

Reconciliation of the U.S.-Canadian Current Account, 1995 and 1996

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ON THE reconciled basis, the U.S.-Canadian current account reflects a larger U.S. deficit, or Canadian surplus, than on the published basis for both 1995 and 1996. The U.S.-published current-account balance with Canada is a deficit of \$6.8 billion for 1995 and a deficit of \$10.7 billion for 1996. On a reconciled basis, the U.S. deficit is \$8.9 billion for 1995 and \$13.5 billion for 1996 (chart 1, table 1). The corresponding Canadian-published balance is a surplus of \$6.4 billion for 1995 and a surplus of \$12.8 billion for 1996; on a reconciled basis, the surplus is \$8.9 billion for 1995 and \$13.6 billion for 1996.¹

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1995 and 1996.²

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

2. 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

The 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.

This year, a few of the standard reconciliation adjustments were no longer required because of changes in the published Canadian international transactions accounts (see the box "Changes in the Canadian-Published International Transactions Accounts"). The changes in the Canadian accounts eliminated some of the definitional and methodological differences in the goods and services accounts.

Differences occur in the bilateral U.S. and Canadian current accounts as published by the

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. 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 1996.

Table 1.—Major U.S.-Canadian Balances

[Billions of U.S. dollars]

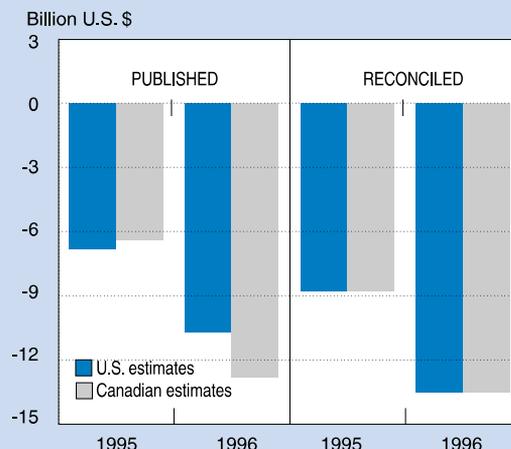
	Published estimates		Reconciled estimates ¹	
	United States	Canada	United States	Canada
1995				
Goods	-19.5	23.4	-24.5	24.5
Services	5.7	-5.8	5.4	-5.4
Investment income	7.4	-12.3	10.6	-10.6
Goods, services, and income	-6.4	5.3	-8.5	8.5
Unilateral transfers, net	-4	1.1	-3	.3
Current account	-6.8	6.4	-8.9	8.9
1996				
Goods	-24.0	29.3	-29.6	29.6
Services	6.2	-6.0	5.7	-5.6
Investment income	7.5	-11.9	10.7	-10.6
Goods, services, and income	-10.3	11.4	-13.2	13.3
Unilateral transfers, net	-3	1.4	-3	.3
Current account	-10.7	12.8	-13.5	13.6

1. Some differences remain in the reconciled estimates because some service and income estimates could not be fully reconciled.

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 U.S. deficit is a Canadian surplus.

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

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 1996 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 reflect how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.³ (A few differences cannot be satisfactorily reconciled, because of differences in accounting conventions and survey methods in each country.)

3. A detailed article on the methodology used to reconcile the U.S.-Canadian current account was published by BEA 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*.

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 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 covers over 80 percent of the value of the Canadian and U.S. current account and has led to the elimination of some differences in Canadian and U.S. published estimates. Wider opportunities for international data sharing may result from the upcoming 1997 yearend coordinated benchmark survey of international portfolio investment that will be undertaken by more than 30 countries, including Canada and the United

Changes in the Canadian-Published International Transactions Accounts

Statistics Canada changed the Canadian-published international transactions accounts this year to conform more closely to the balance of payments guidelines published in the fifth edition of the International Monetary Fund's *Balance of Payments Manual*. The changes to the Canadian-published accounts eliminated the need for some of the reconciliation adjustments, but they also introduced the need for a new adjustment.

Adjustments that were eliminated

Valuation of goods.—Statistics Canada changed its valuation of Canadian exports and imports of goods shipped by land transportation between the United States and Canada; the valuation now includes the cost of transporting the goods from plants in Canada and the United States to the U.S.-Canadian border. Previously, goods were valued at the plant, and the transportation costs to the border were included in the Canadian transportation account. The change in this treatment, which is already used in the U.S. accounts, eliminates the need to reclassify these transportation costs from the goods account to the transportation account in the U.S. accounts.

