

## Reconciliation of the U.S.-Canadian Current Account, 2005 and 2006

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ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$65.8 billion for 2005 and \$60.1 billion for 2006 (chart 1, table 1).<sup>1</sup> The U.S. published current-account balance with Canada is a U.S. deficit of \$47.9 billion for 2005 and a U.S. deficit of \$40.7 billion for 2006; the corresponding Canadian published balance is a Canadian surplus of \$63.4 billion for 2005 and a Canadian surplus of \$59.3 billion for 2006.<sup>2</sup>

The results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 2005 and 2006 are presented in this article.<sup>3</sup> The details of the current-account reconciliation for 2005 and 2006 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the details of 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 estimates on a common basis (after the estimates have been adjusted for definitional and methodological differences), the reconciled estimates, and the amounts of the adjustments for each major current-account com-

ponent. Tables 4–7 present the reconciliation details for goods, services, and investment income.<sup>4</sup>

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

Chart 1. U.S.-Canadian Current-Account Balance

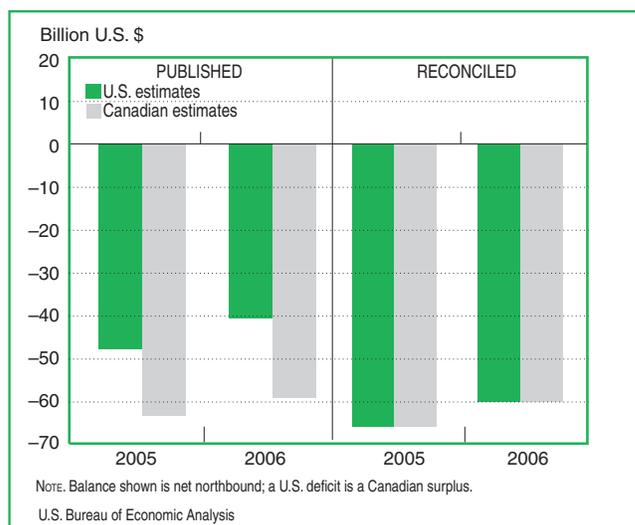


Table 1. Major U.S.-Canadian Balances

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
<b>2005</b>				
Goods and services .....	-70.7	81.7	-86.3	86.3
Goods .....	-81.9	89.5	-94.7	94.7
Services .....	11.2	-7.8	8.4	-8.4
Income .....	23.1	-21.2	20.6	-20.6
Current unilateral transfers .....	-0.3	2.9	-0.1	0.1
<b>Current account .....</b>	<b>-47.9</b>	<b>63.4</b>	<b>-65.8</b>	<b>65.8</b>
<b>2006</b>				
Goods and services .....	-59.6	76.1	-77.8	77.8
Goods .....	-75.1	84.7	-88.9	88.9
Services .....	15.5	-8.6	11.1	-11.1
Income .....	18.5	-19.5	16.8	-16.8
Current unilateral transfers .....	0.4	2.8	0.9	-0.9
<b>Current account .....</b>	<b>-40.7</b>	<b>59.3</b>	<b>-60.1</b>	<b>60.1</b>

NOTES: 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.

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

2. For this year's reconciliation, the U.S. deficit for 2005 is revised down from the previously published deficit of \$51.5 billion used in last year's reconciliation, and the Canadian surplus for 2005 is revised down from the previously published surplus of \$67.0 billion used in last year's reconciliation.

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 1978 and 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations were published in the following issues of the SURVEY: November 1992, each October of 1993–95, and each November of 1996–2006. 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 each Third Quarter of 1981–2006.

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### Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments result in an increase of \$17.9 billion in the U.S. deficit for 2005 and an increase of \$19.4 billion in the U.S. deficit for 2006. For 2005, the increase in the U.S. deficit reflects an upward adjustment to the U.S. southbound estimates, which was partly offset by an upward adjustment to the U.S. northbound estimates (tables 2.1 and 2.2).<sup>5</sup> In contrast, for 2006, the increase reflects an upward adjustment to the U.S. southbound estimates, which was augmented by a downward adjustment to the U.S. northbound estimates. For 2005 and 2006, 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 statistical adjustments to southbound services, and from the valuation of U.S. natural gas imports to include inland freight (a definitional adjust-

5. In this article, the term “northbound” refers to U.S. exports of goods and services, U.S. income receipts, and current unilateral transfers to the United States, and it refers to Canadian imports of goods and services, Canadian income payments, and current unilateral transfers from Canada. The term “southbound” refers to U.S. imports of goods and services, U.S. income payments, and current unilateral transfers from the United States, and it refers to Canadian exports of goods and services, Canadian income receipts, and current unilateral transfers to Canada.

ment). For 2005, the largest increases in the U.S. northbound estimates result from statistical adjustments to “other” services and from an adjustment to bring U.S. transfers to a gross basis (a methodological adjustment). For 2006, the largest decreases in the U.S. northbound estimates result from statistical adjustments to investment income and from adjustments to bring “other” investment income to a net basis (a methodological adjustment).

In the Canadian current account, the reconciliation adjustments result in an increase of \$2.4 billion in the Canadian surplus for 2005 and in an increase of \$0.8 billion in the Canadian surplus for 2006. For both years, the increases in the Canadian surplus reflect downward adjustments to the Canadian northbound estimates, which were partly offset by downward adjustments to the Canadian southbound estimates. For both years, the largest downward adjustments to the Canadian southbound estimates are from definitional adjustments to goods, from the elimination of the withholding taxes in current unilateral transfers (definitional adjustment), from adjustments for statistical differences in affiliated services, and from adjustments to bring “other” investment income to a net basis (methodological adjustment). In the Canadian north-

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

The U.S.-Canadian current-account reconciliation, which explains the differences between the estimates of the bilateral current account published by the U.S. Bureau of Economic Analysis (BEA) and those published by Statistics Canada, is undertaken because of the extensive economic links between Canada and the United States. 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.<sup>1</sup>

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 country. Some of the differences for 2006 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 inter-

national data exchanges. As a part of the reconciliation process, Canada and the United States have evaluated the accuracy of each other’s estimates, and as a result, each country now includes in its published estimates some data that are provided by the other country. 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 covers a substantial portion 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. In addition, the reconciliation process has highlighted areas where errors and omissions may exist in each country’s estimates, which has helped in targeting data improvement efforts.

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 the 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, a few differences are attributable to different requirements for integrating the international and national (domestic) accounts in each country.

1. A detailed article on the methodology 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, 1990–1991*. 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*.

bound estimates, the largest downward adjustments are from the elimination of withholding taxes from direct investment and “other” investment income (definitional adjustments), from the elimination of statistical differences in income on U.S. holdings of Canadian bonds, from definitional adjustments to “other” services, and from adjustments to bring “other” investment income to a net basis (methodological adjustment).

### Summary of Reconciliation Methodology

In reconciling the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated to a common basis—that is, they are adjusted for definitional and methodological differences; the remaining adjustments that are needed to reach the reconciled values are the statistical adjustments. The framework for reconciling the U.S. and Canadian estimates to a common basis mainly follows the international standards published in the International Monetary Fund’s *Balance of Payments Manual* (fifth edition). The U.S.- and Canadian-published estimates now largely conform to the international standards, but some differences with the international standards—and between the U.S. and Canadian estimates—remain in the published estimates because of data limitations, difficulties in determining country attribution, and differences in classification and because in a few cases, international standards provide for more than one acceptable treatment.

