

cotton, tea, coffee and many others. In the early days of development the demand for these goods was quite small, but with a greater diversification of the Canadian economy, with an increasing population and with the rising standard of living of the Canadian people, imports of such commodities have become very large, although they are still smaller than the imports of coal, petroleum and iron ore.

The third reason why Canadians are heavy importers is because there are many highly manufactured goods that require a large market if their prices are to be reasonable. Such commodities, if manufactured in Canada, would be excessively more expensive than their imported equivalents. These goods, notably industrial machinery, are not made in Canada in nearly sufficient supply to meet the domestic demand, particularly in times of prosperity. Thus, in 1947, 1948 and 1949 industrial machinery was the second largest single import.

The following statement shows the principal products which Canada exported and imported in 1949:—

<i>Principal Imports</i>	\$'000,000	<i>Principal Exports</i>	\$'000,000
Petroleum and products.....	274	Wheat.....	435
Industrial machinery.....	216	Newsprint.....	434
Farm implements and machinery.....	177	Base metals.....	386
Motor-vehicles and parts.....	175	Wood-pulp and pulpwood.....	202
Coal and products.....	157	Lumber.....	160
Primary iron and steel.....	151	Wheat flour.....	98
Chemicals.....	131	Fish and products.....	94
Cotton goods.....	73	Farm implements and machinery.....	93
Fruits.....	73	Meat.....	68
Sugar and products.....	71	Coarse grains.....	64
Electrical apparatus.....	70	Cattle.....	61
Raw cotton.....	67		
Woollen goods.....	64		
PERCENTAGE OF TOTAL IMPORTS.....	62	PERCENTAGE OF TOTAL EXPORTS.....	70

PART I.—FOREIGN TRADE STATISTICS*

Section 1.—Explanations *re* Canadian Trade Statistics

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 kept in mind:—

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 said merchandise was exported. (See Sects. 35 to 45 and 55 of the Customs Act.)

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.

* Based on statistics taken from reports published by the External Trade Section, International Trade Division, Dominion Bureau of Statistics.