Other adjustments to goods.—Statistics Canada now includes the gross value of goods exported and imported for processing and the gross value of the returned processed goods in the goods account. Previously, these goods were excluded from the goods account, and the processing fees were included in "other services." In addition, the goods account no longer includes progress payments: Goods such as aircraft are now recorded when they are delivered; previously they were recorded as a cumulative series of progress payments. As a result of these

changes, the adjustments to the Canadian-published accounts to add the gross value of returned processed goods and to eliminate progress payments are no longer required.

Passenger fares.—Statistics Canada reclassified passenger fares from travel to transportation. Passenger fares are shown as a separate line item in the U.S.-published accounts. Thus, the adjustment to remove passenger fares from the Canadian travel account has been eliminated.

Transborder trucking.—The Canadian accounts now include earnings of Canadian- and U.S.-resident trucking companies for transporting goods in the other's country. Previously, these earnings were not included in the Canadian transportation account. BEA introduced these estimates into the U.S.-published accounts in 1995. Thus, the adjustments to the Canadian and U.S. accounts to reconcile the omission in the Canadian accounts are no longer required.

New adjustment

Education and medical services.—Statistics Canada now includes education and medical services in the Canadian travel account, whereas the United States includes them in "other private services." Thus, for purposes of reconciliation, it is necessary to reclassify education and medical services from "other private services" to "travel" in the U.S. accounts. BEA does not plan to implement this reclassification in its national presentation of the U.S. accounts. However, BEA will continue to make this information available to the International Monetary Fund to facilitate the Fund's work on international data comparisons.

Acknowledgments

The reconciliations were carried out under the direction of Lucie Laliberté, director of Statistics Canada's Balance of Payments Division, and Anthony DiLullo, assistant chief of BEA's Balance of Payments Division. At Statistics Canada, Hugh Henderson, Robert Théberge, Denis Caron, Emmanuel Manolikakis, 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 trade in goods; and Michael Mann, for services.

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 re-exports 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 for the integration of the international and national (domestic) accounts in each country.

Reconciled Current-Account Balances for 1995 and 1996

In the U.S. current account, the reconciliation adjustments resulted in increases of \$2.0 billion in the 1995 deficit and \$2.8 billion in the 1996 deficit. The changes reflect larger adjustments to the U.S. southbound estimates (payments) than to the northbound estimates (receipts) (tables 2.1

and 2.2).⁴ The largest increases in the U.S. southbound estimates in both years result from the addition of Canadian reexports to U.S. imports of goods (a definitional adjustment) and from an increase for undercoverage in the U.S. inland freight adjustment to U.S. imports of goods (a statistical adjustment). The largest increases in the U.S. northbound estimates in both years result from an upward adjustment to investment income receipts (a statistical adjustment).

In the Canadian current account, the reconciliation adjustments resulted in increases of \$2.5 billion in the 1995 surplus and \$0.8 billion in the 1996 surplus. The changes reflect decreases to the Canadian northbound estimates (payments) in both years and a small increase in 1995 and a small decrease in 1996 to the Canadian southbound estimates (receipts). The Canadian northbound estimates were adjusted downward to account for definitional and methodological differences in income and in services. These adjustments were partly offset by upward adjustments for statistical differences, mainly in trade in goods. In the Canadian southbound estimates, the upward adjustment in 1995 results from a definitional adjustment in goods; this adjustment was largely offset by downward adjustments in services and income, largely reflecting statistical and methodological adjustments. In 1996, the shift to a small downward adjustment mainly reflected a reduction in the value of the definitional adjustment to trade in goods.

The details of the current-account reconciliation for 1995 and 1996 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.⁵

Tables 2.1 through 8.2 follow. 

4. 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. All values are expressed in U.S. dollars.

