

Reconciliation of the U.S.-Canadian Current Account, 1996 and 1997

By Anthony J. 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 1998*.

ON THE reconciled basis, the U.S.-Canadian current account shows a larger U.S. deficit, or Canadian surplus, than on the U.S.-published basis for both 1996 and 1997. Compared with the Canadian published estimates, however, the reconciled current account shows a smaller U.S. deficit, or Canadian surplus. The U.S.-published current-account balance with Canada is a U.S. deficit of \$7.0 billion for 1996 and a U.S. deficit of \$0.8 billion for 1997.¹ The corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$13.9 billion for 1996 and a Canadian surplus of \$6.7 billion for 1997. On the reconciled basis, the U.S. deficit, or Canadian surplus, is \$12.9 billion for 1996 and \$4.4 billion for 1997 (chart 1, table 1).²

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1996 and

1997.³ The details of the current-account reconciliation for 1996 and 1997 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 reconciliation details for each current-account component.⁴

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 of the U.S.-Canadian current account does not necessarily result in revisions to the published accounts.

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 and 1997. 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 1997.

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

Table 1.—Major U.S.-Canadian Balances

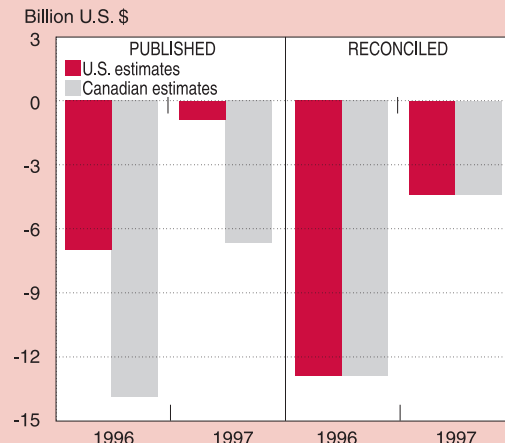
[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
1996				
Goods	-24.2	30.9	-31.7	31.7
Services	7.1	-5.9	6.6	-6.6
Investment income	10.4	-12.5	12.6	-12.6
Goods, services, and income	-6.6	12.5	-12.5	12.5
Unilateral transfers, net	-3	1.4	-4	.4
Current account	-7.0	13.9	-12.9	12.9
1997				
Goods	-19.0	23.5	-25.3	25.3
Services	6.4	-4.5	5.9	-5.9
Investment income	12.2	-13.8	15.5	-15.5
Goods, services, and income	-4	5.2	-4.0	4.0
Unilateral transfers, net	-4	1.5	-4	-4
Current account	-0.8	6.7	-4.4	4.4

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.

CHART 1

U.S.-Canadian Current-Account Balance¹



1. Balance shown is net northbound—a U.S. surplus is a Canadian deficit, and a U.S. deficit is a Canadian surplus.

U.S. Department of Commerce, Bureau of Economic Analysis

Reconciled Current-Account Balances for 1996 and 1997

In the U.S. current account, the reconciliation adjustments resulted in increases of \$5.9 billion in the 1996 U.S. deficit and \$3.6 billion in the 1997 U.S. deficit. 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 adjust-

ments 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 \$1.0 billion in the 1996 Canadian surplus and \$2.3 billion in the 1997 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 differences, mainly in "other" investment income, were partly offset by upward adjustments for statistical differences, mainly in direct investment income.

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 the two countries and the need to explain differences in the published Canadian and U.S. estimates of the bilateral current account. In principle, the bilateral current account of one country should mirror the bilateral current account of the other country.

Differences occur in the bilateral U.S. and Canadian current accounts as published by the Bureau of Economic Analysis (BEA) and by Statistics Canada because of differences in the definitions, methodologies, and statistical sources used by each agency. In addition, some of the differences for 1997 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 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

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits that can be derived from international data sharing. The reconciliation process and the exchange of data have

resulted in greater accuracy of the published estimates of transactions between Canada and the United States and in increased efficiency in producing the estimates. 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 transportation transactions cover more than 80 percent of the value of the Canadian and U.S. current account and has led to the elimination of some differences in the Canadian- and U.S.-published estimates. Wider opportunities for international data sharing may result from the 1997 yearend coordinated benchmark survey of international portfolio investment that was undertaken by more than 30 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, protection of the confidentiality of 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*.