The definitional adjustments mainly reflect data limitations and differences in country attribution. For example, as part of the reconciliation, U.S.-published estimates of imports of goods from Canada are adjusted to include Canadian reexports to the United States (goods imported by Canada from third countries and then reexported to the United States without substantial changes) because U.S. imports of goods are recorded on a country-of-origin basis. Another example of a definitional adjustment is that the Canadian estimates, mainly investment income, are adjusted to a basis that is net of withholding taxes because some U.S. withholding tax estimates are included on a global basis in the U.S.-published accounts and cannot be allocated by country for comparison with the Canadian estimates. This definitional adjustment causes the rec-

onciled estimates to depart from the international statistical standards, but without this adjustment, the data could not be compared on a common basis.

The methodological adjustments mainly reflect differences in classification. For example, parts of the U.S. estimates of film rentals and courier services are recorded in various services accounts; for reconciliation, they are reclassified to a single account. A few U.S. and Canadian accounts, mainly interest income, are adjusted to a net or gross basis for comparability. These adjustments do not affect the current-account balance, because the northbound and the southbound methodological adjustments are offsetting.

Statistical differences reflect the use of different source data in the United States and Canada, the difficulty in determining country attribution because of insufficient data, the preliminary nature of some of the data (particularly for the most recent year), and the use of sample data between benchmarks. For both the northbound and the southbound estimates, most of the statistical differences are in the U.S. and Canadian estimates of “other” services and investment income.

#### Acknowledgments

The reconciliations were carried out under the direction of Denis Caron, Chief, Current Account, at Statistics Canada and Edward Dozier and Renee Sauers, international economists at BEA. At Statistics Canada, Angela Yuan was responsible for the production and coordination of reconciliation tables and for reconciling Canadian goods; Denis Caron was responsible for reconciling Canadian services; Christian Lajule, for Canadian direct investment income; and David Filipic, for Canadian portfolio investment income, with the collaboration and assistance of Mukesh Ralhan, Heather Collier, François Lavoie, Sterling Doucette, and Brian André. At BEA, Mai-Chi Hoang was responsible for reconciling goods; Edward Dozier, Vivian Wong, and Anne Flatness, for services, with the assistance of Matthew Argersinger for financial services; Gregory Fouch, for the accounts related to Canadian direct investment in the United States; Mark New, for the accounts related to U.S. direct investment in Canada; and Kristy Howell, for the portfolio income accounts.

Tables 2.1 through 7.2 follow.

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2005

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis.....	-79	-853	197		429	-831	547	-1,684
Definitional adjustments.....	-79	-853					-79	-853
Reclassification of equipment repairs from unaffiliated services .....			197				197	
Statistical adjustments .....					429	-831	429	-831
Services .....	41	-1,495	-197	57	1,774	-334	1,618	-1,772
Travel.....			1,011			34	1,011	34
Reclassification of education from unaffiliated services .....			747				747	
Reclassification of medical services from unaffiliated services .....			264				264	
Statistical adjustments .....						34		34
Passenger fares .....					-145		-145	
Other transportation.....		-143		298	21	-123	21	32
Definitional adjustments.....		-143						-143
Reclassification of transportation services from unaffiliated services .....				298				298
Statistical adjustments .....					21	-123	21	-123
Other services.....	41	-1,352	-1,208	-241	1,898	-245	731	-1,838
Affiliated.....		-724	-408	-387	980	-1,451	572	-2,562
Definitional adjustments.....		-724						-724
Reclassification of film rentals and courier services to unaffiliated services .....			-408					-408
Reclassification of selected services from unaffiliated services .....				-387				-387
Statistical adjustments .....					980	-1,451	980	-1,451
Unaffiliated.....	153	-628	-800	146	918	1,161	271	679
Definitional adjustments.....	153	-628					153	-628
Reclassification of transactions to or from other accounts .....			-800	146			-800	146
Statistical adjustments .....					918	1,161	918	1,161
U.S. military sales.....	-112					45	-112	45
Definitional adjustments.....	-112						-112	
Statistical adjustments .....						45		45
Income.....	825	-1,992	-1,048	-1,123	-1,727	990	-1,950	-2,125
Direct investment .....	-287	-946		-122	-2,022	2,610	-2,309	1,542
Definitional adjustments.....	-287	-946					-287	-946
Adjustment of interest income to a net basis .....				-122				-122
Statistical adjustments .....					-2,022	2,610	-2,022	2,610
Other investment.....	1,112	-1,046	-1,048	-1,126	295	-1,618	359	-3,790
Definitional adjustments.....	1,112	-1,046					1,112	-1,046
Adjustment of interest income to a net basis .....			-1,048	-1,126			-1,048	-1,126
Statistical adjustments .....					295	-1,618	295	-1,618
Compensation of employees .....				125		-2		123
Reclassification from unaffiliated services .....				125		-2		123
Current unilateral transfers.....		-649	1,229	-182	10	959	1,239	128
Definitional adjustments.....		-649						-649
Reclassification from unaffiliated services .....				-182				-182
Adjustment of U.S. transfers to a gross basis .....			1,229				1,229	
Statistical adjustments .....					10	959	10	959
<b>Total adjustments .....</b>	<b>787</b>	<b>-4,989</b>	<b>181</b>	<b>-1,248</b>	<b>486</b>	<b>784</b>	<b>1,454</b>	<b>-5,453</b>

Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2006

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	United States	Canada	United States	Canada	United States	Canada	United States	Canada
Goods, balance-of-payments basis.....	71	-1,012	225		448	-830	744	-1,842
Definitional adjustments.....	71	-1,012					71	-1,012
Reclassification of equipment repairs from unaffiliated services.....			225				225	
Statistical adjustments.....					448	-830	448	-830
Services.....	10	-1,416	-225	262	855	1,310	640	156
Travel.....			1,055			-16	1,055	-16
Reclassification of education from unaffiliated services.....			772				772	
Reclassification of medical services from unaffiliated services.....			283				283	
Statistical adjustments.....						-16		-16
Passenger fares.....					-266		-266	
Other transportation.....		-160		221	21	-295	21	-234
Definitional adjustments.....		-160						-160
Reclassification of transportation services from unaffiliated services.....				221				221
Statistical adjustments.....					21	-295	21	-295
Other services.....	10	-1,256	-1,280	41	1,100	1,621	-170	406
Affiliated.....		-806	-529	-414	299	-855	-230	-2,075
Definitional adjustments.....		-806						-806
Reclassification of film rentals and courier services to unaffiliated services.....			-529				-529	
Reclassification of selected services from unaffiliated services.....				-414				-414
Statistical adjustments.....					299	-855	299	-855
Unaffiliated.....	163	-450	-751	455	801	2,416	213	2,421
Definitional adjustments.....	163	-450					163	-450
Reclassification of transactions to or from other accounts.....			-751	455			-751	455
Statistical adjustments.....					801	2,416	801	2,416
U.S. military sales.....	-153					60	-153	60
Definitional adjustments.....	-153						-153	
Statistical adjustments.....						60		60
Income.....	1,054	-2,666	-2,029	-2,588	-5,134	3,216	-6,109	-2,038
Direct investment.....	-135	-752		-205	-3,959	4,297	-4,094	3,340
Definitional adjustments.....	-135	-752					-135	-752
Adjustment of interest income to a net basis.....				-205				-205
Statistical adjustments.....					-3,959	4,297	-3,959	4,297
Other investment.....	1,189	-1,914	-2,029	-2,522	-1,175	-1,080	-2,015	-5,516
Definitional adjustments.....	1,189	-1,914					1,189	-1,914
Adjustment of interest income to a net basis.....			-2,029	-2,522			-2,029	-2,522
Statistical adjustments.....					-1,175	-1,080	-1,175	-1,080
Compensation of employees.....				139		-1		138
Reclassification from unaffiliated services.....				139		-1		138
Current unilateral transfers.....		-881	1,645	-401	291	647	1,936	-635
Definitional adjustments.....		-881						-881
Reclassification from unaffiliated services.....				-401				-401
Adjustment of U.S. transfers to a gross basis.....			1,645				1,645	
Statistical adjustments.....					291	647	291	647
<b>Total adjustments.....</b>	<b>1,135</b>	<b>-5,975</b>	<b>-384</b>	<b>-2,727</b>	<b>-3,540</b>	<b>4,343</b>	<b>-2,789</b>	<b>-4,359</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2005

