable consumer goods and furnishings.

A list of Chicago trade shows and business conventions which include exhibits may be obtained from the Director, Commercial Development Division, Chicago Association of Commerce and Industry, 1 North La Salle Street, Chicago 2, Illinois. Similar lists are published by the Chambers of Commerce in other U.S. cities. These are useful in making a selection, but it is necessary to inquire about the type and number of buyers who will attend, the names of some previous corporation exhibitors, and whether or not it is possible for a Canadian manufacturer to display products. The Department of Trade and Commerce in Ottawa or the Canadian Trade Commissioners located in the United States have this information on hand.

Costs Vary

Most of the trade exhibits are held in conjunction with annual or semi-annual association conventions; others are organized by professional promoters. Charges vary with the nature of the show. Because some associations are conducted on an income-tax-free basis, they rent exhibit space only to members. This means payment of annual dues in addition to a participation fee and, when applicable, hotel sample-room charges.

This petite Canadian is modelling for an interested buyer one of the Canadian-made shoes on display at the 1956 National Shoe Fair, Chicago. The exhibit, sponsored by the Department of Trade and Commerce, presented spring and summer styles in men's and women's shoes made by 18 Canadian manufacturers, plus skiing, hunting and fishing boots.

Other shows charge a flat participation fee based upon location and the amount of space taken. A number of companies have sales and public relations staffs whose main preoccupation is with trade shows: one major supply house budgets for participation in over 90 shows a year. More often a sales manager selects a few—probably only one major national show—and expects to spend only a few hundred dollars (excluding travel, salary, commission and entertainment expenses).

Some companies mount elaborate displays. But for every one that participates in a show in this style, there are a dozen or more which are satisfied with a modest exhibit.

The expense of participating in a trade show varies from a few hundred to many thousand dollars, depending upon the show itself, the size of the exhibit, and so on. A national shoe fair, for example, offers some rooms for a participation fee of $86 and a daily hotel rate charge of $16, others at $115 and $19.50 a day, and so on up to suites of three rooms with a fee of $460 and a daily rate of $60. (The daily rate is for a minimum of one week's occupancy.) In addition, sample tables and coverings have to be obtained at regular hotel rental and laundry rates. At times hotel sample rooms can be used as sleeping rooms, and this cuts down costs. The association fee includes participation in the convention events and listing of a firm name and product in the fair directory, usually issued for this type of show. For an expenditure of this kind, the exhibitor can expect to meet retailers, jobbers, wholesalers, and department-store and mail-order buyers; all of these attend in large numbers from all sections of the United States and Canada. Not all shows attract so many worthwhile buyers and this points up once more the need for careful selection.

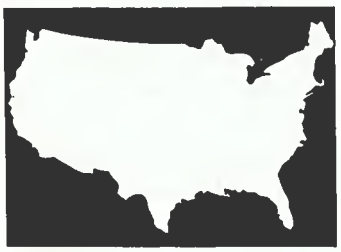
Government Sponsors Exhibits

In recent years, exhibits sponsored by the Canadian Government have been placed in a number of these vertical trade shows. The interest aroused by specialized exhibits in the Canadian Showroom, Rockefeller Center, led to a government exhibit in the 1956 National Shoe Fair, Chicago, which presented the products of 17 Canadian shoe manufacturers. In 1957 the Department of Trade and Commerce organized exhibits in the Popular Price Shoe Show and the National Winter Sports Show in New York early in the year; in October, a second exhibit of Canadian high-quality shoes will be placed in the National Shoe Fair, Chicago. The 1957 Canadian trade fair program calls for exhibits at the conventions of the National Association of Home Builders, the National Sporting Goods Association, and the National Restaurant Association, and at the National Shoe Fair, all to be held in Chicago. Included too are the Popular Price Shoe Show and the National Winter Sports Show which will take place in New York.

Companies participating in these exhibits are enthusiastic about the number of inquiries received about their products. It is not the intention, however, to continue government-sponsored exhibits at vertical trade shows indefinitely. It is the opinion of the Department of Trade and Commerce officials that, once an exporter has been introduced to exhibiting at vertical trade shows, he should be prepared to display goods on his own account if he is genuinely interested in the market.

The fact that many manufacturers return to the same show in the same location year after year is one evidence of the value of vertical shows. Some trades, after evaluating the results obtained at certain of the important exhibits, feel that they have a good forecast of future sales. Sales managers use them as a valuable tool in assessing the demand for their current lines and their competition.

In fact, vertical trade shows have established their value as a means of reaching new buyers, getting in touch with agents and representatives, and expanding sales in a given area. In the main, Canadian manufacturers are welcomed at vertical trade shows in the United States. They thus have at their disposal an aid to export sales developed for and accepted as a feature of present-day merchandising. ●



The U.S. Market

Selling by Mail

Canadian exporters making certain types of products are today selling them directly to U.S. customers by mail. Here is a report on this method —its advantages, limitations and difficulties.

W. HERMAN,
Consumer Goods Division, Commodities Branch.

HAVE YOU EVER THOUGHT of trying to sell your products in the United States by mail? A number of Canadian firms are doing this successfully. They have discovered that although this method presents certain problems, it is, under special circumstances, worth the attention of Canadian exporters.

Selling direct by mail has several advantages:

- It can be a relatively inexpensive method of distributing products or can supplement distribution by middlemen.
- It proves useful when a manufacturer finds it difficult to make connections with well-established trade channels in the United States.
- Aided by advertising in publications or through direct mail, it reaches consumers not easily reached in other ways.
- It caters to the average American's taste for imported consumer goods, especially those imported directly.
- It gets attention because most people like to receive letters and parcels mailed from another country.
- It takes advantage of the growing acceptance of this method of selling and the increasing size of the U.S. mail-order market.

Choosing Suitable Products

Not all products are suited to this form of selling and the selection must be made carefully. The goods offered should have some novelty or specialty appeal. People send away for products because they want something different; they seldom order things which they can buy at home. The manufacturer must have stock enough to fill a reasonable number of orders and, because these products must pass through a number of hands, they should be simple to mail and not easily broken. Merchandise which depends upon "sight appeal", such as clothing and jewellery, should be offered for sale in this way only if the manufacturer can afford to use colour in his advertising in magazines or in his direct-mail pieces.

Equally important is the question of mark-up. The product sold by mail must be able to stand a mark-up

This U.S. housewife, attracted by an advertisement for a novelty product made in Canada, sent in an order to the Canadian firm and now is receiving her parcel from her postman, C.O.D. The Canadian manufacturer has already paid any U.S. customs duty which has been assessed.

much higher than the usual—even up to 200 per cent. The reason: the advertising costs plus the U.S. import duty and packing and mailing charges boost the price. The 200 per cent mark-up may apply when the exporter relies mainly upon a mailing list to provide the names of potential buyers. If he seeks customers largely through a costly publication advertising campaign, it may need to be even higher.

Firms Use It Successfully

A number of Canadian firms, bearing these requirements in mind, have made a success of selling by mail. Prominent manufacturers of beekeepers' supplies in both eastern and western Canada bring their products to the attention of the 8,000 or more beekeepers in the United States by distributing their catalogues and literature regularly through the post and by advertising occasionally in trade journals. Hunting jackets and firearms made in Quebec sell through advertisements in magazines devoted to hunting; a firm in Ontario turning out special motorcycle seats attracts customers by using the pages of a motorcycle magazine. A southern Ontario manufacturer of small wood-cutting tools and accessories sells by direct-mail pieces sent to hobbyists which quote duty-paid prices F.O.B. Niagara Falls, N.Y. Many U.S. libraries, bookstores, and private individuals receive some of the French-language publications they want from an important Canadian printing firm which circularizes them regularly.

Other articles which appear well suited to this type of selling include jewellery, distinctive wearing apparel and accessories, cosmetic preparations, novelties, certain handicrafts, seeds for the home gardener, household gadgets, and supplies for the stamp collector.

How to Attract Customers

How does a Canadian firm interested in this method reach potential customers in the U.S.? The makers of beekeepers' supplies found this quite simple: they used the trade directory of U.S. beekeepers and sent catalogues to the persons listed. In other cases, it is not so easy. A popular method is to advertise initially in a publication with wide coverage to attract a large number of replies. The reader can either be urged to place his order at once or be invited to send for a descriptive circular or catalogue. The names of those replying may be used to build up a mailing list for future offerings. A firm which relies on publication advertising alone and does not also establish mailing lists finds selling by mail more costly.

The exporter who is wondering whether to try selling by mail might well study the advertisements in U.S. or Canadian publications offering goods in this way. He can thus discover the types of articles promoted, the methods of advertising them, the size of the advertisements, the appeal, the use of return coupons, range of prices, and continuity of advertising from one issue to another.

The alternative to publication advertising is to rent or buy mailing lists from direct-mail companies who specialize in this or from trade directories. Telephone and local directories may also be used to some extent, but they are not selective. The first essential in any successful and continuing mail-order business is an accurate mailing list. In this type of selling, it is highly important that customers continue their patronage because it is the repeat orders that help to defray the initial cost of locating buyers.

Problems to Be Solved

Most Canadian firms selling to the United States by direct mail use parcel post and in this way deliver the goods to the customer's door. But certain problems have to be solved first if this method is to work. The biggest one is arranging for the payment of the U.S. import duty on most goods valued at one dollar or over. Moreover, a parcel mailed direct must carry an international parcel post customs declaration that gives the weight, value and contents. In addition, U.S. and Canadian postal rates and regulations differ.

