

Since January 1960 certain commodities have been excluded from both export and import trade statistics but have been published monthly under "Special transactions — non-trade". This category includes commodity movements which either have no international financial implications or are better considered as non-merchandise transactions in the statistics of Canada's balance of international payments. These are: unrefined gold, gold products where the gold content is 80% or more of the total value, and gold coin, except collections; settlers' effects; private donations and gifts; tourist purchases; goods shipped back and forth across the national boundary by the diplomatic and military personnel of Canada and of foreign countries posted abroad and in Canada, respectively; temporary movements for exhibition or competition, including films for processing; bunker supplies and stores sold to foreign vessels or aircraft in Canada or purchased by Canadian carriers abroad; military grants to NATO member countries; ships of British construction and registry imported for use in Canada, and ships purchased for use as international carriers but not used to carry goods between points in Canada; and generally, all temporary exports and imports and goods merely moving in transit through Canadian territory.

The series "Gold production available for export", which is an item of non-merchandise transactions in the current account of the Canadian balance of international payments, is covered in Chapter 21.

**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, bunker 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.