

## Reconciliation of the U.S.-Canadian Current Account, 2001 and 2002

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ON a reconciled basis, the U.S. deficit, or Canadian surplus, is \$39.1 billion for 2001 and \$38.0 billion for 2002 (chart 1, table 1).<sup>1</sup> The U.S.-published current-account balance with Canada is a U.S. deficit of \$28.1 billion for 2001 and a U.S. deficit of \$30.4 billion for 2002; the corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$37.0 billion for 2001 and a Canadian surplus (U.S. deficit) of \$38.3 billion for 2002.<sup>2</sup>

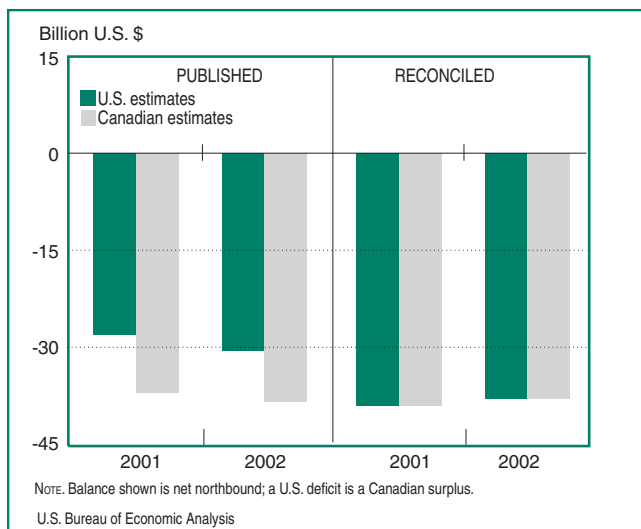
This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 2001 and 2002.<sup>3</sup> The details of the current-account reconciliation for 2001 and 2002 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the details of the major types

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 2001 is revised from the previously published deficit of \$26.5 billion used in last year's reconciliation, and the Canadian surplus for 2001 is revised from the previously published surplus of \$42.5 billion used in last year's reconciliation.

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



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

3. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the *SURVEY OF CURRENT BUSINESS*: June 1975, September 1976 and 1977, December 1979, June 1981, and each December of 1981–91. Complete details of the reconciliations for 1990 forward were published in the following issues of the *SURVEY*: November 1992, each October of 1993–95, and each November of 1996–2002. 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 1981–2002.

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.

**Table 1. Major U.S.-Canadian Balances**

[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
<b>2001</b>				
Goods and services .....	-48.7	58.6	-59.5	59.5
Goods .....	-55.5	62.7	-63.7	63.7
Services .....	6.8	-4.1	4.2	-4.2
Income .....	21.4	-23.8	21.4	-21.4
Current unilateral transfers .....	-0.8	2.2	-0.9	0.9
<b>Current account .....</b>	<b>-28.1</b>	<b>37.0</b>	<b>-39.1</b>	<b>39.1</b>
<b>2002</b>				
Goods and services .....	-45.1	55.0	-56.0	56.0
Goods .....	-50.9	58.6	-59.1	59.1
Services .....	5.8	-3.6	3.1	-3.1
Income .....	15.3	-18.9	18.5	-18.5
Current unilateral transfers .....	-0.6	2.2	-0.5	0.5
<b>Current account .....</b>	<b>-30.4</b>	<b>38.3</b>	<b>-38.0</b>	<b>38.0</b>

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.

## Reconciled Current-Account Balances

In the U.S. current account, the reconciliation adjustments result in an increase of \$11.0 billion in the U.S. deficit for 2001 and an increase of \$7.6 billion in the U.S. deficit for 2002. In both years, the increases reflect larger upward adjustments to the U.S. southbound estimates than to the U.S. northbound estimates (tables 2.1 and 2.2).<sup>5</sup> 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 the valuation of U.S. natural gas imports to include inland freight (a definitional adjustment), from an increase for undercoverage of some southbound services (a statistical adjustment), and for 2001, from adjustments for statistical differences in direct

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.

## Acknowledgments

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## 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 2002 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.

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*.

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits of international data exchanges. As a result of the reconciliation process and the exchange of data, the accuracy of the published estimates of transactions between Canada and the United States and the efficiency in producing the estimates have increased. The exchange of data between Canada and the United States—for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some large transportation transactions—covers more than 80 percent of the value of the Canadian and U.S. current account and has eliminated some of the differences in the Canadian- and U.S.-published estimates.

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.

investment income. The largest increases in the U.S. northbound estimates result from upward adjustments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (definitional and statistical adjustments).

In the Canadian current account, the reconciliation adjustments result in an increase of \$2.1 billion in the 2001 Canadian surplus and in a decrease of \$0.3 billion in the 2002 Canadian surplus. In both years, the changes to the Canadian surplus reflect downward adjustments to both southbound estimates and northbound estimates. For 2001, the increase reflects a larger downward adjustment to the Canadian northbound estimate than to the Canadian southbound estimate, and for 2002, the decrease reflects a larger downward

adjustment to the Canadian southbound estimate than to the Canadian northbound estimate. In both years, the Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; to account for methodological differences, mainly the netting of Canadian bank claims and liabilities in "other" investment income; and downward adjustments to account for statistical differences, mainly in direct investment income. In the Canadian northbound estimates for both years, downward adjustments for definitional and methodological differences were mainly in "other" investment income, and downward adjustments for statistical differences were mainly in "other" services. Although the methodological adjustments explain part

**Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2001**

[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				
Goods, balance of payments basis .....	125	-198	264				229	-580	618	-779
Valuation adjustments .....	125	-198							125	-198
Reclassification of equipment repairs from unaffiliated services.....			264						264	
Statistical adjustments .....							229	-580	229	-580
Services .....	-27	-500	-264	-69			478	-333	186	-901
Travel .....			790				-131	30	659	30
Reclassification of education from unaffiliated services.....			569						569	
Reclassification of medical services from unaffiliated services.....			221						221	
Statistical adjustments .....							-131	30	-131	30
Passenger fares .....							-422		-422	
Statistical adjustments .....							-422		-422	
Other transportation .....		-106		212			-61	91	-61	198
Valuation adjustments .....		-106								-106
Reclassification of transportation services from unaffiliated services				212						212
Statistical adjustments .....							-61	91	-61	91
Other services .....	-27	-394	-1,054	-281			1,092	-454	10	-1,129
Affiliated .....		-94	-362				118	-1,925	-244	-2,019
Valuation adjustments .....		-94								-94
Reclassification of film rentals and courier services to unaffiliated services.....			-362						-362	
Statistical adjustments .....							118	-1,925	118	-1,925
Unaffiliated .....	11	-300	-692	-281			974	1,412	293	831
Valuation adjustments .....	11	-300							11	-300
Reclassification of transactions to or from other accounts.....			-692	-281					-692	-281
Statistical adjustments .....							974	1,412	974	1,412
U.S. military sales.....	-38							59	-38	59
Valuation adjustments .....	-38								-38	
Statistical adjustments .....								59		59
Income .....	2,253	-3,593		69	-1,204	-2,186	265	906	1,314	-4,804
Direct investment .....	-94	-491		-26		-113	-269	1,292	-363	662
Valuation adjustments .....	-94	-491							-94	-491
Reclassification of dividends to "other" income.....				-26						-26
Adjustment of interest income to a net basis .....						-113				-113
Statistical adjustments .....							-269	1,292	-269	1,292
Other investment .....	2,347	-3,102		26	-1,204	-2,073	534	-398	1,677	-5,547
Interest adjustment for coverage of U.S. holdings of Canadian bonds	1,583	-1,475							1,583	-1,475
Other valuation adjustments .....	764	-1,627							764	-1,627
Reclassification of dividends from direct investment.....				26						26
Adjustment of interest income to a net basis .....					-1,204	-2,073			-1,204	-2,073
Statistical adjustments .....							534	-398	534	-398
Compensation of employees.....				69				12		81
Current unilateral transfers.....	-202	-481			297		49		144	-481
Valuation adjustments .....	-202	-481							-202	-481
Adjustment of U.S. transfers to a gross basis.....					297				297	
Statistical adjustments .....							49		49	
<b>Total adjustments.....</b>	<b>2,149</b>	<b>-4,772</b>			<b>-907</b>	<b>-2,186</b>	<b>1,021</b>	<b>-7</b>	<b>2,262</b>	<b>-6,965</b>

of the total adjustments to the northbound and the southbound estimates of “other” investment income, they do not affect the current-account balance because the northbound and the southbound methodological adjustments are offsetting.

### Summary of Reconciliation Methodology

In reconciling the differences in the U.S.- and Canadian-published bilateral current-account estimates, the estimates are first restated on 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, 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

**Table 2.1. Summary of Reconciliation Adjustments, Northbound, 2002**

[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				
Goods, balance of payments basis .....	-45	-409	239				216	-619	411	-1,028
Valuation adjustments .....	-45	-409							-45	-409
Reclassification of equipment repairs from unaffiliated services .....			239						239	
Statistical adjustments .....							216	-619	216	-619
Services .....	-44	-524	-239	-72			-242	-281	-525	-877
Travel .....			874				-122	21	752	21
Reclassification of education from unaffiliated services .....			623						623	
Reclassification of medical services from unaffiliated services .....			251						251	
Statistical adjustments .....							-122	21	-122	21
Passenger fares .....							-436		-436	
Statistical adjustments .....							-436		-436	
Other transportation .....		-90		209			-53	180	-53	299
Valuation adjustments .....		-90								-90
Reclassification of transportation services from unaffiliated services .....				209						209
Statistical adjustments .....							-53	180	-53	180
Other services .....	-44	-434	-1,113	-281			369	-482	-788	-1,197
Affiliated .....		-85	-402				-429	-1,445	-831	-1,530
Valuation adjustments .....		-85								-85
Reclassification of film rentals and courier services to unaffiliated services .....			-402						-402	
Statistical adjustments .....							-429	-1,445	-429	-1,445
Unaffiliated .....		-349	-711	-281			798	920	87	290
Valuation adjustments .....		-349								-349
Reclassification of transactions to or from other accounts .....			-711	-281					-711	-281
Statistical adjustments .....							798	920	798	920
U.S. military sales .....	-44							43	-44	43
Valuation adjustments .....	-44								-44	
Statistical adjustments .....								43		43
Income .....	2,295	-3,201		72	-796	-1,041	1,537	1,785	3,036	-2,385
Direct investment .....	-115	-511		-26		-98	-250	2,098	-365	1,463
Valuation adjustments .....	-115	-511							-115	-511
Reclassification of dividends to “other” income .....				-26						-26
Adjustment of interest income to a net basis .....						-98				-98
Statistical adjustments .....							-250	2,098	-250	2,098
Other investment .....	2,410	-2,690		26	-796	-943	1,787	-324	3,401	-3,931
Interest adjustment for coverage of U.S. holdings of Canadian bonds .....	1,725	-1,613							1,725	-1,613
Other valuation adjustments .....	685	-1,077							685	-1,077
Reclassification of dividends from direct investment .....				26						26
Adjustment of interest income to a net basis .....					-796	-943			-796	-943
Statistical adjustments .....							1,787	-324	1,787	-324
Compensation of employees .....				72				11		83
Current unilateral transfers .....	-22	-378					50		286	-378
Valuation adjustments .....	-22	-378							-22	-378
Adjustment of U.S. transfers to a gross basis .....							50		258	
Statistical adjustments .....									50	
<b>Total adjustments .....</b>	<b>2,184</b>	<b>-4,512</b>			<b>-538</b>	<b>-1,041</b>	<b>1,561</b>	<b>885</b>	<b>3,208</b>	<b>-4,668</b>

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 change) 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 the U.S. withholding tax estimates—which are included on a global basis in the U.S.-published accounts—cannot be allocated by country for comparison with the Canadian estimates.