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, changes in the Canadian-published estimates last year to make them conform more closely to the International Monetary Fund's *Balance of Payment Manual* (fifth edition) resulted in the elimination of four major reconciliation adjustments.⁶ This year, several of the revisions to the U.S.-published estimates have further reduced the number of adjustments needed for reconciliation.

First, one of the major statistical adjustments to U.S. southbound estimates of U.S. Government income payments was virtually eliminated, as a result of the incorporation of the results of the U.S. Treasury Department's 1994 benchmark survey of foreign investment in U.S. long-term securities and a new methodology for estimating interest payments on U.S. Government agency securities. Last year, this adjustment accounted for \$1.3 billion of the reconciliation adjustments for 1996; this year, the adjustment was only \$35 million for 1996 and \$4 million for 1997.

Second, in the U.S. accounts, the need for the methodological adjustment (reclassification) required to reconcile operational leasing was eliminated. More complete coverage of opera-

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

Acknowledgments

The reconciliations were carried out under the direction of Hugh Henderson, Chief, Current Account, in Statistics Canada's Balance of Payments and Financial Flows Division, and Anthony DiLullo, assistant chief of BEA's Balance of Payments Division. At Statistics Canada, Lucie Laliberté, Robert Théberge, Denis Caron, Rick Murat, and Linda Tassé participated in the reconciliation of the Canadian accounts; Denis Caron was responsible for the production and coordination of the reconciliation tables. At BEA, Russell Scholl, assisted by Jane Newstedt, was responsible for reconciling the U.S. portfolio income accounts; Mark New, for the accounts related to U.S. direct investment in Canada; Gregory M. Fouch, for the accounts related to Canadian direct investment in the United States; Kwok Lee, for goods; and Michael Mann, for services.

tional leasing and the reclassification of leasing of transportation equipment without crew to the "other" private services account from the "other" transportation account have brought the U.S. treatment of operational leasing closer to the current Canadian treatment.

Finally, revisions in 1997 to the Canadian methodology for compiling data on inland freight for northbound shipments of goods, which are the source data for the U.S.-published estimates, resulted in a reduction in the U.S.-published estimates. These revisions reduced the amount of statistical adjustment needed to reconcile the northbound goods account. Last year, the Canadian estimate of northbound inland freight for 1996 was adjusted upward \$1.3 billion to reconcile with the U.S. estimate. This year, the upward adjustment was \$0.4 billion for 1996 and \$0.5 billion for 1997.


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				
1996										
Goods		-342	186				-1,864	1,065	-1,678	723
Services		-91	-186				542	-699	356	-790
Transfers under U.S. military agency sales contracts								146		146
Travel			554				-66	91	488	91
Passenger fares							-213		-213	
Other transportation				174			46	67	46	241
Other services		-91	-740	-174			775	-1,003	35	-1,268
Affiliated		-41	-280				-226	-1,290	-506	-1,331
Unaffiliated		-50	-460	-174			990	271	530	47
Government							11	16	11	16
Investment income		-1,002			-543	-1,667	2,934	906	2,391	-1,763
Direct		-279		-74		-124	-362	1,792	-362	1,315
Other		-723		74	-543	-1,543	3,296	-886	2,753	-3,078
Unilateral transfers		-182			319		-50		269	-182
Total adjustments		-1,617			-224	-1,667	1,562	1,272	1,339	-2,011
1997										
Goods		-249	138				26	190	164	-59
Services		-152	-138				234	90	96	-62
Transfers under U.S. military agency sales contracts								93		93
Travel			575				-83	84	492	84
Passenger fares							-214		-214	
Other transportation				180			57	29	57	209
Other services		-152	-713	-180			474	-116	-239	-448
Affiliated		-79	-255				-228	-435	-483	-514
Unaffiliated		-73	-458	-180			694	323	236	70
Government							8	-4	8	-4
Investment income		-1,137			-766	-2,534	3,551	2,082	2,785	-1,589
Direct		-358		-65		-137	-267	2,680	-267	2,120
Other		-779		65	-766	-2,397	3,818	-598	3,052	-3,709
Unilateral transfers		-223			318		-46		271	-223
Total adjustments		-1,761			-448	-2,534	3,765	2,362	3,316	-1,932

