

Reconciliation of the U.S.-Canadian Current Account, 1997 and 1998

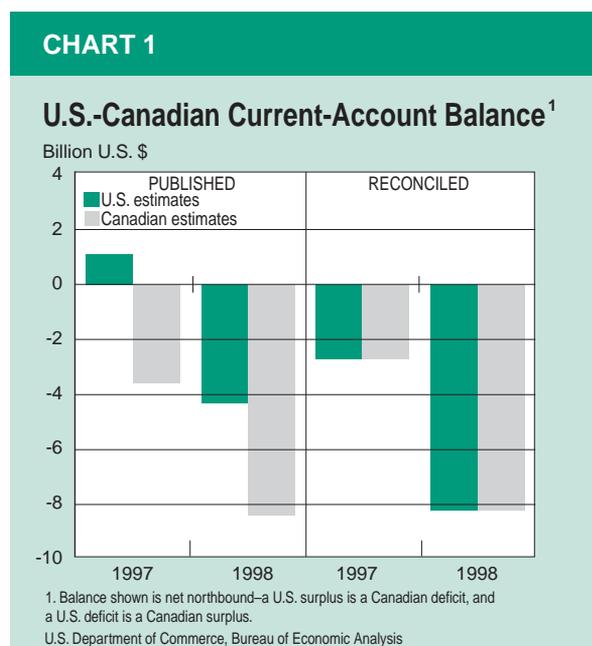
By Anthony DiLullo and Hugh Henderson

Anthony DiLullo is the assistant chief of BEA's Balance of Payments Division. Hugh Henderson is Chief, Current Account, in Statistics Canada's Balance of Payments and Financial Flows Division. This article will also be published in *Canada's Balance of International Payments, Third Quarter 1999*.

ON THE reconciled basis, the U.S.-Canadian current-account balance shows a U.S. deficit, or Canadian surplus, for 1997; in contrast, the balance shows a U.S. surplus on the U.S.-published basis. For 1998, the reconciled balance shows a larger U.S. deficit than the U.S.-published deficit. Compared with the Canadian-published estimates, however, the reconciled current-account balance shows a smaller Canadian surplus, or U.S. deficit, for both 1997 and 1998. The U.S.-published current-account balance with Canada is a U.S. surplus of \$1.1 billion for 1997 and a U.S. deficit of \$4.3 billion for 1998.¹ The corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$3.6 billion for 1997 and a Canadian surplus of \$8.4 billion for 1998. On the reconciled basis, the U.S. deficit, or Canadian surplus, is \$2.7 billion for 1997 and \$8.2 billion for 1998 (chart 1, table 1).²

1. In this article, all values are expressed in U.S. dollars.

2. The reconciled estimates are intended to show how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources. The reconciliation does not necessarily result in revisions to the published accounts.



This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1997 and 1998.³ The details of the current-account reconciliation for 1997 and 1998 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the major types of reconciliation adjustments—definitional, methodological, and statistical—that were made to the major current-account components. Tables 3.1 and 3.2 present the published estimates, the reconciled estimates, and the amounts of the adjustments for each major component. Tables 4–8 present the

3. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the *SURVEY OF CURRENT BUSINESS*: June 1975, September 1976 and 1977, December 1979, June 1981, and December 1981 through 1991. Complete details of the reconciliations for 1990 forward were published in the following issues of the *SURVEY*: November 1992, October 1993 through 1995, and November 1996 through 1998. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67-001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and Third Quarter 1981 through 1998.

Table 1.—Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
1997				
Goods and services	-11.1	16.6	-17.8	17.8
Goods	-18.0	22.4	-24.2	24.2
Services	6.8	-5.8	6.4	-6.4
Income	12.8	-14.6	15.6	-15.6
Current unilateral transfers	-0.5	1.6	-0.4	0.4
Current account	1.1	3.6	-2.7	2.7
1998				
Goods and services	-14.6	20.8	-21.5	21.5
Goods	-19.0	24.2	-25.3	25.3
Services	4.4	-3.4	3.8	-3.8
Income	11.0	-13.9	13.8	-13.8
Current unilateral transfers	-0.6	1.5	-0.5	0.5
Current account	-4.3	8.4	-8.2	8.2

NOTE.—A U.S. surplus (+) is a Canadian deficit (-), and a Canadian surplus (+) is a U.S. deficit (-).
Details may not add to totals because of rounding.

reconciliation details for each current-account component.⁴

Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments resulted in a shift of \$3.8 billion from a surplus to a deficit for 1997 and an increase of \$3.9 billion in the U.S. deficit for 1998. In both years, the changes reflect larger adjustments to the U.S. southbound estimates (U.S. payments) than to the northbound estimates (U.S. receipts) (tables 2.1 and 2.2).⁵ The largest increases in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from an increase for undercoverage in the U.S. inland freight adjustment to U.S. goods imports (a

statistical adjustment), and from an increase for undercoverage of some services payments (a statistical adjustment). The largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (a statistical adjustment).