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis.....	-1,982	13,238		20	5,461	77	3,479	13,335
Canadian reexports to the United States.....		8,776						8,776
Inland freight adjustment.....	3,572	3,917					3,572	3,917
Other definitional adjustments.....	-5,554	545					-5,554	545
Reclassification of equipment repairs from unaffiliated services.....				16				16
Reclassification of vessel repairs from other transportation services.....				4				4
Statistical adjustments.....					5,461	77	5,461	77
Services.....	-907	-20	-166	-20	-1,304	4,473	-2,377	4,433
Travel.....				161		89		250
Reclassification of education from unaffiliated services.....				90				90
Reclassification of medical services from unaffiliated services.....				71				71
Statistical adjustments.....						89		89
Passenger fares.....								
Other transportation.....	-107		91	-264	176	94	160	-170
Definitional adjustments.....	-107						-107	
Reclassification of courier services to unaffiliated services.....				-264				-264
Reclassification of transportation services from unaffiliated services.....			91				91	
Statistical adjustments.....					176	94	176	94
Other services.....	-800	-20	-257	83	-1,480	4,290	-2,537	4,353
Affiliated.....	-76		-41	-77	-1,478	944	-1,595	867
Definitional adjustments.....	-76						-76	
Reclassification of selected services to or from unaffiliated services.....			-41	-77			-41	-77
Statistical adjustments.....					-1,478	944	-1,478	944
Unaffiliated.....	-724		-216	160	-2	3,346	-942	3,506
Definitional adjustments.....	-724						-724	
Reclassification of transactions to or from other accounts.....			-216	160			-216	160
Statistical adjustments.....					-2	3,346	-2	3,346
U.S. defense expenditures.....		-20						-20
Definitional adjustments.....		-20						-20
Statistical adjustments.....								
Income.....	-896	-13	-917	-1,048	307	1,553	-1,506	492
Direct investment.....	-424	-13	-122		-139	1,862	-685	1,849
Definitional adjustments.....	-424	-13					-424	-13
Adjustment of interest income to a net basis.....			-122				-122	
Statistical adjustments.....					-139	1,862	-139	1,862
Other investment.....	-472		-1,126	-1,048	342	-309	-1,256	-1,357
Definitional adjustments.....	-472						-472	
Adjustment of interest income to a net basis.....			-1,126	-1,048			-1,126	-1,048
Statistical adjustments.....					342	-309	342	-309
Compensation of employees.....			331		104		435	
Reclassification from unaffiliated services.....			331				331	
Statistical adjustments.....					104		104	
Current unilateral transfers.....	-2,761		-165	1,229	242	-189	-2,684	1,040
Definitional adjustments.....	-2,761						-2,761	
Reclassification from unaffiliated services.....			-165				-165	
Adjustment of U.S. transfers to a gross basis.....				1,229				1,229
Statistical adjustments.....					242	-189	242	-189
<b>Total adjustments.....</b>	<b>-6,546</b>	<b>13,205</b>	<b>-1,248</b>	<b>181</b>	<b>4,706</b>	<b>5,914</b>	<b>-3,088</b>	<b>19,300</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2006

[Millions of U.S. dollars]

	Definitional		Methodological		Statistical		Total	
	Canada	United States	Canada	United States	Canada	United States	Canada	United States
Goods, balance-of-payments basis .....	-1,481	14,421		46	3,823	90	2,342	14,557
Canadian reexports to the United States .....		10,547						10,547
Inland freight adjustment .....	2,862	3,192					2,862	3,192
Other definitional adjustments .....	-4,343	682					-4,343	682
Reclassification of equipment repairs from unaffiliated services .....				7				7
Reclassification of vessel repairs from other transportation services .....				39				39
Statistical adjustments .....					3,823	90	3,823	90
Services .....	-910	-22	-276	-46	-1,124	5,137	-2,310	5,069
Travel .....				178		161		339
Reclassification of education from unaffiliated services .....				100				100
Reclassification of medical services from unaffiliated services .....				78				78
Statistical adjustments .....						161		161
Passenger fares .....						-1		-1
Other transportation .....	-115		122	-426	98	88	105	-338
Definitional adjustments .....	-115						-115	
Reclassification of courier services to unaffiliated services .....				-426				-426
Reclassification of transportation services from unaffiliated services .....			122				122	
Statistical adjustments .....					98	88	98	88
Other services .....	-795	-22	-398	202	-1,222	4,889	-2,415	5,069
Affiliated .....	-92		-43	-91	-1,211	886	-1,346	795
Definitional adjustments .....	-92						-92	
Reclassification of selected services to or from unaffiliated services .....			-43	-91			-43	-91
Statistical adjustments .....					-1,211	886	-1,211	886
Unaffiliated .....	-703		-355	293	-9	4,003	-1,067	4,296
Definitional adjustments .....	-703						-703	
Reclassification of transactions to or from other accounts .....			-355	293			-355	293
Statistical adjustments .....					-9	4,003	-9	4,003
U.S. defense expenditures .....		-22			-2		-2	-22
Definitional adjustments .....		-22						-22
Statistical adjustments .....					-2		-2	
Income .....	-1,452	-21	-2,363	-2,029	4,427	-2,427	612	-4,477
Direct investment .....	-727	-21	-205		4,118	-1,844	3,186	-1,865
Definitional adjustments .....	-727	-21					-727	-21
Adjustment of interest income to a net basis .....			-205				-205	
Statistical adjustments .....					4,118	-1,844	4,118	-1,844
Other investment .....	-725		-2,522	-2,029	203	-583	-3,044	-2,612
Definitional adjustments .....	-725						-725	
Adjustment of interest income to a net basis .....			-2,522	-2,029			-2,522	-2,029
Statistical adjustments .....					203	-583	203	-583
Compensation of employees .....			364		106		470	
Reclassification from unaffiliated services .....			364				364	
Statistical adjustments .....					106		106	
Current unilateral transfers .....	-3,975		-88	1,645	-183	-183	-4,246	1,462
Definitional adjustments .....	-3,975						-3,975	
Reclassification from unaffiliated services .....			-88				-88	
Adjustment of U.S. transfers to a gross basis .....				1,645				1,645
Statistical adjustments .....					-183	-183	-183	-183
<b>Total adjustments .....</b>	<b>-7,818</b>	<b>14,378</b>	<b>-2,727</b>	<b>-384</b>	<b>6,943</b>	<b>2,617</b>	<b>-3,602</b>	<b>16,611</b>

