

From Jan. 1, 1960, a new category was established in both export and import statistics entitled "Special Transactions—Non-trade" This category includes certain commodity movements 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 is now excluded entirely from published totals of Canadian merchandise trade and does not appear in this volume, but statistics for the classes of this category are contained in the regular monthly export and import reports.

Beginning with statistics for January 1961, a new export commodity classification was used, based on the Standard Commodity Classification developed by the DBS as a tool for integrating statistical series derived from different sources. Whereas the classification previously used classified commodities primarily according to the material of which they were chiefly composed, the new classification places commodities in sections mainly according to stage of processing and purpose, as follows: Live Animals; Food, Feed, Beverages and Tobacco; Crude Materials, Inedible; Fabricated Materials, Inedible; End Products, Inedible; and Special Transactions—Trade.

As from Jan. 1, 1964, a new commodity classification was also introduced for import statistics, based on similar concepts to those embodied in the export classification, so that there is now a closer approach to comparability between the two sets of statistics. As part of the change to the new classifications, the commodity detail shown in trade returns has been modernized by eliminating statistics on some commodities of minor significance and instituting new classes for many commodities of greater importance. The grouping system employed in the new classification also makes easier the identification of other commodities which may merit separate specification. For most of the commodities of greatest importance in Canadian exports, the classes of the new export commodity classification are substantially identical with those of its predecessor. The import classification is more extensive than the export classification and in its new form gives an up-to-date and comprehensive coverage of those commodities which constitute the bulk of Canada's import trade.

Valuation.—Export entries define the value of exports as the "actual amount received or to be received in terms of Canadian dollars, exclusive of all charges" (freight, insurance, handling, etc.). This definition would give values f.o.b. point of consignment for export but in practice it is not always followed. For example, in recent years a significant but indeterminate proportion of exports has been reported in United States dollars, resulting in some overstatement of the value of exports for the period prior to June 1961 and some understatement of their value in subsequent years.

The value of goods imported is usually the value as determined for customs duty. The Canadian Customs Act generally requires the valuation of goods f.o.b. point of shipment in the country of export but, at least in recent years, importers have often reported c.i.f. value for free goods or goods subject to specific rates of duty. An effort is made to ensure that f.o.b. values are consistently used in import statistics in the following cases: goods subject to dumping duty (from January 1959); raw cotton and crude petroleum (from January 1962, retroactive to January 1960); raw sugar (from January 1963, retroactive to January 1961); and all shipments individually valued at \$100,000 or more (from January 1964). Only about one fifth of the value of imports is covered by these specific checks.

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