In the Canadian current account, the reconciliation adjustments resulted in decreases of \$0.9 billion in the 1997 Canadian surplus and \$0.2 billion in the 1998 Canadian surplus. In both years, the changes reflect larger downward adjustments to the Canadian southbound estimates (Canadian receipts) than to the Canadian northbound estimates (Canadian payments). The Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; for methodological differences, mainly in investment income; and for statistical differences, mainly in "other" services. In the Canadian northbound estimates, downward adjustments for definitional and methodological

4. For reconciliation, some of the details presented in the tables in this article differ from those presented in balance-of-payments tables regularly published by BEA and Statistics Canada.

5. In this article, the term "northbound" refers to U.S. receipts, or Canadian payments; the term "southbound" refers to U.S. payments, or Canadian receipts.

Note on the U.S.-Canadian Current-Account Reconciliation

The U.S.-Canadian current-account reconciliation is undertaken because of the extensive economic links between Canada and the United States and the need to explain differences between the estimates of the bilateral current account published by the Bureau of Economic Analysis (BEA) and those published by Statistics Canada. The reconciled estimates are intended to assist analysts who use both countries' statistics and to show how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.¹

In principle, the bilateral current account of one country should mirror the bilateral current account of the other country. Differences occur in the published estimates of the U.S. and Canadian current accounts because of variations in the definitions, methodologies, and statistical sources that are used by each agency. In addition, some of the differences for 1998 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits of international data sharing. As a result of the reconciliation process and the exchange of data, the accuracy of

the published estimates of transactions between Canada and the United States and the efficiency in producing the estimates have increased. The exchange of data between Canada and the United States—for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions—cover more than 80 percent of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates. Wider opportunities for international data sharing may occur from the planned exchange of the results of the 1997 yearend coordinated benchmark survey of international portfolio investment that was undertaken by 29 countries, including Canada and the United States, under the auspices of the International Monetary Fund.

Although the U.S.- and Canadian-published estimates are reconciled and there is extensive exchange of data between Canada and the United States, differences in the published estimates remain. Complete substitution of reconciled estimates for published estimates and complete exchange of data are not feasible for several reasons. For trade in goods, imports in the U.S. accounts would be affected because the United States attributes Canadian reexports to the country of origin rather than to Canada, the last country of shipment. For some accounts, the protection of the confidentiality of the source data bars the exchange of data. Finally, some requirements, such as valuation adjustments, differ when integrating the international and national (domestic) accounts in each country.

1. A detailed article on the methodology used to reconcile the U.S.-Canadian current account was published by BEA in "Reconciliation of the U.S.-Canadian Current Account" in the November 1992 SURVEY and by Statistics Canada in *Reconciliation of the Canadian-United States Current Account, 1990-91*. Statistics Canada also published a shortened version in the December 1992 *Canadian Economic Observer* and in *Canada's Balance of International Payments, Third Quarter 1992*.

differences, mainly in "other" investment income, were partly offset by upward adjustments for statistical differences, mainly in direct investment income.

Effect of Annual Revisions on the Reconciliation

Once each year, BEA and Statistics Canada revise their published estimates of international transactions to incorporate methodological and statistical revisions. Some of the revisions eliminate or reduce differences in the U.S.- and Canadian-published estimates and thus have a direct impact on the reconciliation process. For example, as a result of changes in the Canadian-published estimates in 1997 to make them conform more closely to the International Monetary Fund's *Balance of Payments Manual* (fifth edition), four major reconciliation adjustments were eliminated.⁶

6. See Anthony J. DiLullo and Lucie Laliberté, "Reconciliation of the U.S.-Canadian Current Account, 1995 and 1996," in *SURVEY OF CURRENT BUSINESS* 77 (November 1997): 87 and in *Canada's Balance of International Payments, Third Quarter 1997*: 22-23.

Acknowledgments

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This year, revisions to the U.S.- and Canadian-published estimates have further reduced, on balance, the number of adjustments needed for this reconciliation. First, as a result of revisions in the U.S. presentation of the balance of payments account to further align the accounts with international guidelines, the treatment of unilateral transfers in the U.S. accounts is now the same as in the Canadian accounts. The reclassifications of migrants' transfers and of sales and purchases of certain nonproduced nonfinancial assets from the current account to the new U.S. capital account eliminated two of the methodological adjustments that had been needed to reconcile the U.S.- and Canadian-published estimates of current unilateral transfers. However, the U.S. reclassification of employee compensation to the U.S. income account from the U.S. services account has created a new difference between the U.S.- and Canadian-published estimates of those two accounts. Because of data limitations, Canada treats this compensation as arising from "units of own-account labor" and classifies them as services; for the reconciliation, they are reclassified to income in the Canadian accounts.

