

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 the 1960 and previous editions 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 Canada 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.

The country sub-totals, which formerly related to Commonwealth countries only, now include trade with other countries entitled to Preferential rates of duty (the Republic of Ireland and the Republic of South Africa). These totals are now described as "Commonwealth and Preferential".

Discrepancies in Trade Statistics between Canada and Other Countries.—Canada's statistics of exports are rarely in exact agreement with the import statistics of its customers and parallel differences occur with Canadian imports. Major factors contributing to these discrepancies include:—

- (1) Differences in the system of valuation used by Canada and those of other countries, especially with respect to the treatment of transportation charges.
- (2) Differences in the statistical treatment of special categories of trade, such as armaments and military supplies, government-financed gift or mutual aid shipments, postal and express shipments, or warehouse trade.
- (3) Differing definitions of territorial areas.
- (4) Differing systems of geographical classification of trade, notably the consignment system used by Canada and the actual origin or ultimate destination system in use by some other countries.
- (5) Differences in the time at which trade is recorded in the statistics of partner countries caused by the time required for goods to move from one country to another.

Section 2.—Total Foreign Trade

In considering the figures in Sections 2 to 6, reference should be made to the explanatory notes on trade in Section 1. Exports and imports of gold are excluded from all tables.