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

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada
<b>2005</b>										
Goods and services .....	246,278	251,899	-5,621	246,240	249,608	-3,368	248,443	248,443	2,165	-3,456
Goods, balance-of-payments basis .....	212,192	214,423	-2,231	212,310	213,570	-1,260	212,739	212,739	547	-1,684
Services .....	34,086	37,476	-3,390	33,930	36,038	-2,108	35,704	35,704	1,618	-1,772
Travel .....	9,088	10,065	-977	10,099	10,065	34	10,099	10,099	1,011	34
Passenger fares .....	2,631	2,486	145	2,631	2,486	145	2,486	2,486	-145	.....
Other transportation .....	3,093	3,082	11	3,093	3,237	-144	3,114	3,114	21	32
Other services .....	19,274	21,843	-2,569	18,107	20,250	-2,143	20,005	20,005	731	-1,838
Income .....	38,200	38,375	-175	37,977	35,260	2,717	36,250	36,250	-1,950	-2,125
Investment income .....	38,077	38,375	-298	37,854	35,135	2,719	36,127	36,127	-1,950	-2,248
Direct investment .....	23,034	19,183	3,851	22,747	18,115	4,632	20,725	20,725	-2,309	1,542
Other investment .....	15,043	19,192	-4,149	15,107	17,020	-1,913	15,402	15,402	359	-3,790
Compensation of employees .....	123	( <sup>1</sup> )	123	123	125	-2	123	123	.....	123
Current unilateral transfers .....	( <sup>2</sup> )	1,111	-1,111	1,229	280	949	1,239	1,239	1,239	128
<b>Current account, northbound .....</b>	<b>284,478</b>	<b>291,385</b>	<b>-6,907</b>	<b>285,446</b>	<b>285,148</b>	<b>298</b>	<b>285,932</b>	<b>285,932</b>	<b>1,454</b>	<b>-5,453</b>
<b>2006</b>										
Goods and services .....	270,627	273,697	-3,070	270,708	271,531	-823	272,011	272,011	1,384	-1,686
Goods, balance-of-payments basis .....	230,982	233,568	-2,586	231,278	232,556	-1,278	231,726	231,726	744	-1,842
Services .....	39,645	40,129	-484	39,430	38,975	455	40,285	40,285	640	156
Travel .....	10,334	11,405	-1,071	11,389	11,405	-16	11,389	11,389	1,055	-16
Passenger fares .....	3,095	2,829	266	3,095	2,829	266	2,829	2,829	-266	.....
Other transportation .....	3,189	3,444	-255	3,189	3,505	-316	3,210	3,210	21	-234
Other services .....	23,027	22,451	576	21,757	21,236	521	22,857	22,857	-170	406
Income .....	43,344	39,273	4,071	42,369	34,019	8,350	37,235	37,235	-6,109	-2,038
Investment income .....	43,206	39,273	3,933	42,231	33,880	8,351	37,097	37,097	-6,109	-2,176
Direct investment .....	23,442	16,008	7,434	23,307	15,051	8,256	19,348	19,348	-4,094	3,340
Other investment .....	19,764	23,265	-3,501	18,924	18,829	95	17,749	17,749	-2,015	-5,516
Compensation of employees .....	138	( <sup>1</sup> )	138	138	139	-1	138	138	.....	138
Current unilateral transfers .....	( <sup>2</sup> )	2,571	-2,571	1,645	1,289	356	1,936	1,936	1,936	-635
<b>Current account, northbound .....</b>	<b>313,971</b>	<b>315,541</b>	<b>-1,570</b>	<b>314,722</b>	<b>306,839</b>	<b>7,883</b>	<b>311,182</b>	<b>311,182</b>	<b>-2,789</b>	<b>-4,359</b>

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

2. Current unilateral transfers are published on a net basis in the U.S. accounts and appear as net payments in table 3.2.

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

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States
<b>2005</b>										
Goods and services .....	333,599	316,933	16,666	330,544	330,151	393	334,701	334,701	1,102	17,768
Goods, balance-of-payments basis .....	303,937	294,081	9,856	301,955	307,339	-5,384	307,416	307,416	3,479	13,335
Services .....	29,662	22,852	6,810	28,589	22,812	5,777	27,285	27,285	-2,377	4,433
Travel .....	7,410	7,160	250	7,410	7,321	89	7,410	7,410	.....	250
Passenger fares .....	358	358	.....	358	358	.....	358	358	.....	.....
Other transportation .....	4,015	4,345	-330	3,999	4,081	-82	4,175	4,175	160	-170
Other services .....	17,879	10,989	6,890	16,822	11,052	5,770	15,342	15,342	-2,537	4,353
Income .....	17,128	15,130	1,998	15,315	14,069	1,246	15,622	15,622	-1,506	492
Investment income .....	17,128	14,695	2,433	14,984	13,634	1,350	15,187	15,187	-1,941	492
Direct investment .....	8,450	5,916	2,534	7,904	5,903	2,001	7,765	7,765	-685	1,849
Other investment .....	8,678	8,779	-101	7,080	7,731	-651	7,422	7,422	-1,256	-1,357
Other private investment .....	7,374	7,822	-448	5,776	6,774	-998	6,352	6,352	-1,022	-1,470
U.S. Government liabilities .....	1,304	957	347	1,304	957	347	1,070	1,070	-234	113
Compensation of employees .....	( <sup>1</sup> )	435	-435	331	435	-104	435	435	.....	.....
Current unilateral transfers .....	4,052	328	3,724	1,126	1,557	-431	1,368	1,368	-2,684	1,040
<b>Current account, southbound .....</b>	<b>354,779</b>	<b>332,391</b>	<b>22,388</b>	<b>346,985</b>	<b>345,777</b>	<b>1,208</b>	<b>351,691</b>	<b>351,691</b>	<b>-3,088</b>	<b>19,300</b>
<b>2006</b>										
Goods and services .....	349,781	330,187	19,594	347,114	344,586	2,528	349,813	349,813	32	19,626
Goods, balance-of-payments basis .....	318,282	306,067	12,215	316,801	320,534	-3,733	320,624	320,624	2,342	14,557
Services .....	31,499	24,120	7,379	30,313	24,052	6,261	29,189	29,189	-2,310	5,069
Travel .....	7,658	7,319	339	7,658	7,497	161	7,658	7,658	.....	339
Passenger fares .....	372	373	-1	372	373	-1	372	372	.....	-1
Other transportation .....	4,282	4,725	-443	4,289	4,299	-10	4,387	4,387	105	-338
Other services .....	19,187	11,703	7,484	17,994	11,883	6,111	16,772	16,772	-2,415	5,069
Income .....	19,786	24,875	-5,089	15,971	22,825	-6,854	20,398	20,398	612	-4,477
Investment income .....	19,786	24,405	-4,619	15,607	22,355	-6,748	19,928	19,928	142	-4,477
Direct investment .....	7,375	12,426	-5,051	6,443	12,405	-5,962	10,561	10,561	3,186	-1,865
Other investment .....	12,411	11,979	432	9,164	9,950	-786	9,367	9,367	-3,044	-2,612
Other private investment .....	10,425	10,638	-213	7,178	8,609	-1,431	7,781	7,781	-2,644	-2,857
U.S. Government liabilities .....	1,986	1,341	645	1,986	1,341	645	1,586	1,586	-400	245
Compensation of employees .....	( <sup>1</sup> )	470	-470	364	470	-106	470	470	.....	.....
Current unilateral transfers .....	5,321	-387	5,708	1,258	1,258	.....	1,075	1,075	-4,246	1,462
<b>Current account, southbound .....</b>	<b>374,888</b>	<b>354,675</b>	<b>20,213</b>	<b>364,343</b>	<b>368,669</b>	<b>-4,326</b>	<b>371,286</b>	<b>371,286</b>	<b>-3,602</b>	<b>16,611</b>