Second, revisions to the U.S.-published estimates of income receipts on U.S. holdings of Canadian bonds were revised up as a result of new information from the U.S. Treasury Department's 1997 benchmark survey of U.S. portfolio investment abroad. The amount of statistical adjustment needed to reconcile the difference between the Canadian- and U.S.- published estimates of U.S. income on U.S. holdings of Canadian bonds, though still large, was reduced. Last year, the U.S.-published estimate of income received on U.S. holdings of Canadian bonds for 1997 was adjusted upward \$3.6 billion in order to reconcile it with the Canadian estimate. This year, the upward adjustment was \$2.9 billion for both 1997 and 1998.

Tables 2.1 through 8.2 follow. 

Table 2.1.—Summary of Reconciliation Adjustments, Northbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
1997										
Goods		-310	138				27	-176	165	-486
Services		-112	-138	-67			1,132	-86	996	-263
Transfers under U.S. military agency sales contracts								91		91
Travel			589				28	31	617	31
Passenger fares							-123		-123	
Other transportation				180			2	-83	2	97
Other services		-112	-727	-247			1,225	-125	500	-482
Affiliated		-46	-219				203	-925	-16	-971
Unaffiliated		-66	-508	-247			1,003	788	495	475
Government							19	12	19	12
Income		-1,273		67	-864	-2,517	3,342	2,012	2,478	-1,711
Direct investment		-389		-66		-120	192	2,219	192	1,644
Other investment		-884		66	-864	-2,397	3,150	-218	2,286	-3,433
Compensation of employees				67				11		78
Current unilateral transfers		-232			167		114		281	-232
Total adjustments		-1,927			-697	-2,517	4,615	1,750	3,918	-2,692
1998										
Goods		58	144				-4	-639	140	-581
Services		-155	-144	-66			779	-182	633	-403
Transfers under U.S. military agency sales contracts								106		106
Travel			607				-90	20	517	20
Passenger fares							-203		-203	0
Other transportation				176			18	-50	18	127
Other services		-155	-751	-242			1,054	-258	301	-656
Affiliated		-66	-188				144	-1,678	-44	-1,744
Unaffiliated		-89	-563	-242			893	1,409	330	1,078
Government							17	11	17	11
Income		-1,016		66	-1,196	-2,826	3,177	927	1,981	-2,849
Direct investment		-381		-92		-122	85	1,099	85	504
Other investment		-635		92	-1,196	-2,704	3,092	-184	1,896	-3,431
Compensation of employees				66				12		78
Current unilateral transfers		-208			167		110		277	-208
Total adjustments		-1,321			-1,029	-2,826	4,062	106	3,031	-4,041

Table 2.2.—Summary of Reconciliation Adjustments, Southbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
1997										
Goods	1,306	5,111	31				-10	1,310	1,327	6,422
Services	-138		-197				-462	1,465	-798	1,465
Direct defense expenditures							57		57	
Travel				19				71		90
Passenger fares										
Other transportation	-78		100	-226			56	13	78	-212
Other services	-60		-297	207			-575	1,381	-933	1,587
Affiliated	-3		-4	-26			-560	108	-567	82
Unaffiliated	-57		-293	233			-15	1,260	-365	1,493
Government								13		13
Income	-456		166		-2,517	-864	43	476	-2,764	-388
Direct investment	-364				-120		-358	32	-842	32
Other investment	-92				-2,397	-864	271	444	-2,218	-420
Compensation of employees			166				130		296	
Current unilateral transfers	-1,428						167	-2	-1,430	167
Total adjustments	-716	5,111			-2,517	-697	-431	3,251	-3,665	7,668
1998										
Goods	-280	5,008	27				769	1,414	516	6,422
Services	-144		-190				-489	1,198	-827	1,200
Direct defense expenditures							68	68		
Travel				19				68		87
Passenger fares								5		5
Other transportation	-76		98	-233			58	55	80	-178
Other services	-68		-288	214			-615	1,074	-975	1,286
Affiliated	-11		-4	-26			-591	100	-606	74
Unaffiliated	-57		-284	240			-24	961	-365	1,201
Government								13		13
Income	-125		163		-2,826	-1,190	81	369	-2,707	-821
Direct investment	-33				-122		-465	377	-620	377
Other investment	-92				-2,704	-1,190	407	-8	-2,389	-1,198
Compensation of employees			163				139		302	
Current unilateral transfers	-1,184						167	-7	-1,191	167
Total adjustments	-1,733	5,008			-2,826	-1,023	354	2,981	-4,209	6,968