The methodological adjustments mainly reflect differences in classification. For example, parts of the U.S. estimates of film rentals and courier services are re-

corded 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.

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 of investment income.

**Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2001**

[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				
Goods, balance of payments basis .....	131	8,460		9			78	387	208	8,855
Valuation adjustments .....	-2,018	306							-2,018	306
Canadian reexports to the United States .....		6,005								6,005
Inland freight adjustment .....	2,149	2,149							2,149	2,149
Reclassification of equipment repairs from unaffiliated services .....				9						9
Statistical adjustments .....							78	387	78	387
Services .....	-266	-84	-212	-9			-453	2,920	-929	2,827
Travel .....				17				62		79
Reclassification of education from unaffiliated services .....				17						17
Statistical adjustments .....								62		62
Passenger fares .....										
Other transportation .....	-96	-64	91	-121			153	-124	148	-309
Valuation adjustments .....	-96	-64							-96	-64
Reclassification of courier services to unaffiliated services .....				-121						-121
Reclassification of transportation services from unaffiliated services .....			91						91	
Statistical adjustments .....							153	-124	153	-124
Other services .....	-170	-20	-303	95			-606	2,982	-1,077	3,057
Affiliated .....	-27			-28			-1,080	587	-1,107	559
Valuation adjustments .....	-27								-27	
Reclassification of selected services to unaffiliated services .....				-28						-28
Statistical adjustments .....							-1,080	587	-1,080	587
Unaffiliated .....	-143		-303	123			474	2,395	28	2,518
Valuation adjustments .....	-143								-143	
Reclassification of transactions to or from other accounts .....			-303	123					-303	123
Statistical adjustments .....							474	2,395	474	2,395
U.S. defense expenditures .....		-20								-20
Valuation adjustments .....		-20								-20
Statistical adjustments .....										
Income .....	-523	-448	212		-2,186	-1,204	172	3,000	-2,325	1,348
Direct investment .....	-205	-207			-113		-581	2,871	-899	2,664
Valuation adjustments .....	-205	-207							-205	-207
Adjustment of interest income to a net basis .....					-113				-113	
Statistical adjustments .....							-581	2,871	-581	2,871
Other investment .....	-318	-241			-2,073	-1,204	668	129	-1,723	-1,316
Valuation adjustments .....	-318	-241							-318	-241
Adjustment of interest income to a net basis .....					-2,073	-1,204			-2,073	-1,204
Statistical adjustments .....							668	129	668	129
Compensation of employees .....			212				85		297	
Current unilateral transfers .....	-1,936	-92				297	127		-1,809	205
Valuation adjustments .....	-1,936	-92							-1,936	-92
Adjustment of U.S. transfers to a gross basis .....						297				297
Statistical adjustments .....							127		127	
<b>Total adjustments .....</b>	<b>-2,594</b>	<b>7,836</b>			<b>-2,186</b>	<b>-907</b>	<b>-76</b>	<b>6,307</b>	<b>-4,855</b>	<b>13,235</b>

