

manager on their staff and need information and education. We believe that the U.S. Government may best help them by distributing on the very local level to the Chamber of Commercies a narrated film which shows step by step:

1. How to get an export order. Sales leads available from port authorities' various trade publications, commerce and industry and foreign chamber of commerces.

2. Detailed explanation of terms of sale and restrictions, such as license requirements.

3. The Banks' function in an export transaction. The issuance of Letters of Credit, sightdrafts, etc.

4. The role of the foreign freight forwarder. His liaison with steamship companies and airlines, the issuance of dock receipts, B/L's, and other export related documents.

5. The function of the documents and their relationship to the actual receipt of a shipment at destination.

While all the information and guidelines have been made available to potential exporters in reading matter, we believe that the visual aid will be much more helpful to anybody seeking information without any prior knowledge of international trade.

#### SUBJECT NO. 5—PROPOSALS ON TARIFF MATTERS GENERALLY

In our auditing service covering leading importers, we have found that the manner in which dutiable values are arrived at seem to vary, which could be, and most likely are, discriminatory between importers.

Depending on the sales terms, in numerous instances the appraisers allow the costs from ex factory to FOB seaport to be deducted as a nondutiable item, while making it a dutiable item in other sales. For example, on shipments from Spain in almost all cases all expenses up to FOB seaport become dutiable. This also happens very often on shipments from Japan. We understand that presently investigations are being held to solve this problem as far as Japanese imports are concerned.

While the price of an item is often fixed for more than one prospective purchaser and thus represents the basis for dutiable calculation, the additional costs for delivering goods up to FOB seaports can vary considerably. In many cases the supplier will leave the transportation in the hands of a forwarder he appoints, whose rates may vary. While the inlandfreight rates in the U.S. are I.C.C. controlled, the rates abroad can vary considerably. If a consolidator is involved, he may give one customer a better rate than he gives another. It would seem to us that to eliminate any possible discrimination, the first cost of the item, including the charge for packing, constitutes the only basis for calculation of duties. All related expenses, in bringing goods up to FOB should be treated as for example, oceanfreight or insurance, namely a *nondutiable item*.

#### RECOMMENDATION

We therefore suggest that all inland transportation costs from ex factory up to FOB sea- or airport be afforded the same status as oceanfreight and marine insurance and be exempt from U.S. customs duties.

To request the Treasury Department, Bureau of Customs to investigate the suggestion of appraisements to establish a uniform practice and thus prevent possible and most likely existing discrimination among importers in the assessment of U.S. cutom duties.

J. E. BERNARD & Co., INC.,  
Chicago, Ill., June 27, 1968.

HON. WILBUR MILLS,  
Chairman, House Ways and Means Committee,  
House of Representatives,  
Washington, D.C.

SIR: It is our understanding that the President's trade policy proposals and the bill which has been introduced is now under consideration by your Committee and we wish to urge you to support and try to pass the Bill as it is extremely important in submitting the following features:

(1) Support the Administration's proposed Trade Expansion Act which extends the authority of the President to negotiate Tariff reductions