

*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.

*Foreign Exports: Valuation.*—"Foreign produce" exported consists of foreign merchandise that has 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 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.

*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.
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. Canada's system of geographical classification, according to country of consignment, which may not be the ultimate destination of the goods.

*Imports from the United Kingdom.*—Published statistics of Canadian imports entered for consumption have always included several items that may be considered of a non-commercial character. These items are never very large in normal times but during the war years their inclusion in the total value of imports, from the United Kingdom in particular, tended to distort published data. The distinction between commercial and non-commercial imports is not always easy to establish, but three items have been segregated, as follows:—

- (a) "Articles for the use of the Imperial Army, Navy and Air Force". These imports consisted almost entirely of war equipment of various kinds for experimental purposes, training and use in Canada by the United Kingdom Government. The values applied to the articles imported under this classification were nominal and no duty was paid.