Table 2.2. Summary of Reconciliation Adjustments, Southbound, 2002

[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				
Goods, balance of payments basis .....	-694	8,296		5			171	371	-524	8,672
Valuation adjustments .....	-2,209	247							-2,209	247
Canadian reexports to the United States .....		6,534								6,534
Inland freight adjustment .....	1,515	1,515							1,515	1,515
Reclassification of equipment repairs from unaffiliated services .....				5						5
Statistical adjustments .....							171	371	171	371
Services .....	-423	-83	-220	-5			332	2,299	-310	2,211
Travel .....				16				60		76
Reclassification of education from unaffiliated services .....				16						16
Statistical adjustments .....								60		60
Passenger fares .....								-1		-1
Other transportation .....	-115	-66	90	-313			139	-82	114	-461
Valuation adjustments .....	-115	-66							-115	-66
Reclassification of courier services to unaffiliated services .....				-313						-313
Reclassification of transportation services from unaffiliated services .....			90						90	
Statistical adjustments .....							139	-82	139	-82
Other services .....	-308	-17	-310	292			193	2,322	-424	2,597
Affiliated .....	-22			-28			-596	388	-618	360
Valuation adjustments .....	-22								-22	
Reclassification of selected services to unaffiliated services .....				-28						-28
Statistical adjustments .....							-596	388	-596	388
Unaffiliated .....	-286	3	-310	320			779	1,934	183	2,257
Valuation adjustments .....	-286	3							-286	3
Reclassification of transactions to or from other accounts .....			-310	320					-310	320
Statistical adjustments .....							779	1,934	779	1,934
U.S. defense expenditures .....		-20					10		10	-20
Valuation adjustments .....		-20								-20
Statistical adjustments .....							10		10	
Income .....	-1,726	-407	220		-1,041	-796	612	1,011	-1,935	-192
Direct investment .....	-1,519	-23			-98		-16	693	-1,633	670
Valuation adjustments .....	-1,519	-23							-1,519	-23
Adjustment of interest income to a net basis .....					-98				-98	
Statistical adjustments .....							-16	693	-16	693
Other investment .....	-207	-384			-943	-796	543	318	-607	-862
Valuation adjustments .....	-207	-384							-207	-384
Adjustment of interest income to a net basis .....					-943	-796			-943	-796
Statistical adjustments .....							543	318	543	318
Compensation of employees .....			220				85		305	
Current unilateral transfers .....	-1,879	-106				258	-236		-2,115	152
Valuation adjustments .....	-1,879	-106							-1,879	-106
Adjustment of U.S. transfers to a gross basis .....						258				258
Statistical adjustments .....							-236		-236	
<b>Total adjustments .....</b>	<b>-4,722</b>	<b>7,700</b>			<b>-1,041</b>	<b>-538</b>	<b>879</b>	<b>3,681</b>	<b>-4,884</b>	<b>10,843</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>2001</b>										
Goods and services .....	187,972	190,456	-2,484	188,070	189,689	-1,619	188,776	188,776	804	-1,680
Goods, balance of payments basis .....	163,259	164,656	-1,397	163,648	164,457	-809	163,877	163,877	618	-779
Services .....	24,713	25,800	-1,087	24,422	25,232	-810	24,899	24,899	186	-901
Travel .....	6,595	7,224	-629	7,385	7,224	161	7,254	7,254	659	30
Passenger fares .....	1,768	1,346	422	1,768	1,346	422	1,346	1,346	-422	.....
Other transportation .....	2,478	2,219	259	2,478	2,325	153	2,417	2,417	-61	198
Other services .....	13,872	15,011	-1,139	12,791	14,337	-1,546	13,882	13,882	10	-1,129
Income .....	21,880	27,998	-6,118	22,929	22,290	639	23,194	23,194	1,314	-4,804
Investment income .....	21,799	27,998	-6,199	22,848	22,221	627	23,113	23,113	1,314	-4,885
Direct investment .....	11,975	10,950	1,025	11,881	10,321	1,560	11,612	11,612	-363	662
Other investment .....	9,824	17,048	-7,224	10,967	11,900	-933	11,501	11,501	1,677	-5,547
Compensation of employees .....	81	( <sup>1</sup> )	81	81	69	12	81	81	.....	81
Current unilateral transfers .....	( <sup>2</sup> )	625	-625	95	144	-49	144	144	144	-481
<b>Current account, northbound .....</b>	<b>209,852</b>	<b>219,079</b>	<b>-9,227</b>	<b>211,094</b>	<b>212,123</b>	<b>-1,029</b>	<b>212,114</b>	<b>212,114</b>	<b>2,262</b>	<b>-6,965</b>
<b>2002</b>										
Goods and services .....	185,364	187,155	-1,791	185,277	186,149	-872	185,250	185,250	-114	-1,905
Goods, balance of payments basis .....	160,895	162,334	-1,439	161,090	161,925	-835	161,306	161,306	411	-1,028
Services .....	24,469	24,821	-352	24,187	24,224	-37	23,944	23,944	-525	-877
Travel .....	6,268	6,999	-731	7,142	6,999	143	7,020	7,020	752	21
Passenger fares .....	1,717	1,281	436	1,717	1,281	436	1,281	1,281	-436	.....
Other transportation .....	2,624	2,272	352	2,624	2,391	233	2,571	2,571	-53	299
