

Section 3.—Statistics of External Trade.*

External trade statistics are derived by recording the physical movement of goods outwards or inwards across the frontiers or through ocean ports and the valuations placed upon them at the time of movement. Such statistics cannot take cognizance of the complex financial transactions involved in this physical movement of goods, which transactions may take place prior to or subsequent to the actual shipment (although in investigating the balance of international payments, as in Sect. 5 of this chapter, such financial transactions are the sole consideration). Certain problems of procedure arise in recording trade statistics and it is necessary to explain these. Such problems may be conveniently classified as those relating generally to recording the movements of goods and those relating to the movements of gold.

General Explanations regarding Trade Statistics.—For the correct interpretation of the statistics of external trade, it is necessary that the following definitions and explanations of terms used, as well as certain features of the statistics that necessitate adjustments to the external trade figures, be carefully kept in mind, if the true position of trade in relation to the total of Canada's international transactions is to be understood.

Fiscal Years.—The Canadian fiscal year ended on June 30 of the years from 1868 to 1906, and on Mar. 31 of 1907 and subsequent years.

Quantities and Values.—In all tables of imports and exports, the quantities and values are based upon the declarations of importers (import entries) and exporters (export entries), as subsequently checked by customs officials.

Imports: Valuation.—"Imports" means imports entered for consumption. "Entered for consumption" does not necessarily imply that the goods have been actually consumed in Canada, but that they have passed into the possession of the importer and that duty has been paid on that portion liable for duty.

Under the main provisions of the law, the value of merchandise imported into Canada is the fair market value or price thereof when sold for home consumption 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 Sects. 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 Sect. 55 of the Customs Act and Orders in Council respecting currency valuations.) Differences 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".

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