

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.)

*Canadian Exports: Valuation.*—"Canadian produce" exported includes Canadian products or manufactures, also exports of commodities of foreign origin that have been changed in form or enhanced in value by further manufacture in Canada, such as sugar refined in Canada from imported raw sugar, aluminum extracted from imported ore, and articles constructed or manufactured from imported materials. The value of exports of Canadian merchandise is the actual amount received in Canadian dollars exclusive of freight, insurance, and other handling charges.

*Foreign Exports: Valuation.*—"Foreign produce" exported consists of foreign merchandise that had previously been imported (entered for home consumption). The value of such commodities is the actual amount received in Canadian dollars exclusive of freight, insurance, and other handling charges.

*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 means of 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 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.

Exports are credited to the country to which they are consigned, whether that country possesses a seaboard or not. The country of consignment 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 which are the following:—

1. Differences in the system of valuation used by Canada and the systems used by other countries. The differences may arise in several different ways:—

- (a) Canadian exports are generally shown on an f.o.b. basis, that is, freight costs from the original point of consignment to the destination are excluded. Many countries value imports on a c.i.f. basis, and include the freight content. Canadian imports are valued at the fair market price at the point in the exporting country from which they are consigned. Other countries may include freight to the point of exit. A case in point is the United States valuation of coal shipped to Canada, which is always substantially higher than the corresponding Canadian import valuation.
- (b) Customs evaluators may set arbitrary valuations on certain commodities for purposes of obtaining greater customs revenue or to protect the domestic market from dumping. This will naturally lead to differences between the figures of the two countries.
- (c) Disturbances in currency relationships between countries may introduce an additional element of difference. The exporting country may use one rate and the importing country another.

2. The element of time lag is of considerable importance where Canadian exports are concerned, particularly with bulk goods shipped to other continents. There are always quantities of goods in movement at the beginning or end of any trading period, and these affect the comparability between the two countries for the same period of time.

3. The chief cause of difference between the recorded value of Canadian exports and reciprocal figures for the importing country, lies in the fact that exports from Canada are classified geographically according to country of consignment, which may not be the ultimate destination of the goods. Thus, it is possible that Canadian records may show an export as consigned to an intermediate country, and the country finally obtaining the goods as imports for consumption may record them either as an import from the intermediate country or from Canada. Despite these difficulties, country of consignment is the only satisfactory