Other services .....	13,860	14,269	-409	12,704	13,553	-849	13,072	13,072	-788	-1,197
Income .....	19,368	24,789	-5,421	20,866	20,619	247	22,404	22,404	3,036	-2,385
Investment income .....	19,285	24,789	-5,504	20,783	20,547	236	22,321	22,321	3,036	-2,468
Direct investment .....	11,208	9,380	1,828	11,093	8,745	2,348	10,843	10,843	-365	1,463
Other investment .....	8,077	15,409	-7,332	9,690	11,802	-2,112	11,478	11,478	3,401	-3,931
Compensation of employees .....	83	( <sup>1</sup> )	83	83	72	11	83	83	.....	83
Current unilateral transfers .....	( <sup>2</sup> )	664	-664	236	286	-50	286	286	286	-378
<b>Current account, northbound .....</b>	<b>204,732</b>	<b>212,608</b>	<b>-7,876</b>	<b>206,379</b>	<b>207,054</b>	<b>-675</b>	<b>207,940</b>	<b>207,940</b>	<b>3,208</b>	<b>-4,668</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>2001</b>										
Goods and services .....	249,037	236,634	12,403	248,691	245,007	3,684	248,316	248,316	-721	11,682
Goods .....	227,384	218,737	8,647	227,515	227,205	310	227,592	227,592	208	8,855
Services .....	21,653	17,897	3,756	21,176	17,802	3,374	20,724	20,724	-929	2,827
Travel .....	6,424	6,345	79	6,424	6,362	62	6,424	6,424	.....	79
Passenger fares .....	685	685	.....	685	685	.....	685	685	.....	.....
Other transportation .....	2,880	3,337	-457	2,875	3,152	-277	3,028	3,028	148	-509
Other services .....	11,664	7,530	4,134	11,192	7,603	3,589	10,587	10,587	-1,077	3,057
Income .....	4,137	464	3,673	1,638	-1,187	2,825	1,812	1,812	-2,325	1,348
Investment income .....	4,137	167	3,970	1,426	-1,484	2,910	1,515	1,515	-2,622	1,348
Direct investment .....	-2,049	-5,612	3,563	-2,368	-5,819	3,451	-2,948	-2,948	-899	2,664
Other investment .....	6,186	5,779	407	3,794	4,335	-541	4,463	4,463	-1,723	-1,316
Other private investment .....	4,945	4,076	869	2,728	2,873	-145	3,199	3,199	-1,746	-877
U.S. Government liabilities .....	1,241	1,703	-462	1,066	1,462	-396	1,264	1,264	23	-439
Compensation of employees .....	( <sup>1</sup> )	297	-297	212	297	-85	297	297	.....	.....
Current unilateral transfers .....	2,857	843	2,014	921	1,048	-127	1,048	1,048	-1,809	205
<b>Current account, southbound .....</b>	<b>256,031</b>	<b>237,941</b>	<b>18,090</b>	<b>251,250</b>	<b>244,868</b>	<b>6,382</b>	<b>251,176</b>	<b>251,176</b>	<b>-4,855</b>	<b>13,235</b>
<b>2002</b>										
Goods and services .....	242,151	230,434	11,717	240,815	238,647	2,168	241,317	241,317	-834	10,883
Goods .....	220,957	211,761	9,196	220,262	220,062	200	220,433	220,433	-524	8,672
Services .....	21,194	18,673	2,521	20,553	18,585	1,968	20,884	20,884	-310	2,211
Travel .....	6,565	6,489	76	6,565	6,505	60	6,565	6,565	.....	76
Passenger fares .....	593	594	-1	593	594	-1	593	593	.....	-1
Other transportation .....	3,014	3,589	-575	2,989	3,210	-221	3,128	3,128	114	-461
Other services .....	11,022	8,001	3,021	10,406	8,276	2,130	10,598	10,598	-424	2,597
Income .....	5,852	4,109	1,743	3,302	2,906	396	3,917	3,917	-1,935	-192
Investment income .....	5,852	3,804	2,048	3,083	2,601	482	3,612	3,612	-2,240	-192
Direct investment .....	1,090	-1,213	2,303	-528	-1,236	708	-543	-543	-1,633	670
Other investment .....	4,762	5,017	-255	3,611	3,837	-226	4,155	4,155	-607	-862
Other private investment .....	3,816	3,804	12	2,782	3,007	-225	3,326	3,326	-490	-478
U.S. Government liabilities .....	946	1,213	-267	829	830	-1	829	829	-117	-384
Compensation of employees .....	( <sup>1</sup> )	305	-305	219	305	-86	305	305	.....	.....
Current unilateral transfers .....	2,857	590	2,267	978	742	236	742	742	-2,115	152
<b>Current account, southbound .....</b>	<b>250,860</b>	<b>235,133</b>	<b>15,727</b>	<b>245,095</b>	<b>242,295</b>	<b>2,800</b>	<b>245,976</b>	<b>245,976</b>	<b>-4,884</b>	<b>10,843</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>2001</b>		
<b>Balance of payments basis, published</b> .....	<b>163,259</b>	<b>164,656</b>
Definitional and methodological adjustments:		
Valuation adjustments .....	125	-199
Reclassification of equipment repairs from unaffiliated services.....	264	.....
Common basis after definitional and methodological adjustments.....	163,648	164,457
Statistical adjustments.....	229	-580
<b>Reconciled, including statistical adjustments</b> .....	<b>163,877</b>	<b>163,877</b>
<b>2002</b>		
<b>Balance of payments basis, published</b> .....	<b>160,895</b>	<b>162,334</b>
Definitional and methodological adjustments:		
Valuation adjustments .....	-45	-409
Reclassification of equipment repairs from unaffiliated services.....	239	.....
Common basis after definitional and methodological adjustments.....	161,090	161,925
Statistical adjustments.....	216	-619
<b>Reconciled, including statistical adjustments</b> .....	<b>161,306</b>	<b>161,306</b>

