

8. Any shipment which forms portion only of a complete order should be valued at the price per unit which at the date of despatch of such shipment would be quoted for the total quantity of such complete order for supply under similar conditions of delivery to a domestic purchaser.

(NOTE.—In the case of shipments to New Zealand, the total quantity referred to above is limited to the quantity actually specified for delivery within twelve months.)

9. When goods are shipped "on consignment," that fact should be indicated in the column headed "Selling-price to Purchaser," and the current domestic value inserted in the column provided for that purpose, as in the case of ordinary sales.

10. In the case of goods exported in bond or subject to drawback, the value required in the column headed "Current Domestic Value" is the duty-paid domestic value, and not the in-bond value or the domestic value less drawback. The amount of duty or drawback involved should be specified in clause 4 of the certificate. A similar course should be followed in regard to goods subject to stamp duty, luxury-tax, or other internal imposts.

11. As regards goods which are prepared specially for export and which ordinarily have no sale on the domestic market, the value to be shown in the column headed "Current Domestic Value" is that at which the supplier would at the date of exportation be prepared to supply identically similar goods in equal quantities to any purchaser for home consumption in the country of exportation, in the event of an order for home consumption being accepted. In this connection attention is directed to clause 3 of the certificate.

12. Care should be taken to enumerate correctly the charges detailed at the foot of the invoice, as the practice of the various Dominions regarding the inclusion in or exclusion from the value for duty of such charges is not uniform.

13. It will be observed that charges such as wharfage, dock dues, lighterage, cartage, craneage, &c., if incurred in the dock area, and charges in the nature of bank exchange and export duties, are not required for duty purposes to be enumerated at the foot of the invoice. There is, however, no objection to such charges, if incurred, being shown separately.

## II.—Conditions of Preference.

14. Preferential tariff arrangements exist in Canada, Australia, New Zealand, and the Union of South Africa, but not in Newfoundland.

15. The conditions under which preference is granted in the various Dominions are either—

- (a.) That the goods are wholly produced or manufactured in the United Kingdom; or
- (b.) That the goods, if not wholly produced or manufactured in the United Kingdom, contain at least 25 per cent. of United Kingdom labour and material in the factory or works cost.

It is essential in every case that the final process of manufacture shall take place in the United Kingdom, and that the goods are consigned therefrom to the Dominions for which they are destined.

(NOTE.—For the words "United Kingdom" in paragraphs 15 and 17 of this memorandum there may be substituted, in the case of goods destined for Canada, Australia, and South Africa, the name of the part of the Empire entitled to preference in respect of goods shipped therefrom; and, in the case of goods sent to New Zealand, the name of any British Dominion or possession in which they may have been produced.)

The following statement has been prepared as a guide to exporters in computing the factory or works cost of the goods exported and the percentage value therein of United Kingdom labour and material:—

### FACTORY OR WORKS COST.

The factory or works cost is the total of the following items (i-iv):—

- (i.) The cost of materials as received into factory, but not including Customs or excise or other duty paid or payable in respect of such materials in the United Kingdom.
- (ii.) Manufacturing wages.
- (iii.) Factory overhead expenses.
- (iv.) Inside containers.

The following items must not be included in the factory or works costs, being charges incurred subsequent to the completion of the manufactured goods:—

- (v.) Outside packages and expenses of packing thereinto. Such packages include zinc linings, tarred paper, &c., in which the goods are ordinarily exported.
- (vi.) Manufacturers' or exporters' profit, or the profit or remuneration of any trader, broker, or other person dealing in the article in its finished manufactured condition.
- (vii.) Royalties.
- (viii.) Carriage, insurance, &c., from place of production or manufacture to port of shipment.
- (ix.) Any other charges incurred subsequent to the completion of the manufacture of the goods.

### PROPORTION OF UNITED KINGDOM LABOUR AND MATERIAL.

In calculating the value of United Kingdom labour and material in the factory or works costs for the purpose of determining whether the goods are eligible for preference the following items only may be included:—

- (a.) Materials so far as they are of United Kingdom origin, but not including any excise or other duty paid or payable in the United Kingdom.
- (b.) Manufacturing wages.
- (c.) Factory overhead expenses.
- (d.) Inside containers of United Kingdom origin.