

## PART II.—FOREIGN TRADE STATISTICS\*

### Section 1.—Explanations *re* Canadian Trade Statistics

Certain problems of procedure arise in recording trade statistics and require explanation. For the correct interpretation of the statistics of foreign trade, it is necessary that the following definitions and explanations of terms used be kept in mind:—

*Quantities and Values.*—In all tables of imports and exports, the quantities and values are based upon the declarations of importers (import entries) and exporters (export entries), as subsequently checked by customs officials.

*Imports: Valuation.*—“Imports” means imports entered for consumption. “Entered for consumption” does not necessarily imply that the goods have been actually consumed in Canada, but that they have passed into the possession of the importer and that duty has been paid on that portion liable for duty.

Under the main provisions of the law, the value of merchandise imported into Canada is the fair market value or price thereof when sold for home consumption in the principal markets of the country from which said merchandise was exported. (*See* Sects. 35 to 45 and 55 of the Customs Act.)

*Canadian Exports: Valuation.*—“Canadian produce” exported includes Canadian products or manufactures, also exports of commodities of foreign origin that have been changed in form or enhanced in value by further manufacture in Canada, such as sugar refined in Canada from imported raw sugar, aluminum extracted from imported ore, and articles constructed or manufactured from imported materials. The value of exports of Canadian merchandise is the actual amount received in Canadian dollars exclusive of freight, insurance and other handling charges.

*Foreign Exports: Valuation.*—“Foreign produce” exported consists of foreign merchandise that has previously been imported (entered for home consumption). The value of such commodities is the actual amount received in Canadian dollars exclusive of freight, insurance and other handling charges.

*Countries to which Trade is Credited.*—Imports are classified as received from the countries whence they were consigned to Canada. These countries are not necessarily the countries of actual origin of the goods, since goods produced in one country may be imported by a firm in another country and later re-sold to Canada. In such cases, the second country would be the country of consignment to which the goods would be credited.

There is one exception to this rule. An attempt is made to classify by country of actual origin all imports produced in Central and South America. The effect of this procedure, which has been in force since 1946, is to reduce slightly imports credited to the United States and to increase those credited to Central and South American countries.

Exports are always credited to the country to which they are consigned.

*Discrepancies in Trade Statistics between Canada and Other Countries.*—Canadian statistics of exports are rarely in exact agreement with the import statistics of its customers and parallel differences occur with Canadian imports. Among the chief factors contributing to these discrepancies are:—

- (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 geographical classification of trade, 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.

\* Based on statistics taken from reports published by the External Trade Section, International Trade Division, Dominion Bureau of Statistics.