

in the principal markets of the country from which, and at the same time when, said merchandise was exported directly to Canada; but the value shall not be less than the price to jobbers and wholesalers generally, nor less than the actual cost of production at the time of shipment plus a reasonable advance for cost of selling and profit. (See Secs. 35 to 45 of the Customs Act.) Under these provisions and amendments thereto, some imports are given arbitrary valuations differing from those upon which actual payments for the imports are made.

For Customs entry purposes, the value of the currency of the country of export is converted to Canadian currency at exchange ratios as authorized by law and Orders in Council. (See Sec. 55 of the Customs Act and Orders in Council respecting currency valuations.) Inaccuracies arising from fluctuations in the exchange rates of foreign currencies are treated more fully below under the heading "Discrepancies in Trade Statistics between Canada and Other Countries".

Canadian Exports: Valuation.—"Canadian produce" exported includes Canadian products or manufactures, also exports of commodities of foreign origin which have been changed in form or enhanced in value by further manufacture in Canada, such as sugar refined in Canada from imported raw sugar, aluminium extracted from imported ore, 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