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				
1996										
Goods	-28	4,378	307	20			1,250	1,480	1,529	5,878
Services	-143		-307	-20			-1,039	936	-1,489	916
Direct defense expenditures			32	-20			-5		27	-20
Travel				10				76		86
Passenger fares								1		1
Other transportation	-80		97				44	-164	61	-164
Other services	-63		-436	-10			-1,078	1,023	-1,577	1,013
Affiliated	-6			-65			-722		-728	-65
Unaffiliated	-57		-404	55			-324	1,010	-785	1,065
Government			-32				-32	13	-64	13
Investment income	-130				-1,667	-543	-68	689	-1,865	147
Direct	-46				-124		191	-108	21	-108
Other	-84				-1,543	-543	-259	797	-1,886	254
Unilateral transfers	-1,146					319	-15		-1,161	319
Total adjustments	-1,447	4,378			-1,667	-224	128	3,105	-2,984	7,259
1997										
Goods	625	5,004	298	40			822	1,465	1,745	6,509
Services	-142		-298	-40			-1,010	622	-1,450	581
Direct defense expenditures			41	-40			-24		17	-40
Travel				12				72		84
Passenger fares										
Other transportation	-84		100				22	-217	38	-217
Other services	-58		-439	-12			-1,008	767	-1,505	755
Affiliated	-1			-73			-769		-770	-73
Unaffiliated	-57		-398	61			-228	754	-683	815
Government			-41				-11	13	-52	13
Investment income	-1,165				-2,534	-765	502	284	-3,197	-481
Direct	-1,073				-137		304	-49	-906	-49
Other	-92				-2,397	-765	198	333	-2,291	-432
Unilateral transfers	-1,322					318	-4		-1,326	318
Total adjustments	-2,004	5,004			-2,534	-448	310	2,371	-4,228	6,926

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
1996								
Goods and services	154,600	153,345	1,255	153,278	153,278	.....	-1,322	-67
Goods	134,516	132,115	2,401	132,838	132,838	.....	-1,678	723
Services	20,084	21,230	-1,146	20,440	20,440	.....	356	-790
Transfers under U.S. military agency sales contracts	146	(¹)	146	146	146	.....	.....	146
Travel	6,842	7,239	-397	7,330	7,330	.....	488	91
Passenger fares	1,331	1,118	213	1,118	1,118	.....	-213	.....
Other transportation	2,394	2,199	195	2,440	2,440	.....	46	241
Royalties and license fees	1,541	1,468	73	(²)	(²)	.....	-1,541	-1,468
Other services	7,830	9,206	-1,376	9,406	9,406	.....	1,576	200
Investment income	18,119	22,273	-4,154	20,510	20,510	.....	2,391	-1,763
Direct investment	9,024	7,347	1,677	8,662	8,662	.....	-362	1,315
Other private assets/liabilities	9,095	14,926	-5,831	11,848	11,848	.....	2,753	-3,078
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	451	-451	269	269	.....	269	-182
Current account, northbound	172,719	176,069	-3,350	174,058	174,058	.....	1,339	-2,011
1997								
Goods and services	172,692	173,073	-381	172,952	172,952	.....	260	-121
Goods	152,047	152,270	-223	152,211	152,211	.....	164	-59
Services	20,645	20,803	-158	20,741	20,741	.....	96	-62
Transfers under U.S. military agency sales contracts	93	(¹)	93	93	93	.....	.....	93
Travel	6,824	7,232	-408	7,316	7,316	.....	492	84
Passenger fares	1,409	1,195	214	1,195	1,195	.....	-214	.....
Other transportation	2,384	2,232	152	2,441	2,441	.....	57	209
Royalties and license fees	1,561	1,574	-13	(²)	(²)	.....	-1,561	-1,574
Other services	8,374	8,570	-196	9,696	9,696	.....	1,322	1,126
Investment income	20,540	24,914	-4,374	23,325	23,325	.....	2,785	-1,589
Direct investment	10,692	8,305	2,387	10,425	10,425	.....	-267	2,120
Other private assets/liabilities	9,848	16,609	-6,762	12,900	12,900	.....	3,052	-3,709
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	494	-494	271	271	.....	271	-223
Current account, northbound	193,232	198,480	-5,248	196,548	196,548	.....	3,316	-1,932