5. 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 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				
1995										
Goods		-140	209				-1	1,366	208	1,226
Services		-170	-209				324	-808	115	-978
Transfers under U.S. military agency sales contracts								136		136
Travel			527				-59	78	468	78
Passenger fares							-185		-185	
Other transportation				447			-7	-82	-7	365
Other services		-170	-736	-447			575	-940	-161	-1,558
Affiliated		-116	-152					-1,107	-152	-1,223
Unaffiliated		-54	-584	-447			537	151	-47	-350
Government							38	16	38	16
Investment income		-684			-507	-1,943	2,587	439	2,080	-2,188
Direct		-269		-44		-118	-695	856	-695	425
Other		-415		44	-507	-1,825	3,282	-417	2,775	-2,613
Unilateral transfers		-120			313		38		351	-120
Total adjustments		-1,114			-194	-1,943	2,948	997	2,752	-2,060
1996										
Goods		-219	186				5	1,627	191	1,408
Services		-111	-186				397	-453	213	-565
Transfers under U.S. military agency sales contracts								166		166
Travel			555				13	93	568	93
Passenger fares							-213		-213	
Other transportation				474			5	-48	5	426
Other services		-111	-741	-474			592	-664	-147	-1,248
Affiliated		-64	-151					-844	-151	-908
Unaffiliated		-47	-590	-474			555	156	-35	-365
Government							37	24	37	24
Investment income		-1,026			-536	-1,646	2,858	940	2,322	-1,733
Direct		-293		-70		-103	-772	1,646	-772	1,180
Other		-733		70	-536	-1,543	3,630	-706	3,094	-2,912
Unilateral transfers		-109			319		50		369	-109
Total adjustments		-1,465			-217	-1,646	3,310	2,114	3,094	-996

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				
1995										
Goods	2,273	3,908		20			92	1,300	2,365	5,228
Services	-142			-20			-422	385	-564	365
Direct defense expenditures			34	-20					34	-20
Travel				9				68		77
Passenger fares								-3		-3
Other transportation	-86		457				169	-382	540	-382
Other services	-56		-491	-9			-591	702	-1,140	693
Affiliated	-9						-825		-834	
Unaffiliated	-47		-491	-9			265	690	-273	681
Government							-31	12	-31	12
Investment income	-256				-1,943	-507	1,707	-607	-492	-1,114
Direct	-149				-118		776	-457	509	-457
Other	-107				-1,825	-507	931	-150	-1,001	-657
Unilateral transfers	-816					313	-27		-843	313
Total adjustments	1,059	3,908			-1,943	-194	1,350	1,078	465	4,793
1996										
Goods	513	4,376		21			1,169	1,344	1,682	5,741
Services	-143			-21			-81	710	-224	689
Direct defense expenditures			32	-21			-6		26	-21
Travel				10				155		165
Passenger fares								-1		-1
Other transportation	-79		477				159	-335	557	-335
Other services	-64		-509	-10			-234	891	-807	881
Affiliated	-13						-313		-326	
Unaffiliated	-51		-509	-10			159	878	-401	868
Government							-80	13	-80	13
Investment income	-183				-1,646	-536	1,325	-324	-504	-860
Direct	-96				-103		137	-252	-62	-252
Other	-87				-1,543	-536	1,188	-72	-442	-608
Unilateral transfers	-1,139					319	-48		-1,187	319
Total adjustments	-952	4,376			-1,646	-217	2,365	1,730	-233	5,888

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
1995								
Goods and services	146,022	168,197	-9	146,345	146,279	66	2,402	-1,940
Goods	127,585	126,567	1,018	127,793	127,793	.....	208	1,226
Services	18,437	19,464	-1,027	18,552	18,486	66	115	-978
Transfers under U.S. military agency sales contracts	136	(¹)	136	136	136	.....	.....	136
Travel	6,207	6,597	-390	6,675	6,675	.....	468	78
Passenger fares	1,284	1,099	185	1,099	1,099	.....	-185	.....
Other transportation	2,688	2,290	398	2,682	2,656	26	-6	365
Royalties and license fees	1,212	1,461	-249	(²)	(²)	.....	-1,212	-1,461
Other services	6,910	8,017	-1,107	7,960	7,920	40	1,050	-97
Investment income	17,899	22,166	-4,267	19,978	19,978	.....	2,079	-2,188
Direct investment	8,812	7,693	1,119	8,117	8,117	.....	-695	424
Other private assets/liabilities	9,087	14,473	-5,386	11,862	11,862	.....	2,775	-2,611
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	470	-470	351	351	.....	351	-120
Current account, northbound	163,922	168,669	-4,746	166,674	166,608	66	2,752	-2,060
1996								
Goods and services	154,789	154,253	536	155,193	155,098	95	2,726	-887
Goods	134,609	133,392	1,217	134,800	134,800	.....	191	1,409
Services	20,180	20,861	-681	20,393	20,298	95	213	-563
Transfers under U.S. military agency sales contracts	166	(¹)	166	166	166	.....	.....	166
Travel	6,763	7,239	-476	7,331	7,331	.....	568	93
Passenger fares	1,331	1,118	213	1,118	1,118	.....	-213	.....
Other transportation	2,889	2,443	446	2,894	2,870	24	5	426
Royalties and license fees	1,416	1,554	-138	(²)	(²)	.....	-1,416	-1,554
Other services	7,615	8,507	-892	8,884	8,813	71	1,269	306
Investment income	17,497	21,551	-4,054	19,819	19,819	.....	2,322	-1,733
Direct investment	8,642	6,690	1,952	7,870	7,870	.....	-772	1,180
Other private assets/liabilities	8,855	14,861	-6,006	11,949	11,949	.....	3,094	-2,912
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	478	-478	369	369	.....	369	-109
Current account, northbound	172,286	176,282	-3,996	175,381	175,286	95	3,094	-996

