

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 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 Apr. 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 the 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 (43 p.c. in 1943) 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.

Treatment of Gold in Trade Statistics.—The fact that gold is a money metal gives it peculiar attributes that distinguish it from other commodities in trade. In particular, the movement of gold in international trade is determined, almost exclusively, by monetary factors. The amount of exports may fluctuate widely from month to month owing to other than ordinary trade or commercial considerations. In addition, gold is generally acceptable. It does not have to surmount tariff barriers and is normally assured a market at a relatively fixed price. It should also be noted that gold does not move in international trade in any direct or normal relation to sales and purchases. Changes in the Bank of Canada's stock of gold under earmark do not enter, therefore, into the trade statistics.

The publication of statistics showing the *gross* imports and exports of gold has been temporarily suspended as from September, 1939. Trade statistics for periods prior to that time have been revised accordingly, to exclude all gold formerly included in the total of merchandise exports.

Statistics showing the *net* exports of non-monetary gold, including changes in stocks held under earmark, which supplement the trade figures, are given below.

In previous years a historical table was published showing the movement of coin and bullion in each year since 1868. In the 1940 Year Book this table appears at p. 528. Since the outbreak of war in September, 1939, information as to the movement of gold has not been available.

I.—NET EXPORTS OF NON-MONETARY GOLD, 1939-44

Month	1939	1940	1941	1942	1943	1944
	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000	\$'000,000
January	18.1	21.6	19.2	15.1	13.9	9.4
February	12.9	12.4	14.7	16.6	12.8	8.1
March	15.5	16.2	19.7	16.1	12.8	12.9
April	10.6	18.0	14.3	14.1	13.5	9.3
May	15.9	16.9	16.1	15.5	12.5	9.4
June	17.2	15.1	18.4	16.8	12.2	10.9
July	15.2	15.9	17.3	16.3	10.0	6.6
August	9.0	17.6	12.6	13.1	10.2	10.0
September	17.3	16.5	21.2	15.0	11.8	8.7
October	22.8	18.9	17.4	19.3	11.3	8.4
November	15.0	16.6	15.4	12.6	8.8	10.1
December	14.9	17.3	17.4	13.9	12.2	5.9
TOTALS	184.4	203.0	203.7	184.4	142.0	109.7