It is possible to make clear in advertising or sales literature that the customer will have to pay the postman at time of delivery the customs duty plus collection charges of 33 cents. But this means that the purchaser has to make two payments, one to the manufacturer and one to the postman. Or the Canadian firm can employ a customs broker located at or near the border who clears the parcels through the U.S. Customs and forwards them. This may prove expensive because most U.S. customs brokers impose a minimum handling charge which bulks large in relatively low-value products.

Some exporters approach this problem in a different way. A number, especially those located close to the U.S. border, receive the orders at their Canadian office, parcel and address the goods, and drive across the border with these parcels, say once a week. They clear the goods on entry, then mail them in the U.S. One drawback, however, is that U.S. parcel post charges are considerably higher than Canadian. This is not too serious except on parcels of low value or those going to far-distant U.S. addresses. And it does have the advantage that if a U.S. mailing address is established to which the U.S. postal authorities can remit payment for goods ordered, the exporter can quote a price C.O.D. destination. The customer usually likes this relatively easy method of payment. If the volume of orders seems large enough, the manufacturer can establish a warehouse at a U.S. point close by. The warehouse then receives and fills the orders.

Careful investigation will show which method of operation best suits a particular firm and its products. It is always important to remember that the U.S. buyer prefers to be quoted a price which includes all extra charges.

For Further Information

For further information on postal regulations about direct mail pieces, catalogue literature and parcels going to the U.S., the exporter should consult his local Postmaster or the *Canadian Official Postal Guide* which is published by the Queen's Printer, Ottawa, Ontario, price $1.00. For help in determining the import duty on particular products, he should write to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa. Alternatively, the rate of duty may be ascertained by presentation of the product to the mail examiner at the nearest U.S. port of entry for appraisal. In making his assessment for the correct appraisal, the mail examiner will want evidence of the domestic pricing structure and distribution arrangements for the product. For assistance with the development of advertising copy for publications and/or direct mail prices, he may call on the services of a local advertising agency which specializes in this type of work.

One last word—this method of selling has many advantages but also many pitfalls. It should be used only by certain firms and only for certain carefully selected products. ●

Selected products can be marketed successfully by mail in the United States. Exporters also find that the Department can help them in their initial efforts to gain a share of this market. But the real successes come through personal selling—as the man on the right, sitting down to discuss his product and its possibilities with a U.S. prospect, is finding out. Proximity makes this method of selling simpler than it is in many overseas markets.

The U.S. Market

What about Rates of Duty?

INTERNATIONAL TRADE RELATIONS BRANCH

THE FOLLOWING TABLE has been prepared by the Department of Trade and Commerce from the 1956 import statistics of the United States. It lists all categories in which imports from Canada reached $100 thousand in 1956 and gives the rates of duty imposed by the United States on each of the categories shown. Part A consists of dutiable imports and Part B of free imports. The total value of the listed imports from Canada is $2,731,875,000.

The figures for each category do not represent a complete coverage of the trade because the United States follows the practice of excluding from statistics of individual commodities all import shipments valued at less than $250 each.

The table is published here, however, with the thought that our readers may find it a useful checklist of the types of goods and approximate rates of duty involved in Canadian trade with the United States.

The rates of duty are those in force as of July 1, 1957. Some of these rates will be entitled to further small reductions next year in accordance with the terms of the present tariff agreement. For more complete details on the statistical descriptions and tariff classifications of particular products, readers should get in touch with the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Items in the U.S. Statistics for 1956 Showing Imports of $100,000 or More from Canada

TABLE A—DUTIABLE IMPORTS AND RATES OF DUTY

Description	U.S. Tariff		1956 Value of Imports	
	Para No.	Rate of duty July 1, 1957	from all countries	from Canada
			(thousands of dollars)	
ANIMALS AND ANIMAL PRODUCTS—				
Cows, dairy	701	1½¢ lb.	4,146	3,975
Cattle, n.s.p.f., 700 lb. and over	701	1½¢ lb.	1,642	488
Beef, fresh, chilled	701	3¢ lb.	7,627	3,123
Pork, fresh, chilled or frozen	703	1¼¢ lb.	12,733	12,708
Hams, bacon, etc., not cooked or canned	703	2¢ lb.	3,271	3,217
Hams, shoulders, cooked or canned	703	3¼¢ lb.	69,618	8,572
Pork, prepared or preserved	703	3¼¢ lb.	8,326	3,091

Description	U.S. Tariff Para No.	U.S. Tariff Rate of duty July 1, 1957	1956 Value of Imports from all countries	1956 Value of Imports from Canada
			(thousands of dollars)	
ANIMAL AND ANIMAL PRODUCTS—*Concluded*				
Cheese, cheddar	710	15%	764	165
Salmon, groundfish, mackerel, sturgeon, fresh-water fish	717(a)	½¢ lb.	20,960	19,334
Swordfish, fresh or frozen	717(a)	1¢; 1½¢ lb.	2,341	1,588
Fish, fresh or frozen, n.s.p.f.*	717(a)	1¢ lb.	1,470	227
Groundfish, frozen blocks	717(b)	1⅞¢; 2½¢ lb.	7,285	5,622
Groundfish, fillets	717(b)	1⅞¢; 2½¢ lb.	18,702	13,368
Halibut, salmon, flounder, fresh-water fish, other fish, filleted	717(b)	1½¢ lb.	19,934	12,877
Canned salmon	718(b)	15%	11,650	1,844
Canned herring, not in oil	718(b)	5½%	2,132	297
Cod, haddock, pickled or salted	719(2)	¼¢; ½¢ lb.	5,858	4,245
Cod, haddock, skinned or boned	719(3)	1¼¢ lb.	2,182	2,154
Herring, mackerel, pickled or salted cod	719(4)	¼¢; ½¢ lb.	3,604	1,654
Herring and cod, smoked or kippered	720(a)(3) (4)	1¢; 1½¢ lb.	1,004	628
Fish, prepared, n.s.p.f.	720(b)	1¢ lb.	2,655	448
Eggs of chickens, whole	713	3½¢ doz.	813	813
Hides, of cattle, calf and kip	1530(a)	4%	7,189	2,487
Sole leather	1530(b)	10%	436	306
Upper leather, cattle, grains	1530(b)	9%	1,222	1,037
Upper leather, cattle, patent	1530(b)	7½%	2,103	412
Upper leather, calf and kip	1530(b)	12½%	5,356	1,802
Glove and garment leather	1530(b)	9½%	630	600
Upper leather, cut stock	1530(b)	10%	287	139
Leather shoes, welt	1530(e)	36¢ per pair, but not less than 5% nor more than 18%	6,231	161
Women's and children's leather shoes, welt	1530(e)	36¢ per pair, but not less than 5% nor more than 18%	3,517	182
Leather slippers	1530(e)	10%	1,187	546
Leather shoes, other	1530(e)	10%; 20%	2,660	287
Furs, persian lamb	1519(a)	7½%; 10%	339	179
Whale oil, sperm	52	1.15¢; 3½¢ gal.	4,031	273
Herring oil	52	1¼¢ gal. plus ¾¢ lb.	131	122
Horses, not over $150 each	714	$7.50 each	265	203
Animals, live, n.s.p.f.	715	7½%	2,641	490
VEGETABLE PRODUCTS—				
Casein, lactarene	19	2¾¢ lb.	14,276	805
Barley	722	7½¢ bu.	39,824	39,822
Buckwheat	723	10¢ per 100 lbs.	199	199
Corn, certified seed	724	12½¢ bu.	361	303
Oats	726	4¢ bu.	5,984	5,553
Rye	728	6¢ bu.	4,336	4,336
Wheat, full duty	729	21¢ bu.	1,590	1,590
Rice, broken	727	5/16¢ lb.	1,369	683
Wheat, unfit for humans	729	5%	13,049	13,020
Flour of wheat	729	52¢ per 100 lbs.	145	145
Biscuits, not sweetened	733	9%	823	167
Wafers, cakes and baked articles	733	9%	4,059	1,830
Barley malt	722	30¢ per 100 lbs.	4,405	4,405
Oats, unhulled, ground	726	12½¢ per 100 lbs.	125	125
Hay	779	$1.12 per ton	384	384
Feeds, wheat and other cereals and mixed feeds	730	2½%	7,197	5,039
Beet pulp, dried	730	$1.90 a ton	671	532
Brewer's grains	730	$1.25 a ton	2,319	2,033
Grain hulls	730	2½¢ per 100 lbs.	119	119
Screenings	731	2½%	3,358	3,358
Dog food containing grain	730	2½%	130	130
Manufactured dog food, other	558	10%	458	457
Dried beans	765	1½¢; 3¢ per lb.	1,007	141
Green peas	769	1¢; 2¢ per lb.	1,263	499
Potatoes	771	37½¢; 75¢ per 100 lbs.	6,753	6,736
Turnips	773	5½¢ per 100 lbs.	2,462	2,462

*n.s.p.f.—not specially provided for.