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. Income on U.S. Government assets is included in income on "other" private assets in the Canadian published accounts.

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
1996								
Goods and services	178,365	171,611	6,754	178,405	178,405	.....	40	6,794
Goods	163,018	158,669	4,349	164,547	164,547	.....	1,529	5,878
Services	15,347	12,942	2,405	13,858	13,858	.....	-1,489	916
Direct defense expenditures	(¹)	47	-47	27	27	.....	27	-20
Travel	4,756	4,670	86	4,756	4,756	.....	.....	86
Passenger fares	392	391	1	392	392	.....	.....	1
Other transportation	2,565	2,790	-224	2,626	2,626	.....	61	-164
Royalties and license fees	275	217	58	(²)	(²)	.....	-275	-217
Other services	7,359	4,827	2,532	6,057	6,057	.....	-1,302	1,230
Investment income	9,747	7,724	2,023	7,882	7,870	12	-1,865	147
Direct investment	3,166	3,295	-129	3,187	3,187	.....	21	-108
Other private assets/liabilities	5,504	3,387	2,117	3,636	3,624	12	-1,868	237
U.S. Government liabilities	1,077	1,042	35	1,059	1,059	.....	-18	17
Unilateral transfers, net .....	.....	348	-348	.....	.....	.....	.....	-348
Unilateral transfers, gross	1,827	.....	1,827	666	666	.....	-1,161	666
Current account, southbound	189,938	179,683	10,255	186,954	186,942	12	-2,984	7,259
1997								
Goods and services	192,080	185,285	6,795	192,375	192,375	.....	295	7,090
Goods	175,788	171,024	4,764	177,533	177,533	.....	1,745	6,509
Services	16,292	14,260	2,032	14,842	14,842	.....	-1,450	581
Direct defense expenditures	(¹)	57	-57	17	17	.....	17	-40
Travel	4,985	4,901	84	4,985	4,985	.....	.....	84
Passenger fares	470	470	.....	470	470	.....	.....	.....
Other transportation	2,783	3,037	-255	2,821	2,821	.....	38	-217
Royalties and license fees	250	317	-67	(²)	(²)	.....	-250	-317
Other services	7,805	5,478	2,327	6,550	6,550	.....	-1,255	1,072
Investment income	11,081	8,353	2,728	7,884	7,872	12	-3,197	-481
Direct investment	4,072	3,215	857	3,166	3,166	.....	-906	-49
Other private assets/liabilities	5,950	4,083	1,867	3,658	3,651	8	-2,291	-432
U.S. Government liabilities	1,059	1,055	4	1,059	1,055	4	.....	.....
Unilateral transfers, net .....	.....	366	-366	.....	.....	.....	.....	-366
Unilateral transfers, gross	2,010	.....	2,010	684	684	.....	-1,326	684
Current account, southbound	205,172	194,003	11,169	200,944	200,932	12	-4,228	6,926

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.

Table 4.1.—Trade in Goods, Northbound

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
1996			
Balance of payments basis, published	134,516	132,115	
Reconciliation adjustments:			
Inland freight	-1,867	436	Statistical
Repair of equipment	186	.....	Reclassification
Other balance of payments adjustments	4	-342	Definitional
Statistical adjustments .....	.....	630	Statistical
Reconciled	132,838	132,838	
1997			
Balance of payments basis, published	152,047	152,270	
Reconciliation adjustments:			
Inland freight .....	.....	522	Statistical
Repair of equipment	138	.....	Reclassification
Other balance of payments adjustments	26	-249	Definitional
Statistical adjustments .....	.....	-331	Statistical
Reconciled	152,211	152,211	