**Table 4.2. Trade in Goods, Southbound**

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments
<b>2001</b>		
<b>Balance of payments basis, published</b> .....	<b>227,384</b>	<b>218,737</b>
Definitional and methodological adjustments:		
Valuation adjustments .....	-2,018	306
Canadian reexports to the United States .....	.....	6,005
Inland freight adjustment .....	2,149	2,149
Reclassification of equipment repairs from unaffiliated services.....	.....	9
Common basis after definitional and methodological adjustments.....	227,515	227,205
Statistical adjustments.....	78	387
<b>Reconciled, including statistical adjustments</b> .....	<b>227,592</b>	<b>227,592</b>
<b>2002</b>		
<b>Balance of payments basis, published</b> .....	<b>220,957</b>	<b>211,761</b>
Definitional and methodological adjustments:		
Valuation adjustments .....	-2,210	247
Canadian reexports to the United States .....	.....	6,534
Inland freight adjustment .....	1,515	1,515
Reclassification of equipment repairs from unaffiliated services.....	.....	5
Common basis after definitional and methodological adjustments.....	220,262	220,062
Statistical adjustments.....	171	371
<b>Reconciled, including statistical adjustments</b> .....	<b>220,433</b>	<b>220,433</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>2001</b>											
<b>Travel</b> .....	<b>6,595</b>	<b>7,224</b>	<b>-629</b>	<b>7,385</b>	<b>7,224</b>	<b>161</b>	<b>7,254</b>	<b>7,254</b>	<b>659</b>	<b>30</b>	
Business and personal .....	6,595	6,464	131	6,595	6,464	131	6,464	6,464	-131		Statistical
Education .....	549	549	-549	569	549	20	569	569	569	20	Reclassification and statistical
Medical .....	211	211	-211	221	211	10	221	221	221	10	Reclassification and statistical
<b>Passenger fares</b> .....	<b>1,768</b>	<b>1,346</b>	<b>422</b>	<b>1,768</b>	<b>1,346</b>	<b>422</b>	<b>1,346</b>	<b>1,346</b>	<b>-422</b>		Statistical
<b>Other transportation</b> .....	<b>2,478</b>	<b>2,219</b>	<b>259</b>	<b>2,478</b>	<b>2,325</b>	<b>153</b>	<b>2,417</b>	<b>2,417</b>	<b>-61</b>	<b>198</b>	
Freight .....	1,858	1,877	-19	1,850	1,771	79	1,844	1,844	-14	-33	
Ocean .....	162	246	-84	154	116	38	177	177	15	-69	Definitional, reclassification, and statistical
Air .....	81	19	62	81	43	38	43	43	-38	24	Definitional and statistical
Truck .....	1,243	1,243		1,243	1,243		1,243	1,243			
Other .....	372	369	3	372	369	3	381	381	9	12	Statistical
Port services .....	620	299	321	620	511	109	530	530	-90	231	
Vessel operators .....	81	20	61	81	20	61	20	20	-61		Statistical
Airline operators .....	274	260	14	274	260	14	274	274		14	Statistical
Other .....	265	19	246	265	231	34	236	236	-29	217	Reclassification and statistical
Other .....		43	-43	8	43	-35	43	43	43		Reclassification and statistical
<b>2002</b>											
<b>Travel</b> .....	<b>6,268</b>	<b>6,999</b>	<b>-731</b>	<b>7,142</b>	<b>6,999</b>	<b>143</b>	<b>7,020</b>	<b>7,020</b>	<b>752</b>	<b>21</b>	
Business and personal .....	6,268	6,146	122	6,268	6,146	122	6,146	6,146	-122		Statistical
Education .....	607	607	-607	623	607	16	623	623	623	16	Reclassification and statistical
Medical .....	245	245	-245	251	245	6	251	251	251	6	Reclassification and statistical
<b>Passenger fares</b> .....	<b>1,717</b>	<b>1,281</b>	<b>436</b>	<b>1,717</b>	<b>1,281</b>	<b>436</b>	<b>1,281</b>	<b>1,281</b>	<b>-436</b>		Statistical
<b>Other transportation</b> .....	<b>2,624</b>	<b>2,272</b>	<b>352</b>	<b>2,624</b>	<b>2,391</b>	<b>233</b>	<b>2,571</b>	<b>2,571</b>	<b>-53</b>	<b>299</b>	
Freight .....	1,937	1,940	-3	1,929	1,848	81	1,934	1,934	-3	-6	
Ocean .....	136	242	-106	128	126	2	173	173	37	-69	Definitional, reclassification, and statistical
Air .....	87	15	72	87	39	48	39	39	-48	24	Definitional and statistical
Truck .....	1,306	1,308	-2	1,306	1,308	-2	1,306	1,306		-2	Statistical
Other .....	408	375	33	408	375	33	416	416	8	41	Statistical
Port services .....	687	293	394	687	504	183	598	598	-89	305	
Vessel operators .....	74	19	55	74	22	52	22	22	-52	3	Definitional and statistical
Airline operators .....	343	255	88	343	255	88	343	343		88	Statistical
Other .....	270	19	251	270	228	42	233	233	-37	214	Reclassification and statistical
Other .....		39	-39	8	39	-31	39	39	39		Reclassification 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>2001</b>											
<b>Travel</b> .....	<b>6,424</b>	<b>6,345</b>	<b>79</b>	<b>6,424</b>	<b>6,362</b>	<b>62</b>	<b>6,424</b>	<b>6,424</b>		<b>79</b>	
Business and personal.....	6,305	6,345	-40	6,305	6,345	-40	6,305	6,305		-40	Statistical
Education.....	70		70	70	17	53	70	70		70	Reclassification and statistical
Medical.....	49		49	49		49	49	49		49	Statistical
<b>Passenger fares</b> .....	<b>685</b>	<b>685</b>		<b>685</b>	<b>685</b>		<b>685</b>	<b>685</b>			
<b>Other transportation</b> .....	<b>2,880</b>	<b>3,337</b>	<b>-457</b>	<b>2,875</b>	<b>3,152</b>	<b>-277</b>	<b>3,028</b>	<b>3,028</b>	<b>148</b>	<b>-309</b>	
Freight.....	2,270	2,590	-320	2,270	2,428	-158	2,348	2,348	78	-242	Definitional, reclassification, and statistical
Ocean.....	92	275	-183	92	247	-155	170	170	78	-105	
Air.....	45	45		45	45		45	45			
Truck.....	2,028	2,028		2,028	2,028		2,028	2,028			Reclassification and statistical
Other.....	105	242	-137	105	108	-3	105	105		-137	
Port services.....	499	747	-248	594	696	-102	652	652	153	-95	Definitional and statistical
Vessel operators.....	47	129	-82	50	65	-15	65	65	18	-64	
Airline operators.....	390	511	-121	390	390		390	390		-121	Reclassification
Other.....	62	107	-45	153	241	-88	197	197	135	90	Reclassification and statistical