Description	U.S. Tariff: Para No.	U.S. Tariff: Rate of duty July 1, 1957	1956 Value of Imports: from all countries	1956 Value of Imports: from Canada
			(thousands of dollars)	
VEGETABLE PRODUCTS—*Concluded*				
Lettuce	774	90¢ per 100 lbs.	214	214
Carrots	774	12½%	203	202
Peas, n.e.s.** canned	769	1¢ lb.	190	140
Apples	734	12½¢ bu.	3,964	3,836
Raspberries, blueberries	736	½¢; ¾¢; 1¢ per lb.	2,438	2,438
Grapes (not hothouse)	742	12½¢ cu. ft.	1,179	366
Currant and berry jams and jellies	751	9%	852	279
Apples, prepared or preserved, n.e.s.	734	1.12¢ lb.	184	118
Frozen blueberries	736	7¾%	601	350
Mustard seed, whole	781	7/8¢ lb.	2,393	2,032
Molasses, inedible	502	0.013¢ per lb. of sugar	34,627	251
Beet sugar	501	(various)	149	110
Maple sugar and syrup	503	1½¢; 2¢ per lb.	5,494	5,494
Whisky (rye)	802	$1.25 per gal.	63,750	63,749
Apple cider	738	3¢ per gal.	480	311
Beer	805	12½¢ per gal.	9,445	4,047
Auto tires	1537(b)	9%	5,463	878
Auto inner tubes	369(c)	12½%	221	107
Synthetic rubber, crude	1558	9%	4,731	4,696
Soft rubber manufactures	1537(b)	12½%	2,943	239
Hard rubber manufactures, n.o.p.f.***	1537(b)	12½%	400	126
Drugs of animal or vegetable origin	34	5%	13,588	973
Sunflower seed	762	1¢ lb.	372	348
Rapeseed oil, inedible	1732	2¼¢ lb.	608	452
Dyeing extracts, n.e.s.	38	7½%	282	105
Alfalfa and red clover seed	763	2¢ lb.	902	865
Sweet clover seed	763	0.9¢ lb.	1,328	1,325
Kentucky and Canada Blue-grass seed	763	1¼¢; 2¢ lb.	503	219
Fescue seed	763	1¢ lb.	1,717	1,399
Millet and timothy seed	763	½¢ lb.	1,027	793
Bromegrass seed	763	0.9¢ lb.	1,126	1,126
Peat moss	1548	25¢ ton	766	514
TEXTILE FIBRES AND MANUFACTURES—				
Coats, of cotton	919	10%	4,406	239
Wool, raw	1102(b)	25½¢ lb.	121,347	149
Wool noils	1105(a)	12¢ lb.	24,448	202
Wool waste and rags	1105(a)	9¢ lb.	15,117	558
Wool flocks	1105(a)	3½¢ lb.	217	127
Wool hose	1114(b)	20% and 37½¢ lb.	2,916	108
Wool underwear, knit	1114(c)	18% and 37½¢ lb.	209	111
Wool wearing apparel	1115(a)	22½% & 37½¢ lb.	5,096	108
Synthetic textile waste	1302	5%	565	265
Synthetic yarns, singles	1301	40½% but not less than 36¢ lb.	643	458
WOOD AND PAPER—				
Wooden blocks and shapes	406	2½%	445	409
Lumber, softwood	401	from 25¢ to $1.00 per 1000 bd. ft.	260,609	249,478
Hardwood flooring	402	4%	690	676
Lumber, hardwood (except flooring)	1803	$1.50 per 1000 bd. ft.	20,990	17,290
Dowels of hardwood	1803	$1.50 per 1000 bd. ft.	226	190
Barrels and kegs, wood	407	7½%	593	548
Birch plywood	405	15%	18,283	10,361
Other plywood	405	20%	36,309	106
Veneer, wood	405	10%	17,308	15,014
Furniture, wood	412	11%	5,189	159
Paintbrush handles	412	9%	320	275
Doors, wood	412	15%	1,100	925
Forks and spoons, wood	412	17½%	582	264
Ice hockey sticks	412	10%	224	223

**n.e.s.—not elsewhere specified

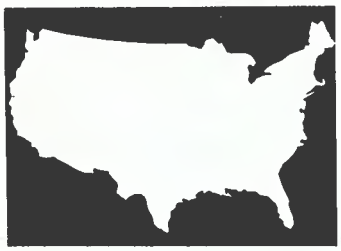
***n.o.p.f.—not otherwise provided for

Description	U.S. Tariff		1956 Value of Imports	
	Para No.	Rate of duty July 1, 1957	from all countries	from Canada
			(thousands of dollars)	
WOOD AND PAPER—*Concluded*				
Manufactures of wood, n.s.p.f.	412	16-2/3%	13,576	1,248
Paper, uncoated, book and printing	1401	4½% and 0.18¢ lb.	8,609	6,163
Paper, wrapping, kraft	1409	9%	6,060	1,041
Paper, coated with metal, etc.	1405	10% and 4½¢ lb.	415	129
Book and other paper, surface coated	1405	6½% and 2¼¢ lb.	2,842	712
Crepe paper	1404	6½% and 2.7¢ lb.	212	212
Pulpboard in rolls, for manufacture of wallboard	1413	7½%	1,486	1,259
Insulating board	1402	5%	982	542
Wallboard, paperboard, pulpboard, leatherboard, etc., not plate-finished or coated	1402	5%; 7½%	3,081	1,906
Hardboard	1413	$7.25 ton, but not less than 7½% nor more than 15% ad val.	5,803	2,865
Paperboard, pulpboard, finished or coated, etc.	1413	$6.52 ton, but not less than 6½% nor more than 13½% ad val.	2,665	1,299
Paper, paperboard, cut, embossed	1413	15%	478	199
Hanging paper, not coloured	1409	4½%	692	690
Hanging paper, coloured	1409	10% and ½¢ lb.	2,493	790
Paper, sheathing and roofing, inc. roofing felt	1402	5%	360	262
Paper boxes with cotton	1405	2.15¢ lb. plus 9%	749	459
Manufactures of paper, n.s.p.f.	1413	17½%	6,022	206
NON-METALLIC MINERALS—				
Petroleum, crude, under 25 A.P.I.	1733	⅛¢ gal.	125,065	9,065
Petroleum, crude, over 25 A.P.I.	1733	¼¢ gal.	702,874	102,324
Naphtha and finished light products	1733	¼¢ gal.	1,064	426
Limestone crude or crushed	203	1¼¢ per 100 lbs.	195	195
Gasoline	1733	1¼¢ gal.	32,542	6,905
Residual fuel oil	1733	¼¢ gal.	300,397	1,748
Gas oil and distillate fuel oil	1733	5¼¢ bbl.	9,125	351
Lime	203	2½¢ per 100 lbs.	549	549
Cement	205(b)	2¼¢ per 100 lbs.	11,362	1,665
Granite, dressed	234(a)	13½%	1,090	165
Glass in sheets	219	From .72¢ to 1.44¢ lb.	16,975	838
Fluorspar	207	$2.10 ton	7,859	1,365
Artificially activated earths or clays	207	0.11¢ lb. and 13½%	137	113
Rockingham earthenware	210	6¼%	584	110
Magnesite bricks and shapes	201(a)	5% and ⅜¢ lb.	1,518	1,498
Unglazed brick	201(b)	50¢ per 1000	293	240
Refractory material of magnesia and lime	214	15%	587	586
Earthy and mineral substances and products	214	15%	5,415	835
Asbestos shingles	1501(c)	3/10¢; ⅜¢ lb.	4,148	2,891
Asbestos brake and clutch lining, yarn, packing	1501	9%; 10%	737	114
Articles wholly or in part of carbon or graphite	216	15%	2,805	2,145
Magnesite, deadburned	204	23/60¢ lb.	6,093	697
Salt, in bags, barrels	81	3½¢ per 100 lbs.	361	358
Salt, in bulk	81	1.9¢ per 100 lbs.	1,993	1,788
METALS AND MANUFACTURES—				
Granular or sponge iron	301	62½¢ ton	432	200
Pig iron, not over .04 per cent phosphorus	301	37½¢ ton	2,694	2,576
Steel plates not galvanized	307	10%	6,864	231
Pig iron, over .04 per cent phosphorus	301	60¢ ton	15,141	14,034
Steel ingot and billet, valued from 2½ to 8¢ lb.	304	9% and 11%	1,662	1,517
Steel billet, valued over 16¢ lb.	304	11%	1,300	1,278
Steel beams	312	1/10¢ lb.	36,891	377
Tin plate and taggers' tin	310	.9¢ lb.	148	119
Steel rails	322	1/20¢ lb.	611	350
Iron and steel sheet piling	312	.18¢ lb.	3,436	124
Wire and cable, covered (except copper)	316(a)	15½%	1,378	341
Steel strip	313, 316(a)	11%; 12½%	1,851	1,573
Wire nails	331	2/10¢ lb.	15,988	136