1. 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
<b>2005</b>		
<b>Balance-of-payments basis, published</b> .....	<b>212,192</b>	<b>214,423</b>
Definitional and methodological adjustments:		
Definitional adjustments.....	-79	-853
Reclassification of equipment repairs from unaffiliated services.....	197	.....
Common basis after definitional and methodological adjustments.....	212,310	213,570
Statistical adjustments.....	429	-831
<b>Reconciled, including statistical adjustments</b> .....	<b>212,739</b>	<b>212,739</b>
<b>2006</b>		
<b>Balance-of-payments basis, published</b> .....	<b>230,982</b>	<b>233,568</b>
Definitional and methodological adjustments:		
Definitional adjustments.....	71	-1,012
Reclassification of equipment repairs from unaffiliated services.....	225	.....
Common basis after definitional and methodological adjustments.....	231,278	232,556
Statistical adjustments.....	448	-830
<b>Reconciled, including statistical adjustments</b> .....	<b>231,726</b>	<b>231,726</b>

**Table 4.2. Trade in Goods, Southbound**  
[Millions of U.S. dollars]

	Canadian receipts	U.S. payments
<b>2005</b>		
<b>Balance-of-payments basis, published</b> .....	<b>303,937</b>	<b>294,081</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States.....	.....	8,776
Inland freight adjustment.....	3,572	3,917
Other definitional adjustments.....	-5,554	545
Reclassification of equipment repairs from unaffiliated services.....	.....	16
Reclassification of vessel repairs from other transportation services.....	.....	4
Common basis after definitional and methodological adjustments.....	301,955	307,339
Statistical adjustments.....	5,461	77
<b>Reconciled, including statistical adjustments</b> .....	<b>307,416</b>	<b>307,416</b>
<b>2006</b>		
<b>Balance-of-payments basis, published</b> .....	<b>318,282</b>	<b>306,067</b>
Definitional and methodological adjustments:		
Canadian reexports to the United States.....	.....	10,547
Inland freight adjustment.....	2,862	3,192
Other definitional adjustments.....	-4,343	682
Reclassification of equipment repairs from unaffiliated services.....	.....	7
Reclassification of vessel repairs from other transportation services.....	.....	39
Common basis after definitional and methodological adjustments.....	316,801	320,534
Statistical adjustments.....	3,823	90
<b>Reconciled, including statistical adjustments</b> .....	<b>320,624</b>	<b>320,624</b>

**Table 5.1. Travel, Passenger Fares, and Other Transportation, Northbound**  
 [Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>2005</b>											
<b>Travel</b> .....	<b>9,088</b>	<b>10,065</b>	<b>-977</b>	<b>10,099</b>	<b>10,065</b>	<b>34</b>	<b>10,099</b>	<b>10,099</b>	<b>1,011</b>	<b>34</b>	
Business and personal.....	9,088	9,108	-20	9,088	9,108	-20	9,088	9,088		-20	Statistical
Education.....		693	-693	747	693	54	747	747	747	54	Methodological and statistical
Medical.....		264	-264	264	264		264	264	264		Methodological
<b>Passenger fares</b> .....	<b>2,631</b>	<b>2,486</b>	<b>145</b>	<b>2,631</b>	<b>2,486</b>	<b>145</b>	<b>2,486</b>	<b>2,486</b>	<b>-145</b>		Statistical
<b>Other transportation</b> .....	<b>3,093</b>	<b>3,082</b>	<b>11</b>	<b>3,093</b>	<b>3,237</b>	<b>-144</b>	<b>3,114</b>	<b>3,114</b>	<b>21</b>	<b>32</b>	
Freight.....	2,208	2,436	-228	2,204	2,293	-89	2,262	2,262	54	-174	Definitional, methodological, and statistical
Ocean.....	102	476	-374	98	333	-235	251	251	149	-225	Statistical
Air.....	140	33	107	140	33	107	33	33	-107		Statistical
Truck.....	1,534	1,533	1	1,534	1,533	1	1,534	1,534		1	Statistical
Other.....	432	394	38	432	394	38	444	444	12	50	Statistical
Port services.....	885	596	289	885	894	-9	802	802	-83	206	Statistical
Vessel operators.....	92	126	-34	92	126	-34	126	126	34		Statistical
Airline operators.....	464	446	18	464	446	18	349	349	-115	-97	Statistical
Other.....	329	24	305	329	322	7	327	327	-2	303	Methodological and statistical
Other.....		50	-50	4	50	-46	50	50	50		Methodological and statistical
<b>2006</b>											
<b>Travel</b> .....	<b>10,334</b>	<b>11,405</b>	<b>-1,071</b>	<b>11,389</b>	<b>11,405</b>	<b>-16</b>	<b>11,389</b>	<b>11,389</b>	<b>1,055</b>	<b>-16</b>	
Business and personal.....	10,334	10,363	-29	10,334	10,363	-29	10,334	10,334		-29	Statistical
Education.....		758	-758	772	758	14	772	772	772	14	Methodological and statistical
Medical.....		284	-284	283	284	-1	283	283	283	-1	Methodological and statistical
<b>Passenger fares</b> .....	<b>3,095</b>	<b>2,829</b>	<b>266</b>	<b>3,095</b>	<b>2,829</b>	<b>266</b>	<b>2,829</b>	<b>2,829</b>	<b>-266</b>		Statistical
<b>Other transportation</b> .....	<b>3,189</b>	<b>3,444</b>	<b>-255</b>	<b>3,189</b>	<b>3,505</b>	<b>-316</b>	<b>3,210</b>	<b>3,210</b>	<b>21</b>	<b>-234</b>	
Freight.....	2,257	2,588	-331	2,253	2,428	-175	2,314	2,314	57	-274	Definitional, methodological, and statistical
Ocean.....	97	520	-423	93	360	-267	258	258	161	-262	Statistical
Air.....	149	38	111	149	38	111	33	33	-116	-5	Statistical
Truck.....	1,619	1,619		1,619	1,619		1,619	1,619			Statistical
Other.....	392	411	-19	392	411	-19	404	404	12	-7	Statistical
Port services.....	932	801	131	932	1,022	-90	846	846	-86	45	Statistical
Vessel operators.....	125	141	-16	125	141	-16	134	134	9	-7	Statistical
Airline operators.....	462	634	-172	462	634	-172	462	462		-172	Statistical
Other.....	345	26	319	345	247	98	250	250	-95	224	Methodological and statistical
Other.....		55	-55	4	55	-51	50	50	50	-5	Methodological and statistical