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
1995								
Goods and services	163,640	159,846	3,145	165,439	165,439	-29	1,800	5,594
Goods	149,973	147,110	2,863	152,338	152,338	.....	2,365	5,228
Services	13,667	12,736	931	13,101	13,101	.....	-566	366
Direct defense expenditures	(¹)	54	-54	34	34	.....	34	-20
Travel	4,395	4,319	76	4,395	4,395	.....	.....	77
Passenger fares	303	306	-3	303	303	.....	.....	-3
Other transportation	2,435	3,357	-922	2,975	2,975	.....	540	-382
Royalties and license fees	177	139	38	(²)	(²)	.....	-177	-139
Other services	6,357	4,561	1,796	5,394	5,394	.....	-963	833
Investment income	9,862	10,511	-649	9,368	9,397	-29	-494	-1,114
Direct investment	2,946	3,911	-965	3,454	3,454	.....	508	-457
Other private assets/liabilities	5,850	4,202	1,648	3,849	3,878	-29	-2,001	-324
U.S. Government liabilities	1,066	2,398	-1,332	2,065	2,065	.....	999	-333
Unilateral transfers, net .....	.....	372	.....	.....	.....	.....	.....	-372
Unilateral transfers, gross	1,528	.....	1,528	685	685	.....	-843	685
Current account, southbound	175,029	170,729	4,301	175,494	175,522	-29	465	4,793
1996								
Goods and services	177,581	172,608	4,783	179,037	179,037	.....	1,457	6,431
Goods	162,698	158,639	4,059	164,380	164,380	.....	1,682	5,741
Services	14,883	13,969	914	14,657	14,657	.....	-226	688
Direct defense expenditures	(¹)	47	-47	26	26	.....	26	-21
Travel	4,771	4,606	165	4,771	4,771	.....	.....	165
Passenger fares	392	391	1	392	392	.....	.....	1
Other transportation	2,715	3,608	-893	3,271	3,271	.....	557	-337
Royalties and license fees	189	192	-3	(²)	(²)	.....	-189	-192
Other services	6,816	5,125	1,691	6,197	6,197	.....	-619	1,072
Investment income	9,678	10,007	-329	9,175	9,147	28	-504	-860
Direct investment	3,095	3,285	-190	3,033	3,033	.....	-62	-252
Other private assets/liabilities	5,507	4,429	1,078	4,153	4,125	28	-1,354	-304
U.S. Government liabilities	1,076	2,293	-1,217	1,989	1,989	.....	913	-304
Unilateral transfers, net .....	.....	338	.....	.....	.....	.....	.....	-338
Unilateral transfers, gross	1,844	.....	1,844	657	657	.....	-1,187	657
Current account, southbound	189,103	182,952	6,150	188,870	188,841	28	-233	5,888

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
1995			
Balance of payments basis, published	127,585	126,567	
Reconciliation adjustments:			
Inland freight		1,551	Statistical
Repair of equipment	209	.....	Reclassification
Other balance of payments adjustments	7	-140	Definitional and statistical
Statistical adjustments	-8	-185	Statistical
Reconciled	127,793	127,793	
1996			
Balance of payments basis, published	134,609	133,392	
Reconciliation adjustments:			
Inland freight		1,338	Statistical
Repair of equipment	186	.....	Reclassification
Other balance of payments adjustments	5	-220	Definitional and statistical
Statistical adjustments .....	.....	290	Statistical
Reconciled	134,800	134,800	