Other.....	110		110	11	28	-17	28	28	-82	28	Definitional, reclassification, and statistical
<b>2002</b>											
<b>Travel</b> .....	<b>6,565</b>	<b>6,489</b>	<b>76</b>	<b>6,565</b>	<b>6,505</b>	<b>60</b>	<b>6,565</b>	<b>6,565</b>		<b>76</b>	
Business and personal.....	6,436	6,489	-53	6,436	6,489	-53	6,436	6,436		-53	Statistical
Education.....	78		78	78	16	62	78	78		78	Reclassification and statistical
Medical.....	52		52	52		52	52	52		52	Statistical
<b>Passenger fares</b> .....	<b>593</b>	<b>594</b>	<b>-1</b>	<b>593</b>	<b>594</b>	<b>-1</b>	<b>593</b>	<b>593</b>		<b>-1</b>	Statistical
<b>Other transportation</b> .....	<b>3,014</b>	<b>3,589</b>	<b>-575</b>	<b>2,989</b>	<b>3,210</b>	<b>-221</b>	<b>3,128</b>	<b>3,128</b>	<b>114</b>	<b>-461</b>	
Freight.....	2,437	2,705	-268	2,437	2,543	-106	2,508	2,508	71	-197	Definitional, reclassification, and statistical
Ocean.....	107	238	-131	107	212	-105	160	160	53	-78	
Air.....	48	51	-3	48	51	-3	51	51	3		
Truck.....	2,157	2,171	-14	2,157	2,171	-14	2,171	2,171	14		Statistical
Other.....	126	245	-119	126	109	17	126	126		-119	Reclassification and statistical
Port services.....	446	884	-438	539	641	-102	594	594	148	-290	Definitional and statistical
Vessel operators.....	52	132	-80	55	66	-11	66	66	14	-66	
Airline operators.....	329	642	-313	329	329		329	329		-313	Reclassification
Other.....	65	110	-45	155	246	-91	199	199	134	89	Reclassification and statistical
Other.....	131		131	13	26	-13	26	26	-105	26	Definitional, reclassification, 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>2001</b>											
<b>Total</b> .....	<b>13,872</b>	<b>15,011</b>	<b>-1,139</b>	<b>12,791</b>	<b>14,337</b>	<b>-1,546</b>	<b>13,882</b>	<b>13,882</b>	<b>10</b>	<b>-1,129</b>	
Affiliated.....	6,813	8,588	-1,775	6,451	8,494	-2,043	6,568	6,568	-245	-2,020	Definitional, reclassification, and statistical
Royalties and license fees.....	2,156	2,103	53	2,156	2,072	84	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,657	6,485	-1,828	4,295	6,422	-2,127	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated.....	6,962	6,423	539	6,281	5,843	438	7,255	7,255	293	832	
Royalties, license fees, and selected services .....	1,631	1,361	270	1,612	1,341	271	1,612	1,612	-19	251	Reclassification and statistical
Insurance.....	367	414	-47	367	386	-19	367	367		-47	Definitional and statistical
Financial services.....	1,081	932	149	1,081	929	152	1,307	1,307	226	375	Definitional and statistical
Education and training.....	595	19	576	26	19	7	26	26	-569	7	Reclassification and statistical
Communications.....	519	695	-176	519	333	186	519	519		-176	Reclassification and statistical
Computer services.....	584	531	53	584	531	53	584	584		53	Statistical
Business services.....	1,541	850	691	1,203	1,112	91	1,603	1,603	62	753	Reclassification and statistical
Sports and entertainment.....	465	1,179	-714	710	1,023	-313	1,060	1,060	595	-119	Definitional, reclassification, and statistical
Other private.....		246	-246							-246	Definitional and reclassification
Government:											
United States (nonmilitary).....	72	64	8	72	64	8	72	72		8	Statistical
Canada.....	107	131	-24	107	105	2	105	105	-2	-26	Definitional and statistical
U.S. military sales.....	97		97	59		59	59	59	-38	59	Definitional and statistical
<b>2002</b>											
<b>Total</b> .....	<b>13,860</b>	<b>14,269</b>	<b>-409</b>	<b>12,704</b>	<b>13,553</b>	<b>-849</b>	<b>13,072</b>	<b>13,072</b>	<b>-788</b>	<b>-1,197</b>	
Affiliated.....	7,094	7,793	-699	6,692	7,708	-1,016	6,263	6,263	-831	-1,530	Definitional, reclassification, and statistical
Royalties and license fees.....	2,388	2,084	304	2,388	2,052	336	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Other services .....	4,706	5,708	-1,002	4,304	5,655	-1,351	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	
Unaffiliated.....	6,679	6,478	203	5,969	5,845	124	6,766	6,766	87	290	
Royalties, license fees, and selected services .....	1,491	1,352	139	1,471	1,330	141	1,471	1,471	-20	119	Reclassification and statistical
Insurance.....	301	431	-130	301	435	-134	301	301		-130	Definitional and statistical
Financial services.....	873	990	-117	873	896	-23	963	963	90	-27	Definitional and statistical
Education and training.....	652	14	638	29	14	15	29	29	-623	15	Reclassification and statistical
Communications.....	391	661	-270	391	304	87	391	391		-270	Reclassification and statistical
Computer services.....	772	523	249	772	523	249	772	772		249	Statistical
Business services.....	1,513	757	756	1,174	1,012	162	1,469	1,469	-44	712	Reclassification and statistical
Sports and entertainment.....	493	1,314	-821	765	1,163	-398	1,178	1,178	685	-136	Definitional, reclassification, and statistical
Other private.....		242	-242							-242	Definitional and reclassification
Government:											
United States (nonmilitary).....	86	61	25	86	61	25	86	86		25	Statistical
Canada.....	107	132	-25	107	106	1	106	106	-1	-26	Definitional and statistical
U.S. military sales.....	87		87	43		43	43	43	-44	43	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			Type of adjustment
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Canada	United States		
<b>2001</b>												
<b>Total</b> .....	<b>11,664</b>	<b>7,530</b>	<b>4,134</b>	<b>11,192</b>	<b>7,603</b>	<b>3,589</b>	<b>10,587</b>	<b>10,587</b>	<b>-1,077</b>	<b>3,057</b>		
Affiliated.....	5,390	3,724	1,666	5,363	3,696	1,667	4,285	4,285	-1,105	561		Definitional, reclassification, and statistical
Royalties and license fees.....	433	968	-535	429	968	-539	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )		
