

Concepts and definitions used in the compilation of external trade statistics are published in *Summary of external trade*, Statistics Canada Catalogue No. 65-001. Among them are the following:

System of trade. Canadian statistics are tabulated according to the "general" system of trade. Thus imports include all goods which have crossed Canada's geographical boundary, whether they are entered through Customs for immediate consumption in Canada or stored in bonded Customs warehouses. Domestic exports include goods grown, extracted or manufactured in Canada (including goods of foreign origin which have been materially transformed in Canada). Re-exports are exports of goods of foreign origin which have not been materially transformed in Canada (including goods withdrawn for export from bonded Customs warehouses).

Coverage. Merchandise trade includes only goods which add to or subtract from the stock of material resources in Canada as a result of their movement across the Canadian border.

Valuation. Exports are recorded at values which usually reflect the actual selling price. Most exports are valued at the place in Canada where they are laden aboard a carrier for export (e.g. mine, farm or factory) but a significant proportion of exports by water or air reflect values which include transportation charges to the port of export. Some overland shipments to the United States are recorded at a value which includes transportation charges to the ultimate destination.

Imports are generally recorded at the values established for Customs duty purposes. Customs values are identical to selling prices for most arms-length transactions. However, Customs values exceed company transfer prices for most transactions between affiliated firms. Import documents are required to show values which exclude all transportation charges. Some imports from the United States are, however, purchased on a "delivered" basis and their prices therefore reflect an allowance for transportation costs.

Trading partner attribution. Imports are attributed to the country from which the goods were first consigned directly to Canada, whether or not this is the country of origin. An exception is made in the case of goods of Central or South American origin consigned to Canada from the United States; such imports are credited to the country of origin.

Exports are attributed to the country which is the last known destination of the goods at the time of export. (Many primary products are shipped to entrepôt points, particularly in Europe, for re-export to the ultimate destination which is unknown when the goods leave Canada.) The country classification employed by the External Trade Division of Statistics Canada is designed for purposes of economic geography and therefore does not reflect the views or intentions of the Government of Canada on international issues of recognition, sovereignty or jurisdiction.

Reconciliation. Canadian trade statistics are rarely in agreement with the counterpart trade statistics of its trading partners. The major factors contributing to the discrepancies are the differences in concepts and collection procedures for trade statistics. Conceptual differences are most common 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, in the definition of territorial areas, and in the system of crediting trade by countries. Differences in collection procedures lead to discrepancies in valuation, since the value of trade can be based on Customs value, transaction value, or fair market value with or without the inclusion of transportation charges; to discrepancies in timing, since the definition of a statistical month or year can differ; and to discrepancies in the capture of trade data, since the documentation of export trade tends to be less closely monitored than import trade. The United States and Canada have agreed on a set of concepts