Table 3.1.—U.S.-Canadian Current-Account Reconciliation, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada
1997								
Goods and services	172,724	174,632	-1,910	173,883	173,883	.....	1,159	-749
Goods	152,069	152,720	-651	152,234	152,234	.....	165	-486
Services	20,655	21,912	-1,259	21,649	21,649	.....	994	-263
Transfers under U.S. military agency sales contracts	91	(1)	91	91	91	.....	.....	91
Travel	6,836	7,422	-586	7,453	7,453	.....	617	31
Passenger fares	1,320	1,197	123	1,197	1,197	.....	-123	.....
Other transportation	2,414	2,319	95	2,416	2,416	.....	2	97
Royalties and license fees	1,592	1,608	-16	(2)	(2)	.....	-1,592	-1,608
Other services	8,402	9,366	-966	10,492	10,492	.....	2,090	1,126
Income	21,652	25,841	-4,189	24,130	24,130	.....	2,478	-1,711
Investment income	21,574	25,841	-4,267	24,052	24,052	.....	2,478	-1,789
Direct investment	10,548	9,096	1,452	10,740	10,740	.....	192	1,644
Other investment	11,026	16,745	-5,719	13,312	13,312	.....	2,286	-3,433
Compensation of employees	78	(3)	78	78	78	.....	.....	78
Current unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Current unilateral transfers, gross .....	.....	513	-513	281	281	.....	281	-232
Current account, northbound	194,376	200,986	-6,612	198,294	198,294	.....	3,918	-2,692
1998								
Goods and services	176,523	178,280	-1,757	177,296	177,296	.....	773	-984
Goods	156,810	157,531	-721	156,950	156,950	.....	140	-581
Services	19,713	20,749	-1,036	20,346	20,346	.....	633	-403
Transfers under U.S. military agency sales contracts	106	(1)	106	106	106	.....	.....	106
Travel	6,206	6,703	-497	6,723	6,723	.....	517	20
Passenger fares	1,477	1,274	203	1,274	1,274	.....	-203	.....
Other transportation	2,329	2,220	109	2,347	2,347	.....	18	127
Royalties and license fees	1,646	1,547	99	(2)	(2)	.....	-1,646	-1,547
Other services	7,949	9,005	-1,056	9,896	9,896	.....	1,947	891
Income	19,409	24,238	-4,830	21,389	21,389	.....	1,981	-2,849
Investment income	19,330	24,238	-4,908	21,311	21,311	.....	1,981	-2,927
Direct investment	8,104	7,685	419	8,189	8,189	.....	85	504
Other investment	11,226	16,553	-5,327	13,122	13,122	.....	1,896	-3,431
Compensation of employees	79	(3)	79	79	79	.....	.....	79
Current unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Current unilateral transfers, gross .....	.....	485	-485	277	277	.....	277	-208
Current account, northbound	195,932	203,003	-7,072	198,962	198,962	.....	3,031	-4,041