Table 4.2.—Trade in Goods, Southbound

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
1996			
Balance of payments basis, published	163,018	158,669	
Reconciliation adjustments:			
Canadian reexports .....	.....	4,314	Definitional
Inland freight	978	1,341	Statistical
Other balance of payments adjustments	139	223	Definitional and reclassification
Statistical adjustments	412	.....	Statistical
Reconciled	164,547	164,547	
1997			
Balance of payments basis, published	175,788	171,024	
Reconciliation adjustments:			
Canadian reexports .....	.....	4,945	Definitional
Inland freight	913	1,264	Statistical
Other balance of payments adjustments	789	300	Definitional and reclassification
Statistical adjustments	43	.....	Statistical
Reconciled	177,533	177,533	

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
1996									
Travel	6,842	7,239	-397	7,330	7,330	.....	488	91	
Business and personal	6,842	6,776	66	6,776	6,776	.....	-66	.....	Statistical
Education .....	.....	402	-402	425	425	.....	425	23	Reclassification and statistical
Medical .....	.....	61	-61	129	129	.....	129	68	Reclassification and statistical
Passenger fares	1,331	1,118	213	1,118	1,118	.....	-213	.....	Statistical
Other transportation	2,394	2,199	195	2,440	2,440	.....	46	241	
Freight	1,816	1,793	23	1,837	1,837	.....	21	44	
Ocean	32	191	-159	139	139	.....	107	-52	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,393	1,193	200	1,258	1,258	.....	-135	65	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	579	389	190	587	587	.....	8	198	
Vessel operators	61	29	32	29	29	.....	-32	.....	Statistical
Airline operators	358	357	1	358	358	.....	.....	1	Statistical
Other	160	3	157	200	200	.....	40	197	Reclassification and statistical
Other .....	.....	17	-17	17	17	.....	17	.....	Statistical
1997									
Travel	6,824	7,232	-408	7,316	7,316	.....	492	84	
Business and personal	6,824	6,741	83	6,741	6,741	.....	-83	.....	Statistical
Education .....	.....	427	-427	443	443	.....	443	16	Reclassification and statistical
Medical .....	.....	64	-64	132	132	.....	132	68	Reclassification and statistical
Passenger fares	1,409	1,195	214	1,195	1,195	.....	-214	.....	Statistical
Other transportation	2,384	2,232	152	2,441	2,441	.....	57	209	
Freight	1,880	1,894	-14	1,912	1,912	.....	32	18	
Ocean	54	208	-154	155	155	.....	101	-53	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,435	1,272	163	1,310	1,310	.....	-125	38	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	504	320	184	511	511	.....	7	191	
Vessel operators	64	29	35	29	29	.....	-35	.....	Statistical
Airline operators	287	287	0	287	287	.....	.....	.....	Statistical
Other	153	4	149	195	195	.....	42	191	Reclassification and statistical
Other .....	.....	18	-18	18	18	.....	18	.....	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
1996									
Travel	4,756	4,670	86	4,756	4,756	.....	.....	86	
Business and personal	4,651	4,670	-19	4,651	4,651	.....	.....	-19	Statistical
Education	61	.....	61	61	61	.....	.....	61	Reclassification and statistical
Medical	43	.....	43	43	43	.....	.....	43	Reclassification and statistical
Passenger fares	392	391	1	392	392	.....	.....	1	Statistical
Other transportation	2,565	2,790	-224	2,626	2,626	.....	61	-164	
Freight	2,125	2,249	-124	2,136	2,136	.....	11	-113	
Ocean	101	113	-12	113	113	.....	12	.....	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,896	2,054	-158	1,896	1,896	.....	.....	-158	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	346	541	-195	480	480	.....	134	-61	
Vessel operators	28	131	-103	65	65	.....	37	-66	Statistical
Airline operators	262	328	-66	262	262	.....	.....	-66	Statistical
Other	56	82	-26	153	153	.....	97	71	Reclassification and statistical
Other	95	.....	95	11	11	.....	-84	11	Definitional and statistical
1997									
Travel	4,985	4,901	84	4,985	4,985	.....	.....	84	
Business and personal	4,883	4,901	-18	4,883	4,883	.....	.....	-18	Statistical
Education	57	.....	57	57	57	.....	.....	57	Reclassification and statistical
Medical	44	.....	44	44	44	.....	.....	44	Reclassification and statistical
Passenger fares	470	470	.....	470	470	.....	.....	.....
Other transportation	2,783	3,037	-255	2,821	2,821	.....	38	-216	
Freight	2,325	2,415	-90	2,298	2,298	.....	-27	-117	
Ocean	100	131	-31	131	131	.....	31	.....	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	2,074	2,178	-104	2,016	2,016	.....	-58	-162	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	359	623	-264	512	512	.....	153	-111	
Vessel operators	27	165	-138	80	80	.....	53	-85	Statistical
Airline operators	275	373	-98	275	275	.....	.....	-98	Statistical
Other	57	85	-28	157	157	.....	100	72	Reclassification and statistical
Other	99	.....	99	11	11	.....	-88	11	Definitional 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
1996									
Total	9,371	10,675	-1,304	9,406	9,406	.....	35	-1,268	
Private:									
Affiliated	5,371	6,196	-825	4,865	4,865	.....	-506	-1,331	Definitional, reclassification, and statistical
Royalties and license fees	1,279	1,277	2	(1)	(1)	.....	(1)	(1)	