Table 4.2.—Trade in Goods, Southbound

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
1995			
Balance of payments basis, published	149,973	147,110	
Reconciliation adjustments:			
Canadian reexports .....	.....	3,940	Definitional
Inland freight	957	1,300	Statistical
Other balance of payments adjustments	2,273	-12	Definitional and reclassification
Statistical adjustments	-865	.....	Statistical
Reconciled	152,338	152,338	
1996			
Balance of payments basis, published	162,698	158,639	
Reconciliation adjustments:			
Canadian reexports .....	.....	4,312	Definitional
Inland freight	978	1,344	Statistical
Other balance of payments adjustments	513	85	Definitional and reclassification
Statistical adjustments	191	.....	Statistical
Reconciled	164,380	164,380	

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
1995									
Travel	6,207	6,597	-390	6,675	6,675	.....	468	78	
Business and personal	6,207	6,148	59	6,148	6,148	.....	-59	.....	Statistical
Education .....	.....	388	-388	403	403	.....	403	15	Reclassification and statistical
Medical .....	.....	61	-61	124	124	.....	124	63	Reclassification and statistical
Passenger fares	1,284	1,099	185	1,099	1,099	.....	-185	.....	Statistical
Other transportation	2,688	2,289	399	2,681	2,655	26	-7	366	
Freight	2,054	1,936	118	2,123	2,096	27	69	160	
Ocean	60	220	-160	128	128	.....	68	-92	Statistical
Air	55	28	27	55	28	27	.....	.....	.....
Land	1,579	1,266	313	1,548	1,548	.....	-31	282	Reclassification and statistical
Other	360	422	-62	392	392	.....	32	-30	Statistical
Port services	470	336	134	345	345	.....	-125	9	
Vessel operators	30	41	-11	41	41	.....	11	.....	Statistical
Airline operators	291	292	-1	291	291	.....	.....	-1	Statistical
Other	149	3	146	13	13	.....	-136	10	Statistical
Other	164	17	147	213	214	-1	49	197	Reclassification and statistical
1996									
Travel	6,763	7,239	-476	7,331	7,331	.....	568	92	
Business and personal	6,763	6,776	-13	6,776	6,776	.....	13	.....	Statistical
Education .....	.....	402	-402	426	426	.....	426	24	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	2,889	2,445	444	2,894	2,870	24	5	425	
Freight	2,137	2,075	62	2,239	2,214	25	102	139	
Ocean	32	224	-192	114	114	.....	82	-110	Statistical
Air	57	32	25	57	32	25	.....	.....	.....
Land	1,695	1,395	300	1,678	1,678	.....	-17	283	Reclassification and statistical
Other	353	424	-71	390	390	.....	37	-34	Statistical
Port services	583	351	232	430	430	.....	-153	79	
Vessel operators	61	42	19	42	42	.....	-19	.....	Statistical
Airline operators	363	306	57	363	363	.....	.....	57	Statistical
Other	159	3	156	25	25	.....	-134	22	Statistical
Other	169	19	150	225	226	-1	56	207	Reclassification and statistical

