

which either have no international financial implications or, for various reasons, are better considered separately from merchandise trade in economic analysis. The value of transactions of these types will be excluded entirely from published totals of Canadian merchandise trade, but statistics for the classes of this category will be published in the regular monthly export and import reports. As a result of these changes, the export and import totals will have substantially the same coverage and will provide a much truer picture of the merchandise trade component of the balance of payments. As the deductions from import totals have considerably exceeded those from export totals, the effect of these changes has been to reduce significantly the size of the import balances published in earlier issues of the Year Book.

Valuation.—Exports are normally valued f.o.b. point of consignment from Canada, i.e., at the actual amount received or to be received by the exporter in Canadian dollars, exclusive of inland freight, ocean freight, insurance, handling and other charges.

Imports are normally valued f.o.b. point of consignment to Canada, i.e., excluding inland freight, ocean freight, insurance, handling and export or import duties. The statistical value of imports is usually the value as determined for customs duty purposes, which is basically the fair market value at which equivalent goods would be sold for home use in the country from which the imports were received; the customs value of imports usually corresponds to the invoice value of the goods. From Jan. 1, 1959, the statistical value of imports on which dumping duty has been collected is considered to be the value of the goods as declared by the importer, i.e., the value for duty less the amount of the dumping duty. This change was introduced to conform with the principle that trade statistics should show, whenever possible, the actual amount paid for imports; previously the statistical value of such imports was considered to be the value for duty.

Country Classification.—Trade is credited to countries on the basis of consignment. For exports from Canada, the country of consignment is that country to which goods are, at the time of export, intended to pass without interruption of transit except in the course of transfer from one means of conveyance to another. For imports into Canada, the country of consignment is the country from which the goods came without interruption of transit except in the course of transfer from one means of conveyance to another. This is not necessarily the country of actual origin, since goods produced in one country may be imported by a firm in another country and re-sold to Canada; in such cases the second country is the country of consignment to which the goods are credited. There is one exception to this rule; an attempt is made to classify by country of origin goods produced in South America, Central America, Bermuda and the Antilles and consigned to Canada from the United States. The effect of this procedure, in force since 1946, is to reduce slightly the imports credited to the United States and to increase those credited to South and Central American countries.

A new classification of countries has been introduced for export and import statistics as of Jan. 1, 1960. This classification is basically geographical; the world is divided into nine geographic regions and within each region the countries are listed alphabetically in two groups—the first for Commonwealth countries and the second for other countries. The regions and the order in which they are listed are: Western Europe; Eastern Europe; Middle East; Other Africa; Other Asia; Oceania; South America; Central America and Antilles; and North America. Henceforth, all basic statistics on trade by country will be presented according to this classification.

The adoption of the new classification facilitated extensive changes in the country detail. Two criteria guided the drafting of such changes and will be used to guide future revisions: (1) total trade between Canada and each country specified should exceed \$100,000 per year; and (2) available documentation must be adequate to compile accurate statistics of trade between Canada and each country specified.