

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 (8.4 p.c. in 1939) 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. 21-29 of the Condensed Preliminary Report on the Trade of Canada, 1939, both published by the Dominion Bureau of Statistics.

**Treatment of Gold in Trade Statistics.**—Exports of gold in Canadian trade statistics are distinguished as between monetary and non-monetary. Monetary gold exports are those that entail a corresponding reduction in the Dominion's monetary gold stocks. All other gold exports (classed as non-monetary) are shown as merchandise and included with total merchandise exports in trade statistics. This procedure was determined, following the Conference of British Commonwealth Statisticians in 1935, by the Dominion Bureau of Statistics in conference with the Bank of Canada and the Department of National Revenue. In former times there was a movement of gold from Canada in the form of "gold-bearing quartz, dust, nuggets, and gold bullion obtained direct from mining operations" When the Royal Mint in Ottawa began to refine gold, exports formerly shipped as "gold-bearing quartz, dust, etc." began to be exported in the form of bullion and were recorded under "coin and bullion" as distinct from "merchandise" In order to maintain comparability with the statistics of previous years it was considered expedient to adopt the present procedure. It was also felt that since gold, like other great export staples, is a product of Canadian resources and industry and, in large part, is exported independently of domestic monetary considerations, it ought not to be excluded from the statistics of exports, and should not be classed as 'money' when it bears no relation to the Canadian monetary system. The change was inaugurated on Apr. 1, 1936, and appropriate revisions made in the trade statistics for previous years back to 1926. Prior to this time no substantial revision was necessary. When the change was made it was considered that there would be no re-exports of non-monetary gold, i.e., exports (non-monetary in character) of