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

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>2005</b>											
<b>Travel</b> .....	<b>7,410</b>	<b>7,160</b>	<b>250</b>	<b>7,410</b>	<b>7,321</b>	<b>89</b>	<b>7,410</b>	<b>7,410</b>		<b>250</b>	
Business and personal .....	7,161	7,160	1	7,161	7,160	1	7,161	7,161		1	Statistical
Education .....	180		180	180	90	90	180	180		180	Methodological and statistical
Medical .....	69		69	69	71	-2	69	69		69	Methodological and statistical
<b>Passenger fares</b> .....	<b>358</b>	<b>358</b>		<b>358</b>	<b>358</b>		<b>358</b>	<b>358</b>			
<b>Other transportation</b> .....	<b>4,015</b>	<b>4,345</b>	<b>-330</b>	<b>3,999</b>	<b>4,081</b>	<b>-82</b>	<b>4,175</b>	<b>4,175</b>	<b>160</b>	<b>-170</b>	
Freight .....	3,198	3,399	-201	3,198	3,207	-9	3,339	3,339	141	-60	
Ocean .....	258	439	-181	258	398	-140	398	398	140	-41	Methodological and statistical
Air .....	27	27		27	27		27	27			
Truck .....	2,672	2,673	-1	2,672	2,673	-1	2,673	2,673	1		Statistical
Other .....	241	260	-19	241	109	132	241	241		-19	Methodological and statistical
Port services .....	660	946	-286	755	833	-78	795	795	135	-151	Definitional, methodological, and statistical
Vessel operators .....	69	106	-37	74	90	-16	82	82	13	-24	Methodological and statistical
Airline operators .....	510	758	-248	510	510		510	510		-248	Methodological
Other .....	81	82	-1	171	233	-62	203	203	122	121	Methodological and statistical
Other .....	157		157	46	41	5	41	41	-116	41	Definitional, methodological, and statistical
<b>2006</b>											
<b>Travel</b> .....	<b>7,658</b>	<b>7,319</b>	<b>339</b>	<b>7,658</b>	<b>7,497</b>	<b>161</b>	<b>7,658</b>	<b>7,658</b>		<b>339</b>	
Business and personal .....	7,361	7,319	42	7,361	7,319	42	7,361	7,361		42	Statistical
Education .....	221		221	221	100	121	221	221		221	Methodological and statistical
Medical .....	76		76	76	78	-2	76	76		76	Methodological and statistical
<b>Passenger fares</b> .....	<b>372</b>	<b>373</b>	<b>-1</b>	<b>372</b>	<b>373</b>	<b>-1</b>	<b>372</b>	<b>372</b>		<b>-1</b>	Statistical
<b>Other transportation</b> .....	<b>4,282</b>	<b>4,725</b>	<b>-443</b>	<b>4,289</b>	<b>4,299</b>	<b>-10</b>	<b>4,387</b>	<b>4,387</b>	<b>105</b>	<b>-338</b>	
Freight .....	3,421	3,627	-206	3,421	3,429	-8	3,511	3,511	90	-116	
Ocean .....	301	499	-198	301	460	-159	381	381	80	-118	Methodological and statistical
Air .....	23	23		23	23		23	23			
Truck .....	2,832	2,833	-1	2,832	2,833	-1	2,833	2,833	1		Statistical
Other .....	265	272	-7	265	113	152	274	274	9	2	Methodological and statistical
Port services .....	687	1,098	-411	814	831	-17	837	837	150	-261	Definitional, methodological, and statistical
Vessel operators .....	80	102	-22	85	63	22	74	74	-6	-28	Methodological and statistical
Airline operators .....	523	910	-387	523	523		537	537	14	-373	Methodological and statistical
Other .....	84	86	-2	206	245	-39	226	226	142	140	Methodological and statistical
Other .....	174		174	54	39	15	39	39	-135	39	Definitional, methodological, and statistical