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
1995									
Travel	4,396	4,319	77	4,396	4,396	.....	.....	77	
Business and personal	4,283	4,319	-36	4,283	4,283	.....	.....	-36	Statistical
Education	71	.....	71	71	71	.....	.....	71	Reclassification and statistical
Medical	42	.....	42	42	42	.....	.....	42	Reclassification and statistical
Passenger fares	303	306	-3	303	303	.....	.....	-3	Statistical
Other transportation	2,435	3,357	-922	2,975	2,975	.....	540	-382	
Freight	2,052	2,654	-602	2,446	2,446	.....	394	-208	
Ocean	213	87	126	87	87	.....	-126	.....	Statistical
Air	56	54	2	54	54	.....	.....	-2	Reclassification and statistical
Land	1,695	2,409	-714	2,217	2,217	.....	522	-192	Reclassification and statistical
Other	88	104	-16	88	88	.....	.....	-16	Statistical
Port services	275	545	-270	386	386	.....	111	-159	
Vessel operators	6	197	-191	98	98	.....	92	-99	Statistical
Airline operators	228	271	-43	228	228	.....	.....	-43	Statistical
Other	41	77	-36	60	60	.....	19	-17	Statistical
Other	108	158	-50	143	143	.....	35	-15	Definitional, reclassification, and statistical
1996									
Travel	4,771	4,606	165	4,771	4,771	.....	.....	165	
Business and personal	4,653	4,606	47	4,653	4,653	.....	.....	47	Statistical
Education	75	.....	75	75	75	.....	.....	75	Reclassification and statistical
Medical	43	.....	43	43	43	.....	.....	43	Reclassification and statistical
Passenger fares	392	391	1	392	392	.....	.....	1	Reclassification and statistical
Other transportation	2,716	3,608	-892	3,273	3,273	.....	557	-335	
Freight	2,290	2,921	-631	2,729	2,729	.....	439	-192	
Ocean	222	112	110	112	112	.....	-110	.....	Statistical
Air	62	60	2	60	60	.....	.....	-2	Statistical
Land	1,907	2,657	-750	2,458	2,458	.....	551	-199	Reclassification and statistical
Other	99	92	7	99	99	.....	.....	7	Statistical
Port services	327	541	-214	403	403	.....	76	-138	
Vessel operators	8	131	-123	65	65	.....	57	-66	Statistical
Airline operators	271	328	-57	271	271	.....	.....	-57	Statistical
Other	48	82	-34	67	67	.....	19	-15	Statistical
Other	99	146	-47	141	141	.....	42	-5	Definitional, reclassification, and statistical