Description	U.S. Tariff		1956 Value of Imports	
	Para No.	Rate of duty July 1, 1957	from all countries	from Canada
			(thousands of dollars)	
METALS AND MANUFACTURES—*Concluded*				
Castings of iron	327	5%	2,467	1,768
Bolts and bolt blanks	330	½¢ lb.	3,632	142
Tubes and pipes over ⅜"	328	.33¢ lb.	13,230	481
Articles of iron or steel, n.s.p.f.	397	20%	14,046	2,017
Steel wire strand	316(a)	15½%	522	204
Tools, n.s.p.f., for cutting metal	352	22½%	480	151
Ferromanganese	302(d)	5/8¢; 15/16¢ lb.	27,859	694
Ferrochrome	302(k)	⅝¢ lb.	6,323	1,901
Ferrosilicon	302(i)	0.9¢; 1.3¢; 2¢ lb.	1,737	1,723
Tungsten ore and concentrates	302(c)	50¢ lb.	57,827	5,857
Boron carbide	302(l)	6¼%	172	168
Alloys, n.s.p.f., for mfr. steel	302(o)	12½%	1,102	451
Aluminum metal, crude	374	1.3¢ lb.	100,137	91,149
Aluminum plate, sheet, bar	374	2.7¢ lb.	16,480	2,419
Articles of aluminum, n.s.p.f.	397	20%	2,118	200
Copper in rolls, sheets, rods	381	1¼¢ lb.	9,900	2,565
Copper tubing	381	3½¢ lb.	13,496	312
Copper wire, covered	316(a)	15½%	24,272	5,084
Brass rod, sheet, tubing	381	2¢ lb.	22,857	532
Brass manufactures	397	20%	8,144	146
Lead ores	391	¾¢ lb.	51,666	7,379
Lead, in pigs	392	1-1/16¢ lb.	77,511	4,539
Lead scrap, dross	392	1-1/16¢ lb.	5,269	1,166
Type metal	392	1-1/16¢ lb.	2,763	839
Nickel, in pigs, ingots	389	1¼¢ lb.	153,839	126,286
Zinc-bearing ores	393	3/5¢ lb.	53,260	17,944
Zinc, in pigs, slabs	394	7/10¢ lb.	65,034	32,158
Zinc manufactures	397	20%	287	106
German silver	380	10%	119	119
Cadmium	378	3¾¢ lb.	4,722	1,400
Lighting fixtures	397	20%	804	102
Articles of metal, n.e.s.	397	20%	2,273	285
Electric generators, and converting apparatus	353	15%	5,513	1,059
Articles for controlling and rectifying electricity	353	15%	5,888	2,921
Switches, sockets, etc.	353	17½%	1,296	132
Electric motors and parts	353	11%	4,715	1,661
Therapeutic apparatus	353	15½%	353	133
Radio and television apparatus	353	11%; 12½%	8,576	817
Telegraph and telephone apparatus	353	17½%	4,950	2,710
Photocells and tubes	353	15%	814	170
Electric furnaces, heaters, ovens	353	12½%	718	192
Cooking stoves, electric	353	10%	216	214
Electrical machines	353	13¾%	49,606	3,667
Electrical goods, n.s.p.f.	353	11%	2,029	1,366
Internal combustion engines, carburetor-type	372	8¾%	1,112	1,072
Metalworking machines	372	15%; 20%	19,867	1,172
Sewing machines	372	10%	32,430	582
Ball and roller bearings	321	15½%; & 3.6¢ lb.	1,973	512
Printing presses and parts	372	12½%	11,030	366
Calculating machines (electric)	353	11%	5,515	962
Mining machinery	372	12%	915	249
Papermaking machines	372	9%	1,202	812
Saw machines	372	12%	3,366	851
Machinery and parts, (except agricultural) n.s.p.f.	372	12%	33,656	3,548
Wrapping machines, n.s.p.f.	372	13¾%	1,419	134
Automobiles and trucks	369	9%; 11%	131,927	1,117
Automobile parts	369(c)	11%	11,596	2,785
Airplanes	370	13½%	55,386	12,420
Aircraft parts and engines	370	13½%	31,196	25,338
Motor boats under $15,000	370	6½%	3,573	1,226
Motor boats over $15,000	370	13½%	1,234	158
CHEMICALS AND RELATED PRODUCTS—				
Vanillin	28(a)	20% & 3.1¢ lb.	420	333
Coal tar acids, n.s.p.f.	27(a)	25% and 3½¢ lb.	1,033	120
Synthetic phenolic resins, etc.	28(a)	22½% and 3½¢ lb.	777	253
Trichloroethylene	18	7½%	1,918	318
Vinyl acetate	2	6½% and 1.3¢ lb.	7,032	6,584

Description	U.S. Tariff		1956 Value of Imports	
	Para No.	Rate of duty July 1, 1957	from all countries	from Canada
			(thousands of dollars)	
CHEMICALS AND RELATED PRODUCTS—*Concluded*				
Acetic acid	1	0.56¢ lb.	595	595
Acetic anhydride	1	1.55¢ lb.	404	404
Hexyl, propyl alcohol	4	3¢ lb.	138	125
Calcium carbide	16	0.45¢ lb.	171	171
Pyroxylin, other than in sheet form	31(b)	20¢ lb.	986	505
Cellulose compounds	31(b)	20¢ lb.	679	143
Cellulose other than acetate in sheets	31(c)	22½%	1,766	1,441
Acetone	3	9%	742	623
Acetylene black	71	5%	1,383	1,380
Aluminum hydroxide	6	¼¢ lb.	283	241
Aluminum salts and compounds	6	11%	197	145
Blacking powders, polishes, n.s.p.f.	13	6½%	510	262
Carbon tetrachloride	18	.9¢ lb.	201	200
Ethers and esters, n.s.p.f.	37	11%	1,304	109
Chlorine	5	11%	1,537	1,518
Flavoring extracts, etc.	39	7½%	473	123
Chemical compounds, n.s.p.f.	5	11%	21,341	13,130
Iron oxide and hydroxide, synthetic	73	10%	879	311
Barytes ore, crude	67	$2.70 ton	3,564	1,708
Zinc oxide, dry powder	77	3/5¢ lb.	770	152
Varnishes	75	10%	693	654
MISCELLANEOUS PRODUCTS—				
Film, photographic	1551	6¼%	2,029	481
Dental burrs	359	22½%	421	115
Pipe organs	1541	10%	454	409
Ice skates	1502	12½%	1,661	1,240
Books	1410	5%	6,589	120
Printed matter	1410	5%	1,051	290
Litho prints	1406	15¢ lb.	721	101
Jewels for movements, devices, etc.	367(d)	10%	2,456	131
Textile waste, fur felt waste	1555	4%	3,707	1,973
TABLE B—DUTY-FREE IMPORTS				
Sausage casings	1755		15,050	1,611
Smelts, fresh or frozen	1756		1,116	1,099
Sea herring, fresh or frozen	1756		225	195
Lobsters, not canned	1761		34,284	13,722
Lobsters, canned	1761		5,031	3,804
Crabs	1761		182	174
Clams, not in airtight containers	1761		552	407
Scallops, fresh or frozen	1761		1,139	674
Shrimps and prawns	1761		32,986	119
Hides, horse and mule	1765		1,903	485
Skins, sheep and lamb	1681		23,410	225
Skins, deer	1765		1,294	218
Sealskins	1765		379	166
Hides and skins, n.s.p.f.	1765		971	211
Beaver fur, undressed	1681		2,363	2,363
Mink fur, undressed	1681		31,370	15,495
Muskrat fur, undressed	1681		1,234	1,159
Fur, other, undressed	1681		5,056	1,670
Cod oil	1730(b)		830	516
Cod liver oil	1730(b)		2,191	138
Cattle for breeding	1606(a)		4,731	4,606
Horses for slaughter	1695		449	333
Hide cuttings, raw	1689		441	155
Glue stock	1689		258	178
Fish scrap and meal (except fertilizer)	1780		11,132	7,301
Fish solubles	1780		219	119
Fish inedible, other	1677		1,046	724
Wheat for grinding and export	—		185	185
Bread	1623		456	357
Tea	1783(b)		50,886	435
Rubber scrap	1697		1,068	317
Crude drugs	1669		2,539	1,117
Moss, seaweed, etc. crude	1722		1,579	695
Cotton wastes	1662		5,885	214
Jute waste, bagging, etc.	1617		5,958	770

Description	U.S. Tariff		1956 Value of Imports	
	Para No.	Rate of duty July 1, 1957	from all countries	from Canada
			(thousands of dollars)	
Binder twine	1622		4,606	1,341
Baler twine	1622		18,049	3,909
Horsehair, cattle hair	1688		5,754	541
Animal hair unmanufactured	1688		464	122
Logs	1803		4,895	3,891
Poles, posts, round timber	1804		5,704	5,368
Staves	1805		210	203
Christmas trees	1803		6,058	6,055
Railroad ties, sawed	1804		349	348
Laths	1803		885	885
Red cedar shakes	1760		7,752	7,750
Shingles	1760		16,415	16,415
Pickets and palings	1805		1,242	1,211
Pulpwood	1803		36,717	36,717
Wood pulp	1716		297,542	254,644
Rags, waste bagging, old rope grasses, fibres, etc., for paper-making	1750		5,284	2,899
Standard newsprint paper	1772		687,788	644,535
Coal, bituminous	1650		1,693	1,684
Coke	1650		1,471	1,450
Charcoal, wood	1802		489	135
Slack and culm	1650		1,191	1,186
Quartzite	1775		776	771
Plaster rock and gypsum, crude	1743		7,841	7,013
Nepheline syenite, ground	1775		2,136	2,136
Sand, crude	1775		454	402
Carbides of silicon	1672		8,907	8,838
Abrasives, aluminous and artificial	1672		15,250	15,248
Asbestos	1616		55,987	52,291
Iron pyrites	1777		480	480
Natural gas	1719		1,042	1,042
Diamonds, rough or uncut	1668		86,289	576
Crushing bort and other industrial diamonds	1668		72,023	3,798
Iron ore	1700		250,337	117,723
Iron or steel scrap	301		10,381	9,154
Ilmenite ore	1719		9,198	6,896
Aluminum scrap	374		10,770	7,856
Copper (incl. scrap)	1658		449,489	84,571
Old brass and clippings	1634		3,003	1,752
Nickel ore and matte	1734		4,592	4,592
Nickel oxide	1734		29,820	11,761
Tin ore	1785		32,317	431
Cobalt metal	1652		32,910	2,803
Selenium and salts	1758		3,452	3,380
Tin plate scrap	1786		932	878
Metallic mineral substances, crude	1664		2,916	521
Rhodium	1699		2,039	1,505
Platinum sponge and scrap	1744		12,752	10,676
Palladium	1699		10,958	2,670
Shoe machines	1643		1,577	270
Platinum ingots and bars	1744		28,613	174
Typewriters	1791		12,798	1,018
Agricultural machinery and implements	1604		74,043	65,054
Creosote oil	1651		6,794	160
Benzene	1651		17,813	132
Naphthalene and coal tar distillates	1651		6,096	800
Sulphuric acid	1601		446	446
Hydrochloric acid	1601		416	416
Sodium sulphate, crude	1766		2,047	976
Sodium cyanide	1667		6,543	3,989
Radium salts	1749		633	185
Radioactive substances	1749		514	447
Ammonium sulphate	1685		8,783	8,545
Ammonium nitrate mixtures	1685		22,613	12,758
Calcium cyanamide	1641		3,588	3,588
Paintings, etc., original	1807		12,783	522
Sculpture casts, educational	1773		821	143
Ammonium phosphates	1685		13,035	12,964
Synthetic nitrogenous fertilizers, n.e.s.	1685		597	591
Fertilizers compounded cont. nitrogen potash etc.	1685		2,318	2,314
Fertilizer mixtures prepared	1685		2,087	2,065
Peat moss, fertilizer grade	1685		9,764	5,576



