

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 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 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 include trade with Commonwealth and other countries entitled to Preferential rates of duty (the Republic of Ireland and the Republic of South Africa).

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 crediting trade by countries, 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 5, reference should be made to the explanatory notes on trade in Section 1. Exports and imports of gold are excluded from all tables.