1. In the Canadian published accounts, transactions of U.S. military agencies are not shown separately.

2. Royalties and license fees are included in "other" services for reconciliation.

3. In the Canadian published accounts, compensation of employees is included in "other" services.

Table 3.2.—U.S.-Canadian Current-Account Reconciliation, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States
1997								
Goods and services	191,225	183,867	7,358	191,754	191,754	.....	529	7,887
Goods	175,153	170,058	5,095	176,480	176,480	.....	1,327	6,422
Services	16,072	13,809	2,263	15,274	15,274	.....	-798	1,465
Direct defense expenditures	(¹)	57	-57	57	57	.....	57	.....
Travel	4,994	4,904	90	4,994	4,994	.....	.....	90
Passenger fares	470	470	.....	470	470	.....	.....	.....
Other transportation	2,747	3,037	-290	2,825	2,825	.....	78	-212
Royalties and license fees	391	322	69	(²)	(²)	.....	-391	-322
Other services	7,470	5,019	2,451	6,928	6,928	.....	-542	1,909
Income	11,272	8,894	2,378	8,508	8,508	.....	-2,764	-386
Investment income	11,272	8,598	2,674	8,212	8,212	.....	-3,060	-386
Direct investment	4,235	3,360	875	3,393	3,393	.....	-842	33
Other private investment	5,979	4,078	1,901	3,708	3,708	.....	-2,271	-370
U.S. Government liabilities	1,058	1,160	-102	1,111	1,111	.....	53	-49
Compensation of employees	(³)	296	-296	296	296	.....	296	.....
Current unilateral transfers, net .....	.....	536	-536	.....	.....	.....	.....	-536
Current unilateral transfers, gross	2,133	.....	2,133	703	703	.....	-1,430	703
Current account, southbound	204,630	193,297	11,333	200,965	200,965	.....	-3,665	7,668
1998								
Goods and services	199,080	191,147	7,933	198,769	198,769	.....	-311	7,622
Goods	181,712	175,806	5,906	182,228	182,228	.....	516	6,422
Services	17,367	15,341	2,027	16,541	16,541	.....	-827	1,200
Direct defense expenditures	(¹)	68	-68	68	68	.....	68	.....
Travel	5,806	5,719	87	5,806	5,806	.....	.....	87
Passenger fares	590	585	5	590	590	.....	.....	5
Other transportation	2,653	2,911	-258	2,733	2,733	.....	80	-178
Royalties and license fees	377	425	-48	(²)	(²)	.....	-377	-425
Other services	7,942	5,633	2,309	7,344	7,344	.....	-598	1,711
Income	10,334	8,448	1,886	7,627	7,627	.....	-2,707	-821
Investment income	10,334	8,146	2,188	7,325	7,325	.....	-3,009	-821
Direct investment	4,007	3,010	997	3,387	3,387	.....	-620	377
Other private investment	5,295	4,261	1,034	3,039	3,039	.....	-2,256	-1,222
U.S. Government liabilities	1,032	875	157	899	899	.....	-133	24
Compensation of employees	(³)	302	-302	302	302	.....	302	.....
Current unilateral transfers, net .....	.....	613	-613	.....	.....	.....	.....	-613
Current unilateral transfers, gross	1,971	.....	1,971	780	780	.....	-1,191	780
Current account, southbound	211,383	200,208	11,177	207,176	207,176	.....	-4,209	6,968

1. In the Canadian published accounts, transactions of U.S. military agencies are not shown separately.

2. Royalties and license fees are included in "other" services for reconciliation.

3. In the Canadian published accounts, compensation of employees is included in "other" services.

Table 4.1.—Trade in Goods, Northbound

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
1997			
Balance of payments basis, published	152,069	152,720	
Reconciliation adjustments:			
Inland freight		513	Statistical
Repair of equipment	138		Reclassification
Other balance of payments adjustments	27	-310	Definitional and statistical
Statistical adjustments		-689	Statistical
Reconciled	152,234	152,234	
1998			
Balance of payments basis, published	156,810	157,531	
Reconciliation adjustments:			
Inland freight		-537	Statistical
Repair of equipment	144		Reclassification
Other balance of payments adjustments	-4	58	Definitional and statistical
Statistical adjustments		-102	Statistical
Reconciled	156,950	156,950	

Table 4.2.—Trade in Goods, Southbound

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
1997			
Balance of payments basis, published	175,153	170,058	
Reconciliation adjustments:			
Canadian reexports		4,945	Definitional
Inland freight	913	1,310	Statistical
Other balance of payments adjustments	1,337	167	Definitional and reclassification
Statistical adjustments	-923		Statistical
Reconciled	176,480	176,480	
1998			
Balance of payments basis, published	181,712	175,806	
Reconciliation adjustments:			
Canadian reexports		4,758	Definitional
Inland freight	960	1,414	Statistical
Other balance of payments adjustments	-252	250	Definitional and reclassification
Statistical adjustments	-192		Statistical
Reconciled	182,228	182,228	

Table 5.1.—Travel, Passenger Fares, and Other Transportation, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1997									
Travel	6,836	7,422	-586	7,453	7,453		617	31	
Business and personal	6,836	6,864	-28	6,864	6,864		28		Statistical
Education	426	426	-426	438	438		438	12	Reclassification and statistical
Medical	132	132	-132	151	151		151	19	Reclassification and statistical
Passenger fares	1,320	1,197	123	1,197	1,197		-123		Statistical
Other transportation	2,414	2,319	95	2,416	2,416		2	97	
Freight	1,904	1,985	-81	1,887	1,887		-17	-98	
Ocean	54	219	-165	143	143		89	-76	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)		(^D)	(^D)	Statistical
Truck	1,278	1,278		1,278	1,278				
Other	(^D)	(^D)	(^D)	(^D)	(^D)		(^D)	(^D)	Statistical
Port services	510	320	190	515	515		5	195	
Vessel operators	68	31	37	31	31		-37		Statistical
Airline operators	287	287		287	287				
Other	155	2	153	197	197		42	195	Statistical
Other		15	-15	14	14		14	-1	Reclassification and statistical
1998									
Travel	6,206	6,703	-497	6,723	6,723		517	20	
Business and personal	6,206	6,116	90	6,116	6,116		-90		Statistical
Education	452	452	-452	442	442		442	-10	Reclassification and statistical
Medical	134	134	-134	165	165		165	31	Reclassification and statistical
Passenger fares	1,477	1,274	203	1,274	1,274		-203		Statistical
Other transportation	2,329	2,220	109	2,347	2,347		18	127	
Freight	1,857	1,895	-38	1,831	1,831		-26	-64	
Ocean	60	178	-118	120	120		60	-58	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)		(^D)	(^D)	Statistical
Truck	1,222	1,222		1,222	1,222				
Other	(^D)	(^D)	(^D)	(^D)	(^D)		(^D)	(^D)	Statistical
Port services	471	309	162	499	499		28	190	
Vessel operators	37	29	8	29	29		-8		Statistical
Airline operators	277	278	-1	277	277			-1	Statistical
Other	157	2	155	193	193		36	191	Statistical
Other		17	-17	16	16		16	-1	Reclassification and statistical

