

have been changed in form or enhanced in value by further manufacture in Canada, such as sugar refined in Canada from imported raw sugar, flour ground from imported wheat, and articles constructed or manufactured from imported materials. The value of exports of Canadian merchandise is the actual cost or the value at the time of exportation at the points in Canada whence consigned for export.

Foreign Exports: Valuation.—"Foreign produce" exported consists of foreign merchandise which had previously been imported (entered for home consumption). The value of such commodities is the actual cost.

Countries to which Trade is Credited.—Imports are classified as received from the countries whence they were consigned to Canada. The countries of consignment are the countries from which the goods have come, without interruption of transit, save in the course of transshipment or transfer from one conveyance to another. The countries whence goods are consigned are not necessarily the countries of actual origin, since goods produced in one country may be purchased by a firm in another country and thence dispatched, after a longer or shorter interval, to Canada. In such cases the second country would be the country of consignment, to which the goods would be credited. An example is the case of tea grown in the Orient but purchased in the bonded market in London, England; Canadian statistics record such imports as coming from the United Kingdom.

Exports are credited to the country of final destination, *i.e.*, the country to which they are consigned, whether that country possesses a seaboard or not. The country of final destination is the country to which goods exported from Canada are intended to pass, without interruption of transit save in the course of transshipment or transfer from one means of conveyance to another.

Discrepancies in Trade Statistics between Canada and Other Countries.—Canadian statistics of exports are rarely in exact agreement with the import figures of her customers and similar differences occur with Canadian imports. Many factors contribute to these discrepancies; among these are the following:—

(1) Differences in the basis of the Canadian valuations and those of the valuations of other countries.

The recent period of disturbed currency relations between countries has introduced an additional element of difference in valuations. Thus imports from the United Kingdom have been valued all along at \$4.86 $\frac{2}{3}$ to the £, although for two years after Sept. 21, 1931, the actual value of the £ was below that figure, dropping as low as \$3.70, and the actual value of imports from the United Kingdom was thereby greatly exaggerated. Similar inaccuracies have resulted from disturbances in exchange levels with other countries.

A further discrepancy in valuation of imports from the United Kingdom existed from 1920 to Mar. 31, 1935, 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 excise duty in addition to the British export valuation, an excess valuation aggregating over \$200,000,000 for the period 1920-34. The excise duty has been excluded from the valuation of such imports since April 1, 1935.

(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.