

Limited trade has also been authorized for Japan and Korea from June 25, 1946. In the case of these two countries, trade must be carried on exclusively through the Canadian Commercial Corporation and is subject to the various controls still in force. Limited relief shipments by individual Canadian citizens are permitted, subject to the regulations of the Export Permit Branch and the Post Office Department.

Trade with Austria has been authorized from Sept. 27, 1946, and is subject to supplying goods to or for the benefit of the Austrian State or any individual or body of persons carrying on business therein, or to obtaining goods from the Austrian State, such individuals or bodies of persons. The term "trade" is deemed to include transactions incidental to supplying or obtaining such goods and the paying, transmitting or receiving of money, negotiable instrument or security for money in respect of such trade.

Similarly, trade with Germany has been authorized from Apr. 23, 1947, and is subject to the same conditions as for Austria.

PART II.—ANALYSES OF FOREIGN COMMODITY TRADE*

Section 1.—Explanations *re* Canadian Trade Statistics

Foreign 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 and which may take place prior to or subsequent to the actual shipment (although in investigating the balance of international payments, as is done in Part III of this Chapter, such financial transactions are the main consideration).

Certain problems of procedure arise in recording trade statistics and require explanation. For the correct interpretation of the statistics of foreign trade, it is necessary that the following definitions and explanations of terms used 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.

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 time when, said merchandise was exported directly to Canada; but the value shall not be 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.

* This Part of the Chapter is based on statistics taken from reports prepared under the direction of L. A. Kane, Chief, External Trade Section, International Trade Division, Dominion Bureau of Statistics, Ottawa.