The U.S. Market

If You Would Like More Information . . .

The following articles published in *Foreign Trade* during the last two years contain additional information on various aspects of the United States market.

General

"Canadian Exports to the United States: a Comparative Study", by Economics Branch. January 21, 1956, page 8.

"Entering the American Market" by R. G. C. Smith. March 17, 1956, page 12.

Customs Problems and Procedures

"United States Clarifies 'Fair Value' " by R. G. C. Smith. June 11, 1955, page 21.

"U.S. Extends Trade Agreements Act" by R. G. C. Smith. October 29, 1955, page 22.

"Customs Simplification in the United States" by R. G. C. Smith. December 10, 1955, page 6.

"The United States Customs and the Canadian Exporter" by R. G. C. Smith. May 26, 1956, page 4.

"U.S. Congress Passes Customs Simplification Bill" by R. G. C. Smith. September 15, 1956, page 7.

"The U.S. Tariff Commission: What It Is, What It Does" by R. G. C. Smith. September 14, 1957, page 14.

Regional

NEW ENGLAND

"New England: Market on Your Doorstep" by D. H. Cheney. March 3, 1956, page 16.

"Exploring Business in Boston" by D. H. Cheney. December 22, 1956, page 5.

MICHIGAN AND OHIO

"Detroit as a Potential Market"
by M. J. Vechsler. April 30, 1955, page 14.

"Selling South of Erie" by J. H. Bailey. April 30, 1955, page 16.

SOUTHERN STATES

"What to Sell Down South" by G. A. Newman. April 2, 1955, page 15.

"The Southern States—a Changing Market" by A. A. Caron. December 22, 1956, page 2.

MIDWEST

"Chicago and the Seaway" by G. A. Newman. February 18, 1956, page 6.

"Exploring Trade with the Midwest" by G. A. Newman. April 14, 1956, page 23.

"Shipping by Truck to the Midwest" by G. A. Newman. August 4, 1956, page 19.

"What the Midwest Imports" by G. A. Newman. April 13, 1957, page 6.

Commodities

BOATS

"Canadian Boats for U.S. Buyers" various offices. November 12, 1955, pages 5 to 16.

FOOD PRODUCTS

"The U.S. Market for Quality Foodstuffs" by E. H. Maguire. July 7, 1956, page 2.

"Selling Food Products in the Midwest" by D. L. Kirkland. April 27, 1957, page 5.

FOREST PRODUCTS

"Wood Pulp in the United States Market" various offices. January 22, 1955, pages 5 to 8.

"Lumber in the United States Market" various offices. May 25, 1957, pages 6 to 15.

"Canadian Dowels for Chicago" by W. G. D'Arcy. September 1, 1956, page 18.

"Midwest Market for Canadian Crating Material" by W. G. D'Arcy. March 2, 1957, page 15.

"Christmas Trees for U.S. Homes" by D. M. W. Hummel. September 29, 1956, page 21.

"Christmas Trees for the South" by A. A. Caron. November 10, 1956, page 23.

GRANITE

"U.S. Builders Use Canadian Granite" by C. S. Collins. April 27, 1957, page 8.

PRODUCE

"How Chicago Sells Fruits and Vegetables" by D. M. W. Hummel. January 21, 1956, page 24.

"Canadian Produce for Boston's Markets" by D. H. Cheney. May 26, 1956, page 21.

"Seed Potatoes in the Southeastern States" by A. A. Caron. July 21, 1956, page 20.

"Canadian Blueberries for U.S. Tables" by D. L. Kirkland. July 6, 1957, page 6.

SPORTING GOODS

"Sports Equipment: the United States Market" various offices. February 16, 1957, pages 6 to 18.

New Orleans Food Fair Postponed

The "Fairs and Exhibitions" sections of our August 31 issue carried a story on the first International Food Fair which was to be held in New Orleans this year from September 25 to October 4. We have been advised by the United States Department of Commerce that the organizers have found it necessary to postpone the fair until October 1958.

Belgium as a Market for Tobacco

BELGIUM IMPORTS nearly all of the raw tobacco used in the country to make cigarettes, cigars, cigarillos and cut tobacco. Over the past five years her tobacco purchases from all countries have averaged 21,787 metric tons a year; they reached 22,690 tons last year, with about 126 tons coming from Canada.

Cigarettes represent about 50 per cent of the manufactured tobacco consumed in Belgium, cigars and cigarillos 8 per cent, and cut tobacco the remainder; factory output reached 22,920 tons last year. The average Belgian consumes about 2.55 kg. of manufactured tobacco a year compared with 3.52 kg. in the United States, 2.13 kg. in the United Kingdom, 1.7 kg. in Germany and 1.52 kg. in France. Per capita tobacco consumption has been rising slowly since the war, but has not yet reached the prewar maximum.

Belgium's taxes on tobacco are considered quite low when compared with most other countries; excise duties are 14 per cent on cigars and 20 per cent on cigarillos. Duties on cigarettes and cut tobacco are considerably higher, however, and the Government's share averaged out to just over 50 per cent of the retail sales for tobacco products in 1956, which totalled $140 million.

Imports of manufactured tobacco represented about 6.8 per cent of national production and exports 2.7 per cent. Most of the trade is with the Netherlands, which supplies 89 per cent of the imports and takes 57 per cent of the exports. Belgium buys 75 per cent of her raw tobacco from countries other than those which propose to join in the European Common Market. At present the duty is 3.6 cents Canadian a pound but will be set at 30 per cent ad valorem when the Common Market agreement comes into effect.

Belgian tobacco buyers interviewed recently state that they would like to buy quality Canadian leaf. Some of them are already convinced that the quality and grading of the Canadian product are better than for tobaccos from other suppliers; our prices too, even for better grades, still seem competitive. Even if the tariff barrier should rise as a result of the Common Market as time goes on, and competition for traditional suppliers which is developing from China and Japan continue, Canada probably could still sell quality leaf here.

—J. RAYMOND ROY,
Assistant Commercial Secretary, Brussels.

France

New Import Controls Introduced

Severe import restrictions and other measures have been introduced by the French Government to improve its deteriorating foreign exchange position. New 20 per cent tax on imports will apply to most Canadian goods sold there, with the exception of pulp for synthetic textiles.

J. H. BAILEY, *Commercial Secretary, Paris.*

DURING THE FIRST FIVE MONTHS OF 1957, France had an unfavourable balance of trade of approximately $123 million per month (calculated at 350 francs to the dollar). This dangerous drain on her foreign exchange reserves—which are now estimated to be below $100 million—had to be stopped. Faced with this pressing problem on taking office in June, the new Government formed by Mr. Bourges Maunoury found it necessary to introduce a number of regulations in an effort to remedy the serious foreign exchange position of the country.

Import Controls Tightened

The first step taken to reduce imports was the announcement on June 5 of an increase in the deposit against import licences from 25 to 50 per cent. This was apparently provoked by a sudden increase in licence applications by importers who felt that the Government might be considering deliberalization measures. As it turned out, their fears were well founded. On June 18 the Minister of Finance announced the re-establishment of a system of import quotas on goods entering France from countries of the European Payments Union, the transferable franc area and the dollar countries.