Other services	4,092	4,919	-827	(1)	(1)	.....	(1)	(1)	
Unaffiliated	3,846	4,330	-484	4,377	4,377	.....	531	47	
Royalties, license fees, and selected services	659	506	153	659	659	.....	.....	153	Statistical
Insurance	343	519	-176	408	408	.....	65	-111	Statistical
Financial services	599	555	44	599	599	.....	.....	44	Statistical
Education	443	19	424	18	18	.....	-425	-1	Reclassification and statistical
Communications	295	637	-342	349	349	.....	54	-288	Reclassification and statistical
Business services	1,309	1,107	202	1,576	1,576	.....	267	469	Reclassification and statistical
Sports and entertainment	198	788	-590	768	768	.....	570	-20	Reclassification and statistical
Other .....	.....	199	-199	.....	.....	.....	.....	-199	
Commissions .....	.....	25	-25	.....	.....	.....	.....	-25	Definitional
Railway port services .....	.....	174	-174	.....	.....	.....	.....	-174	Reclassification
Government:									
United States	63	47	16	63	63	.....	.....	16	Statistical
Canada	91	102	-11	102	102	.....	11	.....	Statistical
1997									
Total	9,935	10,145	-210	9,696	9,696	.....	-239	-448	
Private:									
Affiliated	5,647	5,678	-31	5,164	5,164	.....	-483	-514	Definitional, reclassification, and statistical
Royalties and license fees	1,332	1,369	-37	(1)	(1)	.....	(1)	(1)	
Other services	4,315	4,309	6	(1)	(1)	.....	(1)	(1)	
Unaffiliated	4,145	4,312	-167	4,382	4,382	.....	237	70	
Royalties, license fees, and selected services	994	605	389	886	886	.....	-108	281	Statistical
Insurance	353	590	-237	400	400	.....	47	-190	Statistical
Financial services	571	533	38	571	571	.....	.....	38	Statistical
Education	461	17	444	21	21	.....	-440	4	Reclassification and statistical
Communications	272	539	-267	296	296	.....	24	-243	Reclassification and statistical
Business services	1,311	1,083	228	1,506	1,506	.....	195	423	Reclassification and statistical
Sports and entertainment	183	738	-555	702	702	.....	519	-36	Reclassification and statistical
Other .....	.....	207	-207	.....	.....	.....	.....	-207	
Commissions .....	.....	27	-27	.....	.....	.....	.....	-27	Definitional
Railway port services .....	.....	180	-180	.....	.....	.....	.....	-180	Reclassification
Government:									
United States	51	55	-4	51	51	.....	.....	-4	Statistical
Canada	92	100	-8	100	100	.....	8	.....	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
1996									
Total	7,634	5,091	2,543	6,084	6,084	.....	-1,550	993	
Private:									
Affiliated	3,377	2,714	663	2,649	2,649	.....	-728	-65	Definitional, reclassification, and statistical
Royalties and license fees	185	128	57	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,192	2,586	606	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,109	2,230	1,879	3,293	3,293	.....	-816	1,063	
Royalties, license fees, and selected services	690	351	339	681	681	.....	-9	330	Statistical
Insurance	287	459	-172	400	400	.....	113	-59	Statistical
Financial services	316	178	138	178	178	.....	-138	.....	Statistical
Education	22	31	-9	22	22	.....	.....	-9	Reclassification and statistical
Communications	737	350	387	360	360	.....	-377	10	Reclassification and statistical
Business services	1,270	735	535	1,151	1,151	.....	-119	416	Reclassification and statistical
Sports and entertainment	611	126	485	501	501	.....	-110	375	Statistical
Other	176	.....	176	.....	.....	.....	.....	.....	.....
Commissions	47	.....	47	.....	.....	.....	-47	.....	Definitional
Railway port services	97	.....	97	.....	.....	.....	-97	.....	Reclassification
U.S. defense expenditures	32	.....	32	.....	.....	.....	-32	.....	Reclassification
Government:									
Canada	13	.....	13	13	13	.....	.....	13	.....
United States	133	148	-15	128	128	.....	-5	-20	Statistical
1997									
Total	8,055	5,852	2,203	6,567	6,567	.....	-1,488	715	
Private:									
Affiliated	3,692	2,995	697	2,922	2,922	.....	-770	-73	Definitional, reclassification, and statistical
Royalties and license fees	169	200	-31	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,523	2,795	728	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,200	2,658	1,542	3,475	3,475	.....	-725	817	
Royalties, license fees, and selected services	741	389	352	739	739	.....	-2	350	Statistical
Insurance	309	534	-225	317	317	.....	8	-217	Statistical
Financial services	389	244	145	244	244	.....	-145	.....	Statistical
Education	24	34	-10	24	24	.....	.....	-10	Reclassification and statistical
Communications	643	352	291	352	352	.....	-291	.....	Reclassification and statistical
Business services	1,298	939	359	1,298	1,298	.....	.....	359	Reclassification and statistical
Sports and entertainment	601	166	435	501	501	.....	-100	335	Statistical
Other	195	.....	195	.....	.....	.....	.....	-195	.....
Commissions	54	.....	54	.....	.....	.....	-54	.....	Definitional
Railway port services	100	.....	100	.....	.....	.....	-100	.....	Reclassification
U.S. defense expenditures	41	.....	41	.....	.....	.....	-41	.....	Reclassification
Government:									
Canada	13	.....	13	13	13	.....	.....	13	Statistical
United States	150	197	-47	157	157	.....	7	-40	Statistical