Table 6.1. Other Services, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>2005</b>											
<b>Total</b> .....	<b>19,274</b>	<b>21,843</b>	<b>-2,569</b>	<b>18,107</b>	<b>20,250</b>	<b>-2,143</b>	<b>20,005</b>	<b>20,005</b>	<b>731</b>	<b>-1,838</b>	
Affiliated .....	9,372	12,506	-3,134	8,964	11,395	-2,431	9,944	9,944	572	-2,562	Definitional, methodological, and statistical
Royalties and license fees .....	3,766	4,400	-634	3,766	4,169	-403	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	5,606	8,106	-2,500	5,198	7,226	-2,028	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	9,745	9,337	408	9,098	8,855	243	10,016	10,016	271	679	
Royalties, license fees, and selected services .....	1,781	2,178	-397	1,774	2,215	-441	1,774	1,774	-7	-404	Definitional, methodological, and statistical
Insurance .....	1,685	652	1,033	1,685	808	877	1,685	1,685		1,033	Definitional, methodological, and statistical
Financial services .....	1,671	1,201	470	1,671	779	892	1,671	1,671		470	Definitional and statistical
Education and training .....	782	20	762	35	25	10	35	35	-747	15	Methodological and statistical
Communications .....	696	704	-8	696	650	46	696	696		-8	Methodological and statistical
Computer services .....	722	911	-189	722	917	-195	722	722		-189	Methodological and statistical
Business services .....	1,776	1,551	225	1,526	1,897	-371	1,854	1,854	78	303	Methodological and statistical
Sports and entertainment .....	529	1,458	-929	733	1,334	-601	1,333	1,333	804	-125	Definitional, methodological, and statistical
Other private .....		343	-343							-343	Definitional and methodological
Government:											
United States (nonmilitary) .....	103	87	16	103	87	16	103	103		16	Statistical
Canada .....		232	-232	153	143	10	143	143	143	-89	Definitional, methodological, and statistical
U.S. military sales .....	157		157	45		45	45	45	-112	45	Definitional and statistical
<b>2006</b>											
<b>Total</b> .....	<b>23,027</b>	<b>22,451</b>	<b>576</b>	<b>21,757</b>	<b>21,236</b>	<b>521</b>	<b>22,857</b>	<b>22,857</b>	<b>-170</b>	<b>406</b>	
Affiliated .....	10,743	12,588	-1,845	10,214	11,368	-1,154	10,513	10,513	-230	-2,075	Definitional, methodological, and statistical
Royalties and license fees .....	4,159	4,279	-120	4,159	3,998	161	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	6,584	8,309	-1,725	6,055	7,370	-1,315	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	12,071	9,863	2,208	11,483	9,868	1,615	12,284	12,284	213	2,421	
Royalties, license fees, and selected services .....	2,708	2,441	267	2,693	2,478	215	2,693	2,693	-15	252	Definitional, methodological, and statistical
Insurance .....	1,918	441	1,477	1,918	814	1,104	1,918	1,918		1,477	Definitional, methodological, and statistical
Financial services .....	2,257	1,413	844	2,257	1,258	999	2,285	2,285	28	872	Definitional and statistical
Education and training .....	820	21	799	48	27	21	48	48	-772	27	Methodological and statistical
Communications .....	651	668	-17	651	610	41	651	651		-17	Methodological and statistical
Computer services .....	847	1,050	-203	847	1,056	-209	847	847		-203	Methodological and statistical
Business services .....	1,931	1,528	403	1,656	1,894	-238	1,951	1,951	20	423	Methodological and statistical
Sports and entertainment .....	816	1,684	-868	1,127	1,474	-347	1,608	1,608	792	-76	Definitional, methodological, and statistical
Other private .....		266	-266							-266	Definitional and methodological
Government:											
United States (nonmilitary) .....	123	97	26	123	97	26	123	123		26	Statistical
Canada .....		254	-254	163	160	3	160	160	160	-94	Definitional, methodological, and statistical
U.S. military sales .....	213		213	60		60	60	60	-153	60	Definitional and 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			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>2005</b>											
<b>Total</b> .....	<b>17,879</b>	<b>10,989</b>	<b>6,890</b>	<b>16,822</b>	<b>11,052</b>	<b>5,770</b>	<b>15,342</b>	<b>15,342</b>	<b>-2,537</b>	<b>4,353</b>	
Affiliated.....	7,600	5,138	2,462	7,483	5,061	2,422	6,005	6,005	-1,595	867	Definitional, methodological, and statistical
Royalties and license fees .....	599	658	-59	596	658	-62	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	7,001	4,480	2,521	6,887	4,403	2,484	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	10,113	5,665	4,448	9,173	5,825	3,348	9,171	9,171	-942	3,506	
Royalties, license fees, and selected services	3,204	791	2,413	2,849	787	2,062	2,966	2,966	-238	2,175	Definitional and statistical
Insurance.....	-10	652	-662	170	652	-482	652	652	662		Definitional, methodological, and statistical
Financial services.....	561	359	202	561	359	202	416	416	-145	57	Statistical
Education and training.....	76	117	-41	26	27	-1	27	27	-49	-90	Methodological and statistical
Communications.....	947	366	581	726	366	360	546	546	-401	180	Methodological and statistical
Computer services.....	1,802	1,586	216	1,802	1,586	216	1,697	1,697	-105	111	Statistical
Business services.....	1,618	1,349	269	1,759	1,242	517	1,709	1,709	91	360	Definitional, methodological, and statistical
Sports and entertainment.....	1,358	105	1,253	890	466	424	767	767	-591	662	Definitional, methodological, and statistical
Other private.....	167		167						-167		Definitional and methodological
Government:											
Canada.....	51		51	51		51	51	51		51	Statistical
United States (nondefense).....	339	340	-1	339	340	-1	340	340	1		Statistical
U.S. defense expenditures.....	166	186	-20	166	166		166	166		-20	Definitional and statistical
<b>2006</b>											
<b>Total</b> .....	<b>19,187</b>	<b>11,703</b>	<b>7,484</b>	<b>17,994</b>	<b>11,883</b>	<b>6,111</b>	<b>16,772</b>	<b>16,772</b>	<b>-2,415</b>	<b>5,069</b>	
Affiliated.....	7,837	5,696	2,141	7,702	5,605	2,097	6,491	6,491	-1,346	795	Definitional, methodological, and statistical
Royalties and license fees .....	714	622	92	697	622	75	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	7,123	5,074	2,049	7,005	4,983	2,022	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated .....	11,130	5,767	5,363	10,072	6,060	4,012	10,063	10,063	-1,067	4,296	
Royalties, license fees, and selected services	3,546	719	2,827	3,154	718	2,436	3,269	3,269	-277	2,550	Definitional and statistical
Insurance.....	58	645	-587	145	645	-500	645	645	587		Definitional, methodological, and statistical
Financial services.....	757	435	322	758	435	323	553	553	-204	118	Definitional and statistical
Education and training.....	73	131	-58	23	31	-8	31	31	-42	-100	Methodological and statistical
Communications.....	1,031	372	659	794	372	422	583	583	-448	211	Methodological and statistical
Computer services.....	1,893	1,678	215	1,893	1,678	215	1,790	1,790	-103	112	Statistical
Business services.....	1,703	1,351	352	1,848	1,437	411	1,898	1,898	195	547	Definitional, methodological, and statistical
Sports and entertainment.....	1,474	98	1,376	1,068	406	662	892	892	-582	794	Definitional, methodological, and statistical
Other private.....	206		206						-206		Definitional and methodological
Government:											
Canada.....	64		64	64		64	64	64		64	Statistical
United States (nondefense).....	325	338	-13	325	338	-13	338	338	13		Statistical
U.S. defense expenditures.....	220	240	-20	220	218	2	218	218	-2	-22	Definitional and statistical

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

Table 7.1. Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	United States	Canada	Type of adjustment
<b>2005</b>											
<b>Investment Income</b> .....	<b>38,077</b>	<b>38,375</b>	<b>-298</b>	<b>37,854</b>	<b>35,135</b>	<b>2,719</b>	<b>36,127</b>	<b>36,127</b>	<b>-1,950</b>	<b>-2,248</b>	
<b>Direct investment income</b> .....	<b>23,034</b>	<b>19,183</b>	<b>3,851</b>	<b>22,747</b>	<b>18,115</b>	<b>4,632</b>	<b>20,725</b>	<b>20,725</b>	<b>-2,309</b>	<b>1,542</b>	
Earnings of incorporated affiliates .....	21,499	17,362	4,137	21,267	16,424	4,843	18,986	18,986	-2,513	1,624	
Dividends .....	16,815	10,363	6,452	16,583	9,425	7,158	12,961	12,961	-3,854	2,598	Definitional and statistical
Reinvested earnings .....	4,684	6,999	-2,315	4,684	6,999	-2,315	6,025	6,025	1,341	-974	Statistical
Earnings of unincorporated affiliates .....	694	1,147	-453	694	1,212	-518	953	953	259	-194	Definitional and statistical
Interest .....	841	674	167	786	479	307	786	786	-55	112	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>15,043</b>	<b>19,192</b>	<b>-4,149</b>	<b>15,107</b>	<b>17,020</b>	<b>-1,913</b>	<b>15,402</b>	<b>15,402</b>	<b>359</b>	<b>-3,790</b>	
Securities .....	11,465	15,200	-3,735	12,577	15,643	-3,066	13,411	13,411	1,946	-1,789	
Dividends .....	4,022	3,513	509	4,022	3,956	66	3,989	3,989	-33	476	Definitional and statistical
Interest .....	7,443	11,687	-4,244	8,555	11,687	-3,132	9,422	9,422	1,979	-2,265	Definitional and statistical
U.S. claims/Canadian liabilities .....	3,578	3,992	-414	2,530	1,377	1,153	1,991	1,991	-1,587	-2,001	
U.S. bank claims .....	2,197	1,705	492	1,219	579	640	937	937	-1,260	-768	Methodological and statistical
Other private U.S. claims .....	1,381	2,287	-906	1,311	798	513	1,054	1,054	-327	-1,233	Definitional, methodological, and statistical
<b>2006</b>											
<b>Investment Income</b> .....	<b>43,206</b>	<b>39,273</b>	<b>3,933</b>	<b>42,231</b>	<b>33,880</b>	<b>8,351</b>	<b>37,097</b>	<b>37,097</b>	<b>-6,109</b>	<b>-2,176</b>	
<b>Direct investment income</b> .....	<b>23,442</b>	<b>16,008</b>	<b>7,434</b>	<b>23,307</b>	<b>15,051</b>	<b>8,256</b>	<b>19,348</b>	<b>19,348</b>	<b>-4,094</b>	<b>3,340</b>	
Earnings of incorporated affiliates .....	22,104	14,099	8,005	22,024	13,363	8,661	17,693	17,693	-4,411	3,594	
Dividends .....	5,741	8,153	-2,412	5,661	7,417	-1,756	3,830	3,830	-1,911	-4,323	Definitional and statistical
Reinvested earnings .....	16,363	5,946	10,417	16,363	5,946	10,417	13,863	13,863	-2,500	7,917	Statistical
Earnings of unincorporated affiliates .....	545	1,224	-679	545	1,288	-743	917	917	372	-307	Definitional and statistical
Interest .....	793	685	108	738	400	338	738	738	-55	53	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>19,764</b>	<b>23,265</b>	<b>-3,501</b>	<b>18,924</b>	<b>18,829</b>	<b>95</b>	<b>17,749</b>	<b>17,749</b>	<b>-2,015</b>	<b>-5,516</b>	
Securities .....	13,354	15,255	-1,901	14,543	15,751	-1,208	14,019	14,019	665	-1,236	
Dividends .....	5,395	3,941	1,454	5,395	4,437	958	4,916	4,916	-479	975	Definitional and statistical
Interest .....	7,959	11,314	-3,355	9,148	11,314	-2,166	9,103	9,103	1,144	-2,211	Definitional and statistical
U.S. claims/Canadian liabilities .....	6,410	8,010	-1,600	4,381	3,078	1,303	3,730	3,730	-2,680	-4,280	
U.S. bank claims .....	3,819	3,923	-104	1,928	1,401	527	1,665	1,665	-2,154	-2,258	Methodological and statistical
Other private U.S. claims .....	2,591	4,087	-1,496	2,453	1,677	776	2,065	2,065	-526	-2,022	Definitional, methodological, and statistical