The import quotas established under the new system for the second half of 1957 appeared in a series of announcements towards the end of July in the *Journal Officiel.* The system adopted was divided into two main parts:

1. *Those products considered to be of primary importance in maintaining the economic health of the country.*

   The quotas for these products were determined on the basis of the estimated minimum supplies of raw materials and equipment from abroad needed by the major French industries and services. Notices were published announcing the opening of quotas, by currency areas, for these essential goods. As far as Canada was concerned, quotas were announced for the following products:

Seeds for sowing or industrial end-use
Various ores such as iron, copper, manganese, zinc, chrome, molybdenum, titanium, etc.
Non-metallic minerals such as asbestos, mica, refractory products, magnesium, feldspar, chalk, limestone, etc.
Non-ferrous metals such as unwrought copper, nickel, and silver
Special steels and steel scrap
Minerals for the chemical industry such as titanium oxide, sodium borate, selenium, etc.
Plastics of various types
Pharmaceuticals and especially raw materials for their manufacture, such as glands, plants, etc.
Synthetic rubber and some rubber articles
Raw hides and furskins
Lumber (special types)
Pulps and pulpwood
Newsprint and special papers
Books, newspapers and other printed material in French

2. *Those goods considered to be less important to the welfare of the French economy.*

   The over-all allocation of these quotas was determined on the basis of the total imports in 1955 of all the listed products, but the distribution of the over-all quota among the various products was calculated according to the imports of each specific product in 1955. When dividing the available quotas among importers, allowance was to be made for each importer's past trading and a small percentage of each quota was reserved for special contingencies. The following are the general groups of products for which dollar quotas for imports from Canada and the United States were established under this policy:

Wood products such as battery separators, match splints, veneer sheets, and wooden articles for industry and agriculture
Sporting goods such as fishing rods and gymnastic apparatus
A limited number of pharmaceutical and chemical products
A variety of ordinary and special machinery and parts
Transformers, meters, electrical switches, etc.
Instruments and scientific apparatus

A wide range of steel goods such as angles, bars, rods, hoops, plated wire, barbed wire, alloys, etc.

Copper in the form of plates, sheets, strip, bars, rods, etc., and various copper alloy products

Cast-iron pipe, boilers, and other articles

Stoves, ranges, cookers, etc., burning solid fuel, gas, or liquid fuel

Nickel products such as drums, cans, cable, etc.

Similar products in aluminum

Consumer goods such as hairpins, curling tongs, spectacle cases, electric razors, photograph frames, etc., but not including (to date) products such as skates, outboard motors, whisky and many other consumer goods formerly shipped to France by Canadian exporters.

Full lists of the products covered by quota systems (1) and (2) above are available on request from the International Trade Relations Branch of the Department of Trade and Commerce in Ottawa.

In addition to the major quota lists mentioned above, the Government has also issued two supplementary regulations covering spare parts and oil-drilling machinery. The first was a quota for essential spare parts required to maintain machinery and equipment originating in the United States and Canada and the second was an announcement that import licences would be granted selectively for machinery and parts needed for oil prospecting and oil production in France.

Import Tax and Export Premium

The Government introduced additional measures on August 11 in a further effort to stem the continuing trade deficit, which amounted to an accumulated total of $851 million by the end of July. These measures, in the opinion of many persons, amounted to a qualified 20 per cent devaluation of the franc. This was accomplished by applying a uniform tax of 20 per cent on imports (with the exception of fuels and some base materials needed by industry) and paying a premium of 20 per cent on the repatriated proceeds of exports. Invisible transactions were also subject to the 20 per cent measures and the tourist rate of exchange was altered to the equivalent of 420 francs to the U.S. dollar instead of the former 350 francs.

The base materials exempted from the new 20 per cent tax were such things as coal, petroleum, sulphur, iron ore, a number of non-ferrous ores and metals (cadmium, cobalt, tungsten, titanium, etc.), some iron and steel products, some construction materials, a range of chemicals needed by industry, raw wool, raw cotton, and artificial textile fibres or the chemical pulps from which such fibres are manufactured.

As far as Canadian exports to France are concerned, it is estimated that 98 per cent of the products currently being shipped to France will be subject to the new 20 per cent tax. This includes such base materials as asbestos, pulpwood, paper pulps, synthetic rubber, zinc, copper, flaxseed, raw furs, and plastics. The above raw materials account for the largest volume of Canadian sales to France but in addition there are some important shipments of manufactured goods which are also subject to the tax. The two largest items in this group are newsprint and agricultural machinery. It appears that the only Canadian product now being shipped to France that will be exempt from the new tax will be pulp for the manufacture of synthetic textiles.

Other changes in trade regulations were also introduced at the same time as the 20 per cent tax. First, a variety of export aids were replaced by the straight 20 per cent premium to be paid by the Government on the foreign exchange earned by exporters on sales abroad. As a further incentive to increase their exports, manufacturers who export at least 20 per cent of their total production with a minimum value of 50 million francs will receive a card which will entitle them to special consideration in obtaining credit, capital equipment, supplies and labour. Second, the 50 per cent deposit against import licences formerly required was discontinued except for outstanding instalment payments. However, a deposit of 50 per cent ad valorem is now required against all forward exchange cover. This deposit is refunded promptly as soon as the exchange is transferred. Finally, the period of the validity of import licences has been extended from three to six months.

Duration of New Regulations

The purpose of the new import and export regulations is to reduce the chronic deficit position of French foreign trade and, in due course, to increase the foreign exchange reserves. The restrictive measures are not intended to be permanent and French government officials look forward to a return to a freer system of trade controls as soon as possible, but not before the beginning of 1958. Moreover, for its plans to succeed, the Government will have to enforce price and wage controls rigorously—a task which may be extremely difficult.

Tours of Territory

J. E. LANCASTER, Commercial Secretary in Djakarta, Indonesia, will visit Sumatra in early October.

T. G. MAJOR, Commercial Counsellor in Melbourne, Australia, plans a tour of the business, industrial and agricultural communities in Perth and district and in Western Australia in mid-October.

Businessmen who would like these officers to undertake assignments for them should get in touch with them at their posts as soon as possible. Mr. Lancaster can be reached through his office in Djakarta, and Mr. Major at Melbourne.

Brazil Reforms Tariff System

The long-awaited new tariff law, introduced in mid-August, makes fundamental alterations in both tariff rates and procedures. Here is a brief description of some of the chief changes.

V. L. CHAPIN,
Commercial Secretary, Rio de Janeiro.

A NEW TARIFF LAW came into force on August 14 which completely reforms Brazil's tariff system. All duties are now *ad valorem,* the nomenclature of merchandise has been revised, and new measures of exchange control have been introduced. The most important provisions of the new law are summarized below. Details concerning regulations under the new law dealing with foreign exchange measures and the lists of Special and General Category goods will be included in a later report.

- *Tariff Rates*—The new tariff rates range from free entry to 150 per cent of the external value of merchandise, including insurance and freight (the C.I.F. value). "External value" means the price at the time of export at which the merchandise is offered for sale in the wholesale market of the exporting country, plus packing and transport to port of shipment.

  There is provision to establish a "specific equivalent", calculated in cruzeiros, for each item in the tariff. The Brazilian Customs may use this calculated amount to compare with the amount of the corresponding ad valorem duty after it has been calculated in cruzeiros; in any case of difference it is provided that the higher amount will be collected.

- *Conversion Rate*—The conversion rate of the external value will be fixed monthly, based on the variations of the import exchange market during the month previous to that expired. During the first year it will be adjusted every quarter and for the first quarter after the law is in force. The conversion rate may not exceed the cost of exchange in the previous first two import categories.

- *Classifying Goods*—Goods which at first sight appear to fall into more than one position in the tariff will be classified in that which involves the higher rate. Should it not be possible, however, to make any specific classification or to assimilate the goods with others, they will pay duties at the rate of 50 per cent *ad valorem.*

- *Country of Origin*—The country of origin of merchandise is that in which it was produced and if it is the result of material and labour in more than one country, then it is considered as emanating from the country where it received substantial process of transformation, thus giving it new individuality.

- *Duty on Packing*—Packing which is not normally used, or which is of a greater value in the national market than the contents are, is subject to duty according to its own classification.

- *Exemptions on Baggage*—Baggage declared by passengers is exempt from tax when in quantity which does not reveal a commercial objective and is comprised of clothing and objects for personal use or consumption, monogrammed bed and table linen, personal jewellery, printed books, wireless or television set, photographic or motion picture camera, typewriter, binoculars. (The last four must all be portable types and weigh not more than 10 kilos per unit.)

- *Administration of Customs Policy*—A Customs Policy Council of 13 people, consisting of government and trade representatives and with its own technical secretariat, has been set up to administer the customs policy and deal with all matters connected with tariffs. It has also taken over the functions of the Commission of Similars which is now abolished.

- *Consular Invoices Abolished*—On January 1, 1958, consular invoices will be abolished. The commercial invoice, containing details still to be established in regulations, will be visaed by the consular authority on payment of the corresponding emoluments and presentation of the licence certificate issued by the Foreign Trade Bureau, or proof of exchange cover issued by the Exchange Bureau of the Bank of Brazil, as the case may be.

- *Duty Exemption for Automotive Parts*—Exemption from duty is accorded the complementary part of a unit to be completed in the country and imported

by manufacturers of national vehicles with plans approved up to December 31, 1957. Such exemption expires on June 30, 1959, after which there will be a reduction in the duty according to the degree of nationalization attained by the manufacturer.

- *New Categories for Goods*—Imported merchandise is to be grouped in two categories—general and special. "General" corresponds roughly to the previous Categories 1, 2 and 3 and "Special" to Category 5. Goods which were listed in the former Category 4 will be divided between general and special. The initial grouping will be established by the Minister of Finance within 30 days from August 14.

- *Exceptions*—Except for newsprint, fertilizers, insecticides, wheat, petroleum, and certain essential equipment and parts, no imports may be made at an exchange rate lower than the one for merchandise in the general category.

- *Financial Transfers Abroad*—Financial transfers abroad will be conducted through the free exchange market, except for payment of government commitments, services rendered abroad covering imports of essential equipment, and amortization and interest on loans, credits and foreign financing registered with the Bank of Brazil.