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
1996									
Direct investment income	9,024	7,347	1,677	8,662	8,662	.....	-362	1,315	
Earnings of incorporated affiliates	8,117	6,367	1,750	7,632	7,632	.....	-485	1,265	
Dividends	2,218	2,805	-587	2,307	2,307	.....	89	-498	Definitional, reclassification, and statistical
Reinvested earnings	5,899	3,562	2,337	5,325	5,325	.....	-574	1,763	Statistical
Earnings of unincorporated affiliates	507	245	262	507	507	.....	.....	262	Definitional, reclassification, and statistical
Net interest	400	735	-335	523	523	.....	123	-212	Reclassification, net to gross, and statistical
1997									
Direct investment income	10,692	8,305	2,387	10,425	10,425	.....	-267	2,120	
Earnings of incorporated affiliates	9,868	7,349	2,519	9,435	9,435	.....	-433	2,086	
Dividends	4,536	3,784	752	4,536	4,536	.....	.....	752	Definitional, reclassification, and statistical
Reinvested earnings	5,332	3,565	1,767	4,899	4,899	.....	-433	1,334	Statistical
Earnings of unincorporated affiliates	521	263	258	521	521	.....	.....	258	Definitional, reclassification, and statistical
Net interest	303	693	-390	469	469	.....	166	-224	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
1996									
Direct investment income	3,166	3,295	-129	3,187	3,187	.....	21	-107	
Earnings of incorporated affiliates	1,943	2,612	-669	2,399	2,399	.....	456	-213	
Dividends	422	308	114	347	347	.....	-75	39	Statistical
Reinvested earnings	1,521	2,304	-783	2,052	2,052	.....	531	-252	Statistical
Earnings of unincorporated affiliates	974	534	440	640	640	.....	-334	106	Definitional and statistical
Net interest	248	148	100	148	148	.....	-100	.....	Gross to net and statistical
1997									
Direct investment income	4,072	3,215	857	3,166	3,166	.....	-906	-49	
Earnings of incorporated affiliates	2,939	3,012	-73	2,571	2,571	.....	-368	-441	
Dividends	1,323	539	784	399	399	.....	-924	-140	Statistical
Reinvested earnings	1,616	2,473	-857	2,172	2,172	.....	556	-301	Statistical
Earnings of unincorporated affiliates	913	-80	993	312	312	.....	-601	392	Definitional and statistical
Net interest	221	283	-62	283	283	.....	62	.....	Gross to net and statistical