Table 7.2. Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Common-basis estimates after definitional and methodological adjustments			Reconciled estimates, including statistical adjustments		Total adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States	Type of adjustment
<b>2005</b>											
<b>Investment Income</b> .....	<b>17,128</b>	<b>14,695</b>	<b>2,433</b>	<b>14,984</b>	<b>13,634</b>	<b>1,350</b>	<b>15,187</b>	<b>15,187</b>	<b>-1,941</b>	<b>492</b>	
<b>Direct investment income</b> .....	<b>8,450</b>	<b>5,916</b>	<b>2,534</b>	<b>7,904</b>	<b>5,903</b>	<b>2,001</b>	<b>7,765</b>	<b>7,765</b>	<b>-685</b>	<b>1,849</b>	
Earnings of incorporated affiliates .....	6,875	8,382	-1,507	7,725	8,347	-622	8,871	8,871	1,996	489	
Dividends .....	1,570	823	747	2,420	788	1,632	935	935	-635	112	Definitional, methodological, and statistical
Reinvested earnings .....	5,305	7,559	-2,254	5,305	7,559	-2,254	7,936	7,936	2,631	377	Statistical
Earnings of unincorporated affiliates .....	1,348	-2,588	3,936	87	-2,588	2,675	-1,250	-1,250	-2,598	1,338	Definitional, methodological, and statistical
Interest .....	227	122	105	92	144	-52	144	144	-83	22	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>8,678</b>	<b>8,779</b>	<b>-101</b>	<b>7,080</b>	<b>7,731</b>	<b>-651</b>	<b>7,422</b>	<b>7,422</b>	<b>-1,256</b>	<b>-1,357</b>	
Securities .....	4,993	6,258	-1,265	4,636	6,404	-1,768	5,443	5,443	450	-815	
Dividends .....	3,110	3,573	-463	2,853	3,573	-720	3,213	3,213	103	-360	Definitional and statistical
Interest .....	1,883	2,685	-802	1,783	2,831	-1,048	2,230	2,230	347	-455	Definitional, methodological, and statistical
Canadian claims/U.S. liabilities .....	2,381	1,564	817	1,140	370	770	909	909	-1,472	-655	
Canadian bank claims .....	1,460	814	646	219	-54	273	34	34	-1,426	-780	Methodological and statistical
Other private Canadian claims .....	921	750	171	921	424	497	875	875	-46	125	Methodological and statistical
U.S. Government liabilities .....	1,304	957	347	1,304	957	347	1,070	1,070	-234	113	Statistical
<b>2006</b>											
<b>Investment Income</b> .....	<b>19,786</b>	<b>24,405</b>	<b>-4,619</b>	<b>15,607</b>	<b>22,355</b>	<b>-6,748</b>	<b>19,928</b>	<b>19,928</b>	<b>142</b>	<b>-4,477</b>	
<b>Direct investment income</b> .....	<b>7,375</b>	<b>12,426</b>	<b>-5,051</b>	<b>6,443</b>	<b>12,405</b>	<b>-5,962</b>	<b>10,561</b>	<b>10,561</b>	<b>3,186</b>	<b>-1,865</b>	
Earnings of incorporated affiliates .....	5,439	11,418	-5,979	6,278	11,385	-5,107	9,773	9,773	4,334	-1,645	
Dividends .....	1,813	1,091	722	2,652	1,058	1,594	1,135	1,135	-678	44	Definitional, methodological, and statistical
Reinvested earnings .....	3,626	10,327	-6,701	3,626	10,327	-6,701	8,638	8,638	5,012	-1,689	Statistical
Earnings of unincorporated affiliates .....	1,645	558	1,087	95	558	-463	326	326	-1,319	-232	Definitional, methodological, and statistical
Interest .....	291	450	-159	70	462	-392	462	462	171	12	Definitional, methodological, and statistical
<b>Other investment income</b> .....	<b>12,411</b>	<b>11,979</b>	<b>432</b>	<b>9,164</b>	<b>9,950</b>	<b>-786</b>	<b>9,367</b>	<b>9,367</b>	<b>-3,044</b>	<b>-2,612</b>	
Securities .....	6,407	8,049	-1,642	5,911	8,231	-2,320	7,047	7,047	640	-1,002	
Dividends .....	4,004	4,453	-449	3,674	4,453	-779	4,064	4,064	60	-389	Definitional and statistical
Interest .....	2,403	3,596	-1,193	2,237	3,778	-1,541	2,983	2,983	580	-613	Definitional, methodological, and statistical
Canadian claims/U.S. liabilities .....	4,018	2,589	1,429	1,267	378	889	734	734	-3,284	-1,855	
Canadian bank claims .....	3,084	1,383	1,701	333	-379	712	-237	-237	-3,321	-1,620	Methodological and statistical
Other private Canadian claims .....	934	1,206	-272	934	757	177	971	971	37	-235	Methodological and statistical
U.S. Government liabilities .....	1,986	1,341	645	1,986	1,341	645	1,586	1,586	-400	245	Statistical