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
1995									
Total	8,122	9,478	-1,356	7,960	7,920	40	-161	-1,558	
Private:									
Affiliated	4,489	5,560	-1,071	4,337	4,337	.....	-152	-1,223	Definitional and statistical
Royalties and license fees	1,061	1,314	-253	(¹)	(¹)	(¹)	(¹)	(¹)	
Other services	3,428	4,246	-818	(¹)	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	3,459	3,722	-263	3,412	3,372	40	-47	-350	
Royalties, license fees, and selected services	491	473	18	464	464	.....	-27	-9	Statistical
Insurance	388	262	126	390	390	.....	2	128	Statistical
Financial services	580	468	112	580	580	.....	.....	112	Statistical
Education	424	4	420	21	21	.....	-403	17	Reclassification and statistical
Communications	275	655	-380	404	404	.....	129	-251	Statistical
Business services	970	935	35	870	830	40	-100	-105	Reclassification and statistical
Sports and entertainment	169	543	-374	521	521	.....	352	-22	Reclassification and statistical
Commuters' wages	58	58	.....	58	58	.....	.....	.....	Statistical
Trade union transactions	104	104	.....	104	104	.....	.....	.....	Statistical
Other .....	.....	220	-220	.....	.....	.....	.....	-220	.....
Commissions .....	.....	23	-23	.....	.....	.....	.....	-23	Definitional
Railway port services .....	.....	164	-164	.....	.....	.....	.....	-164	Reclassification
Aircraft leasing .....	.....	33	-33	.....	.....	.....	.....	-33	Reclassification
Government:									
United States	53	37	16	53	53	.....	.....	16	Statistical
Canada	121	159	-38	159	159	.....	38	.....	Statistical
1996									
Total	9,033	10,061	-1,029	8,884	8,813	71	-147	-1,248	
Private:									
Affiliated	5,154	5,911	-757	5,003	5,003	.....	-151	-908	Definitional and statistical
Royalties and license fees	1,242	1,396	-154	(¹)	(¹)	(¹)	(¹)	(¹)	
Other services	3,912	4,515	-603	(¹)	(¹)	(¹)	(¹)	(¹)	
Unaffiliated	3,700	3,959	-259	3,665	3,594	71	-35	-365	
Royalties, license fees, and selected services	562	503	59	513	513	.....	-49	10	Statistical
Insurance	347	276	71	386	386	.....	39	110	Statistical
Financial services	629	499	130	629	629	.....	.....	130	Statistical
Education	441	4	437	15	15	.....	-426	11	Reclassification and statistical
Communications	297	696	-399	429	429	.....	132	-267	Statistical
Business services	1,068	1,001	67	963	892	71	-105	-109	Reclassification and statistical
Sports and entertainment	185	577	-392	559	559	.....	374	-18	Reclassification and statistical
Commuters' wages	62	62	.....	62	62	.....	.....	.....	Statistical
Trade union transactions	109	109	.....	109	109	.....	.....	.....	Statistical
Other .....	.....	232	-232	.....	.....	.....	.....	-232	.....
Commissions .....	.....	24	-24	.....	.....	.....	.....	-24	Definitional
Railway port services .....	.....	174	-174	.....	.....	.....	.....	-174	Reclassification
Aircraft leasing .....	.....	34	-34	.....	.....	.....	.....	-34	Reclassification
Government:									
United States	63	39	24	63	63	.....	.....	24	Statistical
Canada	116	153	-37	153	153	.....	.....	.....	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
1995									
Total	6,534	4,700	1,831	5,394	5,394		-1,140	693	
Private:									
Affiliated	2,858	2,024	834	2,024	2,024		-834		Definitional and statistical
Royalties and license fees	147	105	42	(¹)	(¹)		(¹)	(¹)	
Other services	2,711	1,919	792	(¹)	(¹)		(¹)	(¹)	
Unaffiliated	3,490	2,536	954	3,217	3,217		-273	681	
Royalties, license fees, and selected services	525	254	271	524	524		-1	270	Statistical
Insurance	374	605	-231	472	472		98	-133	Statistical
Financial services	300	190	110	190	190		-110		Statistical
Education		9	-9					-9	Statistical
Communications	729	677	52	677	677		-52		Statistical
Business services	714	435	279	713	713		-1	278	Reclassification and statistical
Sports and entertainment	372	87	285	371	371		-1	284	Statistical
Commuters' wages	152	152		152	152				
Trade union transactions	118	127	-9	118	118			-9	
Other	206		206				-206		
Commissions	45		45				-45		Definitional
Railway port services	91		91				-91		Reclassification
Aircraft leasing	36		36				-36		Reclassification
U.S. defense expenditures	34		34				-34		Reclassification
Government:									
Canada	12		12	12	12			12	Statistical
United States	171	140	31	140	140		-31		Statistical
1996									
Total	7,005	5,317	1,688	6,197	6,197		-807	881	
Private:									
Affiliated	3,052	2,726	326	2,726	2,726		-326		Definitional and statistical
Royalties and license fees	157	122	35	(¹)	(¹)		(¹)	(¹)	
Other services	2,895	2,604	291	(¹)	(¹)		(¹)	(¹)	
Unaffiliated	3,759	2,490	1,269	3,358	3,358		-401	868	
Royalties, license fees, and selected services	560	325	235	559	559		-1	234	Statistical
Insurance	447	473	-26	478	478		31	5	Statistical
Financial services	320	195	125	195	195		-125		Statistical
Education		10	-10					-10	Statistical
Communications	778	689	89	689	689		-89		Statistical
Business services	765	442	323	755	755		-10	313	Reclassification and statistical
Sports and entertainment	397	61	336	395	395		-2	334	Statistical
Commuters' wages	162	161	1	162	162			1	
Trade union transactions	125	134	-9	125	125			-9	
Other	205		205				-205		
Commissions	48		48				-48		Definitional
Railway port services	97		97				-97		Reclassification
Aircraft leasing	28		28				-28		Reclassification
U.S. defense expenditures	32		32				-32		Reclassification
Government:									
Canada	13		13	13	13			13	Statistical
United States	181	101	80	101	101		-80		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
1995									
Direct investment income	8,812	7,693	1,120	8,117	8,117	.....	-695	425	
Earnings of incorporated affiliates	7,938	6,611	1,327	7,242	7,242	.....	-696	631	
Dividends	1,452	1,889	-437	1,652	1,652	.....	200	-237	Definitional, reclassification, and statistical
Reinvested earnings	6,486	4,722	1,764	5,590	5,590	.....	-896	868	Statistical
Earnings of unincorporated affiliates	425	317	108	425	425	.....	.....	108	Definitional, reclassification, and statistical
Net interest	449	764	-315	450	450	.....	1	-314	Reclassification, net to gross, and statistical
1996									
Direct investment income	8,642	6,690	1,952	7,870	7,870	.....	-772	1,180	
Earnings of incorporated affiliates	7,800	5,700	2,100	6,825	6,825	.....	-975	1,125	
Dividends	1,957	2,805	-848	2,478	2,478	.....	521	-327	Definitional, reclassification, and statistical
Reinvested earnings	5,843	2,895	2,948	4,347	4,347	.....	-1,496	1,452	Statistical
Earnings of unincorporated affiliates	491	245	246	490	490	.....	-1	245	Definitional, reclassification, and statistical
Net interest	351	745	-394	555	555	.....	204	-190	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
1995									
Direct investment income	2,946	3,911	-966	3,454	3,454	.....	509	-457	
Earnings of incorporated affiliates	2,052	3,107	-1,055	2,641	2,641	.....	589	-466	
Dividends	507	427	80	427	427	.....	-80	.....	Statistical
Reinvested earnings	1,545	2,680	-1,135	2,214	2,214	.....	669	-466	Statistical
Earnings of unincorporated affiliates	632	463	169	472	472	.....	-160	9	Definitional and statistical
Net interest	261	341	-80	341	341	.....	80	.....	Gross to net and statistical
1996									
Direct investment income	3,095	3,285	-190	3,033	3,033	.....	-62	-252	
Earnings of incorporated affiliates	1,874	2,597	-723	2,281	2,281	.....	407	-316	
Dividends	422	285	137	285	285	.....	-137	.....	Statistical
Reinvested earnings	1,452	2,312	-860	1,996	1,996	.....	544	-316	Statistical
Earnings of unincorporated affiliates	974	578	396	642	642	.....	-332	64	Definitional and statistical
Net interest	247	110	137	110	110	.....	-137	.....	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
1995									
Other investment income	9,087	14,473	-5,388	11,862	11,862	.....	2,775	-2,613	
Securities	5,853	9,073	-3,220	8,614	8,614	.....	2,761	-459	Definitional, reclassification, and statistical Definitional and statistical
Dividends	936	762	174	936	936	.....	.....	174	
Interest on bonds	4,917	8,311	-3,394	7,678	7,678	.....	2,761	-633	
U.S. claims/Canadian liabilities	3,234	5,402	-2,168	3,248	3,248	.....	14	-2,154	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	2,465	2,981	-516	1,156	1,156	.....	-1,309	-1,825	
Other private U.S. claims	769	2,421	-1,652	2,092	2,092	.....	1,323	-329	
1996									
Other investment income	8,855	14,861	-6,006	11,949	11,949	.....	3,094	-2,912	
Securities	5,940	9,871	-3,931	9,268	9,268	.....	3,328	-603	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,048	805	243	1,048	1,048	.....	.....	243	
Interest on bonds	4,892	9,066	-4,174	8,220	8,220	.....	3,328	-846	
U.S. claims/Canadian liabilities	2,915	4,990	-2,075	2,681	2,681	.....	-235	-2,310	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	2,270	2,642	-372	977	977	.....	-1,293	-1,665	
Other private U.S. claims	645	2,348	-1,703	1,704	1,704	.....	1,058	-645	

