

A further discrepancy in valuation of imports from the United Kingdom existed from 1920 to Mar. 31, 1936, in connection with distilled spirits, an important item in our imports from that country. The valuation of Canadian imports of spirits from the United Kingdom included, during this period, the British excise tax in addition to the British export valuation, an excess valuation aggregating over \$200,000,000 for the period 1920-34.

(2) Even where the statistics cover the same period of time, there are quantities of goods on their way from the exporting to the importing country at the beginning and end of the period.

(3) By far the greatest discrepancies occur from the impossibility of determining the country of final destination for exports or the actual country of origin for imports: A considerable proportion of Canada's exports to overseas countries (17 p.c. in 1935) is shipped *via* the United States. Some of this is credited by importing countries to the United States. Canadian grain exports, for example, are frequently routed through the United States in bond. Most of this grain leaves Canada with the United Kingdom as the stated destination, but large quantities are later diverted to other European or overseas countries and some is taken out of bond for consumption in the United States. Thus the Canadian record of exports to the United Kingdom may be \$100,000,000 or more in excess of Canadian products actually received by the United Kingdom, while stated exports to other overseas countries are short this amount. Again, United States grain is routed through Canada and shipped from Montreal and is therefore frequently shown by other countries as imported from Canada, while it is included in United States statistics as an export to Canada. As mentioned above, purchases in bonded markets in England, Germany, Belgium and France are included in Canadian imports from those countries but are not included by those countries in exports to Canada.

For more detailed discussion of this subject see the article and tables on "Discrepancies in Trade Statistics" on pp. 778-781 of the Annual Report on the Trade of Canada, 1928, and pp. 27 and 40 of the Condensed Preliminary Report on the Trade of Canada, 1935, both published by the Dominion Bureau of Statistics.

Subsection 1.—Recent Changes in the Value and Quantum of World Trade.*

According to the figures shown in Statement I below and illustrated in the accompanying chart, the value of world trade (imports plus exports) in terms of gold fell during each year from 1929 to 1934, until in that year it amounted to 34 p.c. of the figure for 1929. The drop was for the greater part due to the fall in average gold prices which during the period amounted to 56 p.c. (57.6 p.c. from 1927). The fall in quantum of trade was arrested in 1932 on a level 26 p.c. below that of 1929 (about 20 p.c. below that of 1927). In 1933 the quantum of trade rose about 2 p.c. and from 1933 to 1934 by about 3 p.c. Even after the change in the quantum movement which occurred in 1932 trade remains on a very low level. The increase in the quantum which has occurred during each of the last two years is much below the annual growth before the depression which during the period 1925-29 was estimated at an average of 5 p.c. per annum.

*Abbreviated from "Review of World Trade, 1934", published by the League of Nations.