^D Data suppressed to avoid disclosure of data of individual companies.

Table 5.2.—Travel, Passenger Fares, and Other Transportation, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1997									
Travel	4,994	4,904	90	4,994	4,994			90	
Business and personal	4,878	4,904	-26	4,878	4,878			-26	Statistical
Education	69		69	69	69			69	Reclassification and statistical
Medical	47		47	47	47			47	Reclassification and statistical
Passenger fares	470	470		470	470				
Other transportation	2,747	3,037	-290	2,825	2,825		78	-212	
Freight	2,310	2,415	-105	2,306	2,306		-4	-109	
Ocean	139	131	8	135	135		-4	4	Statistical
Air	(P)	(D)	(P)	(P)	(P)		(P)	(P)	Statistical
Land	1,987	1,987		1,987	1,987				
Other	(P)	(P)	(P)	(P)	(P)		(P)	(P)	Statistical
Port services	350	623	-273	513	513		163	-110	
Vessel operators	34	165	-131	60	60		26	-105	Statistical
Airline operators	249	373	-124	249	249			-124	Statistical
Other	67	85	-18	204	204		137	119	Statistical
Other	89		89	7	7		-82	7	Definitional, reclassification, and statistical
1998									
Travel	5,806	5,719	87	5,806	5,806			87	
Business and personal	5,692	5,719	-27	5,692	5,692			-27	Statistical
Education	68		68	68	68			68	Reclassification and statistical
Medical	46		46	46	46			46	Reclassification and statistical
Passenger fares	590	585	5	590	590			5	Statistical
Other transportation	2,653	2,911	-259	2,733	2,733		80	-178	
Freight	2,198	2,284	-86	2,188	2,188		-10	-96	
Ocean	146	96	50	135	135		-11	39	Statistical
Air	(P)	(P)	(P)	(P)	(P)		(P)	(P)	Statistical
Land	1,909	1,910	-1	1,910	1,910		1		Statistical
Other	(P)	(P)	(P)	(P)	(P)		(P)	(P)	Statistical
Port services	367	627	-260	537	537		170	-90	
Vessel operators	34	160	-126	74	74		40	-86	Statistical
Airline operators	268	381	-113	252	252		-16	-129	Statistical
Other	65	86	-21	211	211		146	125	Statistical
Other	87		87	7	7		-80	7	Definitional, reclassification, and statistical

^D Data suppressed to avoid disclosure of data of individual companies.