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
1995									
Other investment income	6,916	6,600	315	5,914	5,943	-28	-1,001	-657	
Securities	2,113	2,675	-562	2,586	2,586	.....	473	-89	Definitional and statistical Definitional and statistical
Dividends	1,360	1,588	-228	1,588	1,588	.....	228	.....
Interest on bonds	753	1,087	-334	998	998	.....	245	-89	
Canadian claims/U.S. liabilities	3,736	1,527	2,209	1,264	1,292	-28	-2,472	-235	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,662	1,406	2,256	1,200	1,228	-28	-2,462	-178	
Other Canadian claims	74	121	-47	64	64	.....	-10	-57	
U.S. Government liabilities	1,066	2,398	-1,332	2,065	2,065	.....	999	-333	Statistical
1996									
Other investment income	6,583	6,722	-138	6,142	6,114	28	-442	-608	
Securities	1,949	2,944	-995	2,808	2,808	.....	859	-136	Definitional and statistical Definitional and statistical
Dividends	1,225	1,692	-467	1,692	1,692	.....	467	.....
Interest on bonds	724	1,252	-528	1,116	1,116	.....	392	-136	
Canadian claims/U.S. liabilities	3,559	1,485	2,074	1,345	1,317	28	-2,214	-168	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,472	1,383	2,089	1,280	1,252	28	-2,192	-131	
Other Canadian claims	87	102	-15	65	65	.....	-22	-37	
U.S. Government liabilities	1,076	2,293	-1,217	1,989	1,989	.....	913	-304	Statistical