

Valuation. Export documents define the valuation to be used as f.o.b. (free on board) place of lading, i.e., point of production for the majority of commodities, Vancouver and St. Lawrence ports for grain and oil seeds and the latter for iron ore. The value of goods imported is usually the value as determined for customs purposes based on the fair market value or the selling price, whichever is higher. For entries exceeding \$50,000 in value, however, the selling price is, with certain exceptions, compiled. In the majority of cases, import documents define the valuation to be used as f.o.b. points of shipment in the country of export; however, where importers report c.i.f. (cost, insurance, freight), care is taken to compile f.o.b. values.

Classification. Beginning with statistics for January 1961 and January 1964, detailed commodity statistics for exports and imports, respectively, have been compiled according to revised classifications, on the basis of the Standard Commodity Classification developed by Statistics Canada as a tool for integrating statistical series derived from different sources. The revised classifications place commodities in sections mainly according to stage of processing and purpose, as follows: Live animals; Foods, feed, beverages and tobacco; Crude materials, inedible; Fabricated materials, inedible; End products, inedible; and Special transactions — trade. Previously, commodities were classified primarily according to the material of which they were chiefly composed.

Trade is classified to countries on the basis of consignment. Exports are considered to be consigned to the country to which they are shipped when they leave Canada, i.e., the farthest known destination. Imports are classified to the country from which goods are shipped to Canada, except for goods produced in Central or South America but consigned to Canada from the United States; these goods are credited to the country of origin.

Statistics are compiled and presented for some 150 individual countries, arranged primarily according to geographical location, but also grouped because of common political heritage and tariff arrangements, such as Commonwealth and preferential countries, and of economic links, such as the European Economic Community.

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: differences in the system of valuation used by Canada and those of other countries, with respect to the treatment of transportation charges, fair market and transaction values; differences in the statistical treatment of special categories of trade, such as military supplies, government-financed gifts of commodities, postal and express shipments, tourist purchases, bunkers and warehouse trade; differing definitions of territorial areas; differing systems of crediting trade by countries, notably the consignment system used by Canada and the actual origin or ultimate destination system in use in some other countries; and 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.

Table 18.1 summarizes total international trade of Canada for selected years 1956-71 and shows the balance of trade for each year. In 1956, Canada's imports exceeded exports by \$713.2 million; since then, a favourable balance of trade has been maintained although with some fluctuation from year to year. The excess of exports over imports reached a high of \$2,868.2 million in 1970, dropping to \$2,137.0 million in 1971.

18.3.1 Trade by geographic region

Table 18.2 shows the importance to the Canadian economy of trade with the US. Exports to the US in 1961 constituted 54.0% of the total, to the UK 15.8%, to other Commonwealth and preferential countries 5.7%, and to all other countries 24.5%. By 1971, exports to the US had increased to 67.3% of the total while those to the UK had been halved to 7.8%; exports to other Commonwealth and preferential countries and all other countries declined to 3.9% and 21.0%, respectively. The proportion of Canadian imports from the US increased from 67.0% to 70.1% over the ten-year period and decreased from 10.7% to 5.4% for the UK and from 5.1% to 4.0% for Commonwealth and other preferential countries; imports from all other countries showed an increase from 17.2% to 20.5% of the total.

Table 18.3, giving Canadian exports and imports by the 30 leading countries in 1971, shows that over the period 1969-71 the United States, United Kingdom, Japan and Federal Republic of Germany were Canada's main trading partners. In 1971 exports to the