Table 6.1.—Other Services, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1997									
Total	9,992	10,974	-982	10,492	10,492	.....	500	-482	
Private:									
Affiliated	5,516	6,471	-955	5,500	5,500	.....	-16	-971	Definitional and statistical
Royalties and license fees	1,286	1,361	-75	(¹)	(¹)	(¹)	(¹)	(¹)	
Other services	4,230	5,110	-880	(¹)	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	4,340	4,360	-20	4,835	4,835	.....	495	475	
Royalties, license fees, and selected services.	878	688	190	855	855	.....	-23	167	Statistical
Insurance	389	444	-55	408	408	.....	19	-36	Statistical
Financial services	602	514	88	648	648	.....	46	134	Statistical
Education and training	457	11	446	19	19	.....	-438	8	Reclassification and statistical
Communications	300	661	-361	321	321	.....	21	-340	Statistical
Computer services	374	182	192	374	374	.....	.....	192	Statistical
Business services	1,163	720	443	1,310	1,310	.....	147	590	Reclassification and statistical
Sports and entertainment	177	933	-756	900	900	.....	723	-33	Reclassification and statistical
Other .....	.....	207	-207	.....	.....	.....	.....	-207	
Government:									
United States	46	34	12	46	46	.....	.....	12	Statistical
Canada	91	110	-19	110	110	.....	19	.....	Statistical
1998									
Total	9,595	10,552	-957	9,896	9,896	.....	301	-656	
Private:									
Affiliated	4,918	6,618	-1,700	4,874	4,874	.....	-44	-1,744	Definitional and statistical
Royalties and license fees	1,291	1,309	-18	(¹)	(¹)	(¹)	(¹)	(¹)	
Other services	3,627	5,309	-1,682	(¹)	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	4,503	3,755	748	4,833	4,833	.....	330	1,078	
Royalties, license fees, and selected services.	947	646	301	924	924	.....	-23	278	Statistical
Insurance	324	-11	335	158	158	.....	-166	169	Statistical
Financial services	792	532	260	878	878	.....	86	346	Statistical
Education and training	458	11	447	16	16	.....	-442	5	Reclassification and statistical
Communications	293	613	-320	320	320	.....	.....	-293	Statistical
Computer services	496	198	298	496	496	.....	.....	298	Statistical
Business services	1,028	728	300	1,257	1,257	.....	229	529	Reclassification and statistical
Sports and entertainment	165	835	-670	784	784	.....	619	-51	Reclassification and statistical
Other .....	.....	203	-203	.....	.....	.....	.....	-203	
Government:									
United States	85	74	11	85	85	.....	.....	11	Statistical
Canada	88	105	-17	105	105	.....	17	.....	Statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 6.2.—Other Services, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1997									
Total	7,861	5,341	2,520	6,928	6,928	.....	-933	1,587	
Private:									
Affiliated	3,559	2,910	649	2,992	2,992	.....	-567	82	Definitional, reclassification, and statistical
Royalties and license fees	250	188	62	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,309	2,722	587	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,113	2,255	1,858	3,748	3,748	.....	-365	1,493	
Royalties, license fees, and selected services.	777	402	375	896	896	.....	119	494	Statistical
Insurance	246	519	-273	325	325	.....	79	-194	Statistical
Financial services	415	222	193	340	340	.....	-75	118	Statistical
Education and training	19	19	.....	19	19	.....	.....	.....
Communications	678	333	345	333	333	.....	-345	.....	Reclassification and statistical
Computer services	396	73	323	250	250	.....	-146	177	Statistical
Business services	674	568	106	871	871	.....	197	303	Reclassification and statistical
Sports and entertainment	717	119	598	714	714	.....	-3	595	Statistical
Other	191	.....	191	.....	.....	.....	-191	.....
Government:									
Canada	13	.....	13	13	13	.....	.....	13	Statistical
United States	176	176	.....	176	176	.....	.....	.....
1998									
Total	8,319	6,058	2,261	7,344	7,344	.....	-975	1,286	
Private:									
Affiliated	4,060	3,380	680	3,454	3,454	.....	-606	74	Definitional, reclassification, and statistical
Royalties and license fees	241	295	-54	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,819	3,085	734	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,036	2,470	1,566	3,671	3,671	.....	-365	1,201	
Royalties, license fees, and selected services.	791	470	321	900	900	.....	109	430	Statistical
Insurance	248	509	-261	312	312	.....	64	-197	Statistical
Financial services	449	231	218	335	335	.....	-114	104	Statistical
Education and training	20	19	1	20	20	.....	.....	1	Statistical
Communications	620	333	287	333	333	.....	-287	.....	Reclassification and statistical
Computer services	401	80	321	268	268	.....	-133	188	Statistical
Business services	681	709	-28	877	877	.....	196	168	Reclassification and statistical
Sports and entertainment	626	119	507	626	626	.....	.....	507	Statistical
Other	200	.....	200	.....	.....	.....	-200	.....
Government:									
Canada	13	.....	13	13	13	.....	.....	13	Statistical
United States	207	207	.....	207	207	.....	.....	.....

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 7.1.—Direct Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1997									
Direct investment income	10,548	9,096	1,452	10,740	10,740	.....	192	1,644	
Earnings of incorporated affiliates	9,718	8,131	1,587	9,718	9,718	.....	.....	1,587	
Dividends	4,740	4,133	607	4,740	4,740	.....	.....	607	Definitional, reclassification, and statistical
Reinvested earnings	4,978	3,998	980	4,978	4,978	.....	.....	980	Statistical
Earnings of unincorporated affiliates	520	258	262	520	520	.....	.....	262	Definitional, reclassification, and statistical
Net interest	310	708	-398	502	502	.....	192	-206	Reclassification, net to gross, and statistical
1998									
Direct investment income	8,104	7,685	419	8,189	8,189	.....	85	504	
Earnings of incorporated affiliates	7,557	6,754	803	7,557	7,557	.....	.....	803	
Dividends	3,870	3,513	357	3,870	3,870	.....	.....	357	Definitional, reclassification, and statistical
Reinvested earnings	3,687	3,241	446	3,687	3,687	.....	.....	446	Statistical
Earnings of unincorporated affiliates	157	268	-111	232	232	.....	75	-36	Definitional, reclassification, and statistical
Net interest	390	663	-273	400	400	.....	10	-263	Reclassification, net to gross, and statistical