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
1996									
Other investment income	9,095	14,926	-5,831	11,848	11,848	.....	2,753	-3,078	
Securities	6,147	9,886	-3,739	9,114	9,114	.....	2,967	-772	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,051	805	246	1,051	1,051	.....	.....	246	
Interest on bonds	5,096	9,081	-3,985	8,063	8,063	.....	2,967	-1,018	
U.S. claims/ Canadian liabilities	2,948	5,039	-2,091	2,734	2,734	.....	-214	-2,305	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	1,213	2,690	-1,477	1,023	1,023	.....	-190	-1,667	
Other private U.S. claims	1,735	2,349	-614	1,711	1,711	.....	-24	-638	
1997									
Other investment income	9,847	16,609	-6,762	12,900	12,900	.....	3,052	-3,709	
Securities	6,115	10,554	-4,439	9,725	9,725	.....	3,610	-829	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,222	846	376	1,222	1,222	.....	.....	376	
Interest on bonds	4,893	9,708	-4,815	8,503	8,503	.....	3,610	-1,205	
U.S. claims/ Canadian liabilities	3,732	6,055	-2,323	3,175	3,175	.....	-557	-2,880	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	3,055	3,544	-489	1,255	1,255	.....	-1,800	-2,289	
Other private U.S. claims	677	2,511	-1,834	1,920	1,920	.....	1,243	-591	

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
1996									
Other investment income	6,581	4,429	2,152	4,695	4,683	12	-1,886	254	
Securities	1,624	1,737	-113	1,703	1,703	.....	79	-34	Definitional and statistical Definitional and statistical
Dividends	1,220	1,268	-48	1,268	1,268	.....	48	.....
Interest on bonds	404	469	-65	435	435	.....	31	-34	
Canadian claims/ U.S. liabilities	3,879	1,650	2,229	1,933	1,921	12	-1,946	271	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,490	1,428	2,062	1,716	1,704	12	-1,774	276	
Other Canadian claims	389	222	167	217	217	.....	-172	-5	
U.S. Government liabilities	1,077	1,042	35	1,059	1,059	.....	-18	17	Statistical
1997									
Other investment income	7,009	5,138	1,871	4,717	4,706	11	-2,291	-432	
Securities	1,823	2,101	-278	2,028	2,028	.....	205	-73	Definitional and statistical Definitional and statistical
Dividends	1,192	1,320	-128	1,320	1,320	.....	128	.....
Interest on bonds	631	781	-150	708	708	.....	77	-73	
Canadian claims/ U.S. liabilities	4,127	1,982	2,145	1,630	1,623	7	-2,497	-359	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,712	1,704	2,008	1,397	1,390	7	-2,315	-314	
Other Canadian claims	415	278	137	233	233	.....	-182	-45	
U.S. Government liabilities	1,059	1,055	4	1,059	1,055	4	.....	.....	Statistical