- *Elimination of Minimum Agios*—A further simplification is the elimination of the minimum premium (agios) at the auctions. A minimum agio will remain only for the auctions of bilateral agreement currencies, in order to prevent indirect imports.

- *Import Licensing*—No import licence will be required for products in the general category for which exchange cover has been obtained in the respective auction.

- *Auto Import Auctions*—Monthly auctions will be held to control imports of passenger cars weighing up to 1,600 kilos and having an F.O.B. value not exceeding US$2,300 (or the equivalent in other currencies) within the maximum limits of $12 million for the first year and $8 million for the second. Car manufacturers and assemblers importing C.Kd. vehicles are granted duty reductions according to omissions in weight.

- *Exchange Control Infractions*—Exchange control infractions are subject to a fine of 100 per cent of the value in the case of merchandise imported without a licence or beyond the limits of the licence, and to 100 per cent of the difference in the event of any form of exchange fraud. Differences in price up to 10 per cent and in weight or quantity up to 5 per cent do not constitute exchange infractions.

- *Single Import Tax*—A customs clearance tax of 5 per cent *ad valorem* has replaced all former taxes (except the excise taxes) on imported goods. Most imports have been subject to an exchange tax of 10 per cent *ad valorem,* and a social welfare tax of 4 per cent on the C.I.F. value.

- *Tax Discrimination*—Any discrimination between the excise tax on national and foreign products is done away with, the former rates always prevailing.

- *Customs Clearance Assured*—Customs clearance under the former regime is assured for merchandise that is (1), already licensed by the Foreign Trade Bureau; (2), imported on the basis of an exchange certificate previously bid for and granted; (3), excluded from the previous licence system provided the respective exchange cover is guaranteed by a document already issued by the Bank of Brazil, and (4), exempt from previous licence under the former law and paid for through the free market, provided it was shipped before the validity of the present law.

International Trade Course Offered

This fall for the third time the Canadian Exporters Association, in co-operation with the Institute of Export in the United Kingdom, is offering a correspondence course in the theory and practice of international trade to interested Canadians. Conducted by the Extension Department of the University of Toronto, the course covers the following subjects:

First Year

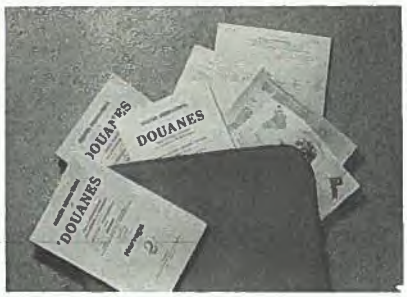
Export Practice Part I
Economic Geography
International Trade and Payments
Principles of Export Marketing

Second Year

Export Practice Part II
Law of Carriage of Goods
Finance of Foreign Trade
Insurance of Export Cargoes

Those who pass the first and final examinations will become members of the Institute of Export and entitled to use the designation A.M.I.E. after their names.

Applications are now being received and the course will begin in mid-October. To obtain further information and an application for enrolment, write to the Registrar, Export Correspondence Course, Canadian Exporters Association, 73 Adelaide Street West, Toronto.



Trade and Tariff Regulations

Brazil

NEW EXCHANGE CLASSIFICATION FOR IMPORTS—In accordance with the new Tariff Law, the Brazilian Ministry of Finance has published in the *Diario Oficial* of September 6, 1957, the new classification for imports (see article on page 30 of this issue). The previous five categories have been replaced by two categories, General and Special. Raw materials and other essential imports are included in the list of goods comprising the new General Category. All commodities not specifically listed fall into the Special Category and through the exchange auction system will be subject to a relatively higher exchange rate than the effective rate applicable to "General" imports.

The "General" import category will cover approximately 95 per cent of total imports under the auction system, and no import licence will be required for these items although exchange certificates must be obtained in all cases.

Certain basic items such as petroleum, wheat and newsprint are exempt from these new arrangements and will continue to enjoy preferred exchange treatment.

Specific details of imports listed under the General category are available from the International Trade Relations Branch.

British Guiana

LICENSING ANNOUNCEMENT—The Controller of Supplies and Prices, British Guiana, announced on August 30 that the following items have been placed under World Open General Licence:

Fresh fruit and nuts (except oilseeds)

Pine tar

Industrial files

This means that individual licences are no longer required to import these items.

New Zealand

IMPORT LICENCES—The New Zealand Department of Customs has announced that licences to import the following goods from Canada and the United States may be granted to the extent of 1957 licences. The 1958 licences are to be confined to the specific goods for which the 1957 licences were authorized.

Item	*Goods*
Ex 104 (1)	Weed and scrub killing preparations
105 (3)	Chlorinated lime
109	Drugs, crude: viz., carrageen or Irish moss
119	Insecticides and fungicides for agricultural uses, etc.
123 (1)	Metalworkers' surface and case-hardening compounds
123 (2) (a) and (b)	Soldering, brazing and welding compounds
134 (1) (b)	Ear tubes and audiophones for the partially deaf
138	Bags and sacks of textile or felt, all kinds, n.e.i., etc.
143 (1)	Braids and bindings, all kinds, n.e.i.
(2)	Cords, n.e.i., of wool, cotton, silk, etc.
Ex 159 (4)	Linoleum
161	Haberdashery, n.e.i.
168 (1)	Lace and laces, n.e.i.
182	Textile piecegoods: viz; dress nets, curtain nets, embroidery nets, etc.
184 (2)	All articles n.e.i., made of textile, felt or other piecegoods, or of any combination of the same, etc.
Ex 199 (1)	Insulating sleeving
208 (2) (a) and (b)	Bottles and jars, etc.: viz., other kinds
Ex 225	Pressure lamps
226 (2)	Lamps peculiarly adapted for use on harbour beacons and lighthouses, also appliances peculiar to such lamps; sidelights and headlights specially suited for the use of ships
Ex 239 (4)	Big game fishing tackle
Ex 239 (4)	Sporting and athletic requisites, n.e.i., etc. (excluding baitcasting reels and big game fishing tackle)
Ex 253	Paintings, pictures, etc.: viz., art prints
Ex 269	Cardboard, pasteboard etc.: viz., printers' board; battery separators
271 (2) (a) and (b)	Self-adhesive tape of plastic material
295 (2)	Glazed transparent greaseproof paper, greaseproof imitation parchment paper and similar papers, etc., as approved
297 (1)	Plastic materials, including celluloid, in sheets and rolls, printed, lithographed, or ruled, as approved
297 (2)	Paper and plastic materials, including

Item		Goods
		celluloid and wrappers made therefrom, printed, lithographed or ruled, n.e.i.
Ex 300	(2) (b) and (d)	Paper n.e.i.: viz., newsprint in sheets or rolls (licences to be issued on a tonnage basis to the extent of 100 per cent of tonnage authorized under 1957 licences)
Ex 300	(2) (b) and (d)	Paper n.e.i.: viz., other kinds
301	(2)	Printed books, papers and music, n.e.i.

Note: Licences issued for the import of printed books (ex item 301(2)) are to be endorsed as follows: "No periodicals, children's comics, children's books in picture strip form, or magazines, except approved publications, and no subversive publications or publications which give prominence to sex, obscenity, horror, cruelty, terror or crime will be admitted under this licence."

Ex 333	(1) (a)	Agricultural implements for two-wheel tractors
333	(2)	Reapers, binders, harvesters and mowers
333	(1-5)	Parts for the repair of agricultural implements and machinery
Ex 333	(5)	Agricultural implements and machinery, n.e.i, viz.: dehorners—cattle, soil sterilizing equipment, parts for electric fence chargers, garden tools
338	(1) (b)	Electric motors
Ex 338	(1) (c)	Parts for storage batteries
Ex 338	(1) (d)	Batteries suitable for use with hearing aids
338	(2) (a) and (b)	Switches and bell pushes, wallplugs and shoes and sockets therefor, flush boxes etc.; fuses; wire and cable connectors; switchboards, fuseboards, and distribution boards, etc.
338	(5)	Electrical appliances, n.e.i., peculiar to telegraphy, telephony etc.
338	(10) (b)	Insulated cable and wire
349		Earthmoving machinery and appliances, n.e.i.
351	(3)	Boring and well-drilling machinery; rock drills and diamond drills; coal cutters
Ex 356	(1) (d)	Hardware, holloware and ironmongery, n.e.i., etc., viz.: pressure stoves, pressure irons
Various		Service parts of motor vehicles
393	(1)	Leather-dressing, belt dressing and harness composition, etc.
394	(4)	Fish oil, n.e.i.; penguin, mutton-bird, whale, seal and dugong oils
394	(8)	Coal tar naphtha, n.e.i.; benzol, toluol and xylol, crude or refined, n.e.i.
411		Oars and sculls, all kinds
Ex 414	(a) and (b)	Veneers
Ex 449	(2) (a)	Seeds, flower and vegetable
Ex 449	(2) (d)	Articles n.e.i., viz: scotchlite tape synthetic rubber
Ex 180	(1-7)	Textile piecegoods (excluding jute piecegoods other than scrim, circular knitted artificial silk piecegoods, and knitted cotton piecegoods)
Ex 180	(8)	Terry and jacquard towels
	(a)	1958 licences for textile piecegoods Ex 180 (1-7) will be endorsed "not available for the importation of textile piecegoods, woven, weighing 6 ozs. or more per square yard made wholly from synthetic fibre, or synthetic fibre in admixture with other fibres, except wool, of a type used in substitution for wool in the manufacture of outer clothing." It should be noted that synthetic fibres in admixture with wool fibres are classified under tariff item 183 and are not admissible under tariff item 180 (1-7).
	(b)	Applicants who previously imported synthetic piecegoods of the type specified in paragraph (a) above will be granted, on application, licences for similar imports during 1958, to the extent of 100 per cent of the value of such imports under 1957 period licences held in their own name, as a transfer from the allocation to which they are entitled for textile piecegoods Ex 180 (1-7).