Table 7.2.—Direct Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1997									
Direct investment income	4,235	3,360	875	3,393	3,393	.....	-842	33	
Earnings of incorporated affiliates	3,102	3,151	-49	3,078	3,078	.....	-24	-73	
Dividends	1,323	793	530	526	526	.....	-797	-267	Statistical
Reinvested earnings	1,779	2,358	-579	2,552	2,552	.....	773	194	Statistical
Earnings of unincorporated affiliates	913	-104	1,017	2	2	.....	-911	106	Definitional and statistical
Net interest	221	314	-93	314	314	.....	93	.....	Gross to net and statistical
1998									
Direct investment income	4,007	3,010	997	3,387	3,387	.....	-620	377	
Earnings of incorporated affiliates	2,900	2,449	451	2,808	2,808	.....	-92	359	
Dividends	644	3,416	-2,772	^(D)	^(D)	.....	^(D)	^(D)	Statistical
Reinvested earnings	2,256	-967	3,223	^(D)	^(D)	.....	^(D)	^(D)	Statistical
Earnings of unincorporated affiliates	889	145	744	162	162	.....	-727	17	Definitional and statistical
Net interest	218	416	-198	416	416	.....	198	.....	Gross to net and statistical

^D Data suppressed to avoid disclosure of data of individual companies.

Table 8.1.—Other Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1997									
Other investment income	11,026	16,745	-5,719	13,312	13,312	.....	2,286	-3,433	
Securities	7,298	10,598	-3,300	10,244	10,244	.....	2,946	-354	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,171	846	325	1,171	1,171	.....	.....	325	
Interest on bonds	6,127	9,752	-3,625	9,073	9,073	.....	2,946	-679	
U.S. claims/Canadian liabilities	3,728	6,146	-2,418	3,070	3,070	.....	-658	-3,076	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	3,051	3,544	-493	1,175	1,175	.....	-1,876	-2,369	
Other private U.S. claims	677	2,602	-1,925	1,895	1,895	.....	1,218	-707	
1998									
Other investment income	11,226	16,553	-5,327	13,122	13,122	.....	1,896	-3,431	
Securities	7,280	10,454	-3,174	10,199	10,199	.....	2,919	-255	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,213	789	424	1,213	1,213	.....	.....	424	
Interest on bonds	6,067	9,665	-3,598	8,986	8,986	.....	2,919	-679	
U.S. claims/Canadian liabilities	3,946	6,099	-2,153	2,925	2,925	.....	-1,021	-3,174	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	3,150	3,752	-602	1,065	1,065	.....	-2,085	-2,687	
Other private U.S. claims	796	2,347	-1,551	1,860	1,860	.....	1,064	-487	

Table 8.2.—Other Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1997									
Other investment income	7,037	5,238	1,799	4,819	4,819	.....	-2,218	-419	
Securities	1,823	2,095	-272	2,027	2,027	.....	204	-68	Definitional and statistical Definitional and statistical
Dividends	1,192	1,314	-122	1,314	1,314	.....	122	.....
Interest on bonds	631	781	-150	713	713	.....	82	-68	
Canadian claims/U.S. liabilities	4,156	1,983	2,173	1,680	1,680	.....	-2,476	-303	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,714	1,705	2,009	1,400	1,400	.....	-2,314	-305	
Other Canadian claims	442	278	164	280	280	.....	-162	2	
U.S. Government liabilities	1,058	1,160	-102	1,111	1,111	.....	53	-49	Statistical
1998									
Other investment income	6,327	5,136	1,191	3,938	3,938	.....	-2,389	-1,198	
Securities	1,729	2,389	-660	2,156	2,156	.....	427	-233	Definitional and statistical Definitional and statistical
Dividends	1,116	1,310	-194	1,310	1,310	.....	194	.....
Interest on bonds	613	1,079	-466	846	846	.....	233	-233	
Canadian claims/U.S. liabilities	3,567	1,872	1,695	882	882	.....	-2,685	-990	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,097	1,441	1,656	583	583	.....	-2,514	-858	
Other Canadian claims	470	431	39	299	299	.....	-171	-132	
U.S. Government liabilities	1,032	875	157	899	899	.....	-133	24	Statistical