Applications will be considered for licences to import the following goods from Canada and the United States during the 1958 period. The quotas will be based on the applicant's over-all imports from all sources during either 1955 or 1956, in whichever year his imports were the greater.

Ex 239	(4)	Baitcasting reels
409		Wooden handles for tools
290		Paper hangings

For additional items removed from import licensing requirements during 1958, see *Foreign Trade* of August 17, 1957, page 33.

United Kingdom

CUSTOMS DUTIES ON CERTAIN COMPOSITE GOODS SIMPLIFIED—A United Kingdom Treasury Order effective September 1 simplifies the assessment of duty on certain "composite" goods, that is, goods containing ingredients which are themselves liable to duty.

The ingredients covered by the present Order are sugar, molasses, glucose, cocoa, coffee, and hydrocarbon oils. Instead of charging duty at the appropriate rate on the quantity of the ingredient used in the preparation of the composite article, fixed rates have been worked out which represent the average duty which would have been collected in respect of the ingredient but which will be chargeable on the weight or value of the composite article itself.

For example, jelly powders have hitherto been subject to Sugar Duty of 1¼ pence per pound (5/8 penny per pound if sugar certified to be Empire-grown) chargeable on the actual quantity of sugar

shown to have been used in the preparation of the jelly powders. Under the new Order, Sugar Duty will be assessed at 6 per cent on the value of the jelly powders (or at 3 per cent if the jelly powders are certified to be Commonwealth products).

Other goods for which average rates of Sugar Duty have been established include, among others, preserved milk and cream, confectionery, jams and jellies, tinned or bottled fruit, fruit juices, and biscuits. Among the goods in which any added sweetening matter will be ignored are vegetables (including tomato juice, tomato purée and tomato concentrate) preserved otherwise than by vinegar or acetic acid; soups in liquid, solid or powder form; sauces, including salad dressings; pectin.

Fixed rates are also established for confectionery, biscuits, cakes and pastry in respect of Cocoa Duty. Coffee in any form in these goods will not incur Coffee Duty.

Hydrocarbon Oil Duty will no longer be chargeable on the hydrocarbon oil content of mixtures containing 50 per cent or more by weight of siloxanes, whether polymerized or not. On the other hand, any goods which, apart from small proportions of colouring matter or of additives, consist wholly of hydrocarbon oil will be chargeable as if consisting wholly of such oil. Hydrocarbon oils in other composite goods will be chargeable at a fixed rate of 5 per cent ad valorem, or, if heavy oils, the hydrocarbon oil content will be ignored. Hydrocarbon Oil Duty does not provide a preferential rate for Commonwealth products.

This change in the method of assessment of duty on ingredients does not, in itself, affect liability to other duties (if any) of the composite goods as such.

United States

TARIFF COMMISSION INVESTIGATION ON TUNGSTEN—By Senate Resolution approved on August 30, 1957, the United States Tariff Commission was directed, pursuant to section 336 of the United States Tariff Act, to make an investigation of the differences in the cost of production of domestically produced tungsten ores and concentrates and the cost of production of foreign produced tungsten ores and concentrates, and to report the results of its investigation on or before March 1, 1958.

Under this authority, the Tariff Commission may recommend increases in duty up to 50 per cent of the statutory rates. (The statutory rate, currently in force, is 50 cents per lb. on the metallic tungsten content.)

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are at present on tour in Canada or will begin a tour shortly. The detailed itinerary for each is:

M. B. BURSEY, formerly Commercial Counsellor in Ciudad Trujillo, Dominican Republic:

St. John's—Sept. 23-24
Halifax—Sept. 25-26
Charlottetown—Sept. 27
Saint John—Sept. 30-Oct. 1
Montreal—Oct. 2-11
Vancouver—Oct. 15-18
Calgary—Oct. 21
Winnipeg—Oct. 22-25
Toronto—Oct. 28-Nov. 5
London—Nov. 6
Hamilton—Nov. 7
Brantford—Nov. 8

On completion of his tour, Mr. Bursey will be posted to Accra, Ghana.

T. J. MONTY, Commercial Counsellor in Brussels, Belgium:

Vancouver—Oct. 3-11

H. L. E. PRIESTMAN, Consul General and Trade Commissioner in Manila, Philippines:

Winnipeg—Oct. 4
Vancouver—Oct. 7-18
Victoria—Oct. 21-23

P. A. SAVARD, Commercial Secretary, Bogota, Colombia:

Winnipeg—Oct. 3

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto and Winnipeg, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in St. John's, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.03829.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 17	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05351	18.69	(1)
		Free	.02088	47.89	
Austria	Schilling		.03704	27.00	
Australia	Pound		2.1445	.4663	
Belgium, Belgian Empire and Luxembourg	Franc		.01912	52.30	
Bolivia	Boliviano	Free	.0001139	8779.6	
British West Indies	Dollar		.5585	1.79	(2)
	Pound		2.6806	.3730	(3)
British Honduras	Dollar		.6702	1.49	
Brazil	Cruzeiro	Effective selling*			*Aug. 31 (4)
		*Category I			
		Category II			
		Official buying	.0512	19.54	(4)
			.2023	4.94	
Burma	Kyat		.2010	4.98	
Ceylon	Rupee		.001605	623.1	(5)
Chile	Peso	Free	.1883	5.31	
Colombia	Peso	Certificate	.1715	5.83	
Costa Rica	Colon	Official	.1451	6.89	
		Controlled free	.9631	1.04	tax 2%
Cuba	Peso		.1338	7.47	
Czechoslovakia	Koruna		.1394	7.17	
Denmark	Krone		.9631	1.04	
Dominican Republic	Peso		.06421	15.57	
Ecuador	Sucre	Official	.05427	18.43	
		Free	2.7657	.3616	(6)
Egypt	Pound	Official	.3853	2.60	
El Salvador	Colon		2.4150	.4141	
Fiji	Pound		.003010	332.23	
Finland	Markka		.002293	436.11	(7)
France, Monaco and North Africa	Franc		.004586	218.05	(8)
French Colonies in Africa	Franc		.01261	79.30	(9)
French Pacific	Franc		.2293	4.36	
Germany	D Mark		2.6806	.3730	
Ghana	Pound		.03210	31.15	
Greece	Drachma		.9631	1.04	
Guatemala	Quetzal		.1926	5.19	
Haiti	Gourde		.4816	2.08	
Honduras	Lempira		.1603	6.24	*Sept. 6
Hong Kong	Dollar	Free*	.1675	5.97	
		Official	.05914	16.91	(6)
Iceland	Krona	Official	.2010	4.98	
India	Rupee		.0127	78.65	
Iran	Rial	Certificate	2.6968	.3708	
Iraq	Dinar		2.6806	.3730	
Ireland	Pound		.5351	1.87	
Israel	Pound		.001546	646.83	
Italy	Lira		.002676	373.69	
Japan	Yen		.3033	3.30	
Lebanon	Pound	Free			

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Sept. 17	Units per Canadian dollar	Notes (See below)
Mexico	Peso		.07705	12.98	
Netherlands	Florin		.2515	3.98	
Netherlands Antilles	Florin		.5068	1.97	
New Zealand	Pound		2.6806	.3730	
Nicaragua	Cordoba	Effective buying	.1459	6.85	
		Official selling	.1366	7.32	
Norway	Krone		.1348	7.42	
Pakistan	Rupee		.2010	4.98	
Panama	Balboa		.9631	1.04	
Paraguay	Guarani	Official	.01605	62.31	(6) (10)
Peru	Sol	Certificate	.05069	19.73	
Philippines	Peso		.4816	2.08	
Portugal & Colonies	Escudo		.03361	29.75	(11)
Singapore & Malaya	Straits dollar		.3127	3.20	
Spain & Dependencies	Peseta	Controlled free	.02293	43.61	(6)
Sweden	Krona		.1862	5.37	
Switzerland	Franc		.2248	4.45	
Syria	Pound	Free	.2688	3.72	
Thailand	Baht	Free	.04684	21.35	(6)
Turkey	Lira		.3440	2.91	
Union of South Africa	Pound		2.6806	.3730	
United Kingdom	Pound		2.680625	.373047	
United States	Dollar		.963125	1.03827	
Uruguay	Peso	Free	.2251	4.44	
		Basic buying	.6329	1.58	(6)
		Principal selling	.4587	2.18	(12)
Venezuela	Bolivar		.2875	3.48	
Yugoslavia	Dinar		.003210	311.53	(6)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Brazil: No exchange auctions took place from August 18 to August 31 pending the results of the new foreign exchange regulations contained in the Brazilian Tariff Law adopted on August 14. (See also Trade and Tariff Regulations). Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
5. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
6. Additional rates are in effect.
7. France: rate applies to all imports and exports except certain basic raw materials. Territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
11. Portugal: approximately same rate for Portuguese Territories in Africa.
12. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports are divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.