Other services .....	4,957	2,756	2,201	4,934	2,728	2,206	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )		
Unaffiliated .....	6,274	3,727	2,547	5,772	3,850	1,922	6,244	6,244	-30	2,517		
Royalties, license fees, and selected services .....	1,646	565	1,081	1,646	564	1,082	1,646	1,646	.....	1,081		Definitional and statistical
Insurance.....	48	257	-209	48	257	-209	386	386	338	129		Statistical
Financial services.....	294	183	111	297	183	114	196	196	-98	13		Statistical
Education and training.....	54	30	24	22	13	9	22	22	-32	-8		Reclassification and statistical
Communications.....	747	230	517	414	230	184	322	322	-425	92		Reclassification and statistical
Computer services.....	1,094	1,025	69	1,094	1,025	69	1,060	1,060	-34	35		Statistical
Business services .....	967	1,179	-212	1,078	1,087	-9	1,438	1,438	471	259		Reclassification and statistical
Sports and entertainment.....	959	37	922	917	270	647	917	917	-42	880		Definitional, reclassification, and statistical
Other private.....	207	.....	207	.....	.....	.....	.....	.....	-207	.....		Definitional and reclassification
Government:												
Canada.....	36	.....	36	36	.....	36	36	36	.....	36		Statistical
United States (nondefense).....	221	221	.....	221	221	.....	221	221	.....	.....		Statistical
U.S. defense expenditures.....	.....	77	-77	57	57	.....	57	57	57	-20		Definitional and statistical
<b>2002</b>												
<b>Total</b> .....	<b>11,022</b>	<b>8,001</b>	<b>3,021</b>	<b>10,406</b>	<b>8,276</b>	<b>2,130</b>	<b>10,598</b>	<b>10,598</b>	<b>-424</b>	<b>2,597</b>		
Affiliated.....	4,778	3,800	978	4,756	3,772	984	4,160	4,160	-618	360		Definitional, reclassification, and statistical
Royalties and license fees.....	438	849	-411	436	849	-413	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )		
Other services .....	4,340	2,951	1,389	4,320	2,923	1,397	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )		
Unaffiliated .....	6,244	4,118	2,126	5,596	4,441	1,155	6,373	6,373	129	2,255		
Royalties, license fees, and selected services .....	1,740	753	987	1,740	749	991	1,740	1,740	.....	987		Definitional and statistical
Insurance.....	145	438	-293	18	438	-420	438	438	293	.....		Statistical
Financial services.....	321	164	157	303	164	139	186	186	-135	22		Statistical
Education and training.....	53	28	25	20	12	8	20	20	-33	-8		Reclassification and statistical
Communications.....	685	342	343	357	342	15	349	349	-336	7		Reclassification and statistical
Computer services.....	963	781	182	963	781	182	943	943	-20	162		Statistical
Business services .....	917	1,399	-482	1,018	1,440	-422	1,535	1,535	618	136		Reclassification and statistical
Sports and entertainment.....	993	36	957	951	338	613	951	951	-42	915		Definitional, reclassification, and statistical
Other private.....	200	.....	200	.....	.....	.....	.....	.....	-200	.....		Definitional and reclassification
Government:												
Canada.....	34	.....	34	34	.....	34	34	34	.....	34		Statistical
United States (nondefense).....	193	177	16	193	177	16	177	177	-16	.....		Statistical
U.S. defense expenditures.....	.....	83	-83	53	63	-10	63	63	63	-20		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>2001</b>											
<b>Investment Income</b> .....	<b>21,799</b>	<b>27,998</b>	<b>-6,199</b>	<b>22,848</b>	<b>22,221</b>	<b>627</b>	<b>23,113</b>	<b>23,113</b>	<b>1,314</b>	<b>-4,885</b>	
<b>Direct investment income</b> .....	<b>11,975</b>	<b>10,950</b>	<b>1,025</b>	<b>11,881</b>	<b>10,321</b>	<b>1,560</b>	<b>11,612</b>	<b>11,612</b>	<b>-363</b>	<b>662</b>	
Earnings of incorporated affiliates .....	11,236	9,896	1,340	11,182	9,479	1,703	10,856	10,856	-380	960	
Dividends .....	3,286	4,048	-762	3,232	3,631	-399	3,431	3,431	145	-616	Definitional, reclassification, and statistical
Reinvested earnings .....	7,950	5,848	2,102	7,950	5,848	2,102	7,424	7,424	-526	1,576	Statistical
Earnings of unincorporated affiliates .....	60	169	-109	60	169	-109	117	117	57	-52	Statistical
Interest .....	679	885	-206	639	673	-34	639	639	-40	-246	Definitional, gross to net, and statistical
<b>Other investment income</b> .....	<b>9,824</b>	<b>17,048</b>	<b>-7,224</b>	<b>10,967</b>	<b>11,900</b>	<b>-932</b>	<b>11,501</b>	<b>11,501</b>	<b>1,677</b>	<b>-5,547</b>	
Securities .....	6,706	11,466	-4,760	9,053	9,854	-801	9,454	9,454	2,748	-2,012	
Dividends .....	1,615	1,292	323	1,615	1,155	460	1,385	1,385	-230	94	Definitional, reclassification, and statistical
Interest .....	5,091	10,175	-5,084	7,438	8,699	-1,261	8,069	8,069	2,978	-2,106	Definitional and statistical
U.S. claims/Canadian liabilities .....	3,118	5,581	-2,463	1,914	2,045	-131	2,047	2,047	-1,071	-3,534	
U.S. bank claims .....	2,597	3,123	-526	765	772	-7	832	832	-1,765	-2,291	Gross to net and statistical
Other private U.S. claims .....	521	2,459	-1,938	1,149	1,273	-124	1,215	1,215	694	-1,244	Statistical
<b>2002</b>											
<b>Investment Income</b> .....	<b>19,285</b>	<b>24,789</b>	<b>-5,504</b>	<b>20,783</b>	<b>20,547</b>	<b>236</b>	<b>22,321</b>	<b>22,321</b>	<b>3,036</b>	<b>-2,468</b>	
<b>Direct investment income</b> .....	<b>11,208</b>	<b>9,380</b>	<b>1,828</b>	<b>11,093</b>	<b>8,745</b>	<b>2,348</b>	<b>10,843</b>	<b>10,843</b>	<b>-365</b>	<b>1,463</b>	
Earnings of incorporated affiliates .....	10,454	8,348	2,106	10,382	7,874	2,508	9,925	9,925	-529	1,577	
Dividends .....	3,451	4,531	-1,080	3,379	4,058	-679	3,718	3,718	267	-813	Definitional, reclassification, and statistical
Reinvested earnings .....	7,003	3,817	3,187	7,003	3,816	3,187	6,206	6,206	-797	2,390	Statistical
Earnings of unincorporated affiliates .....	193	460	-267	193	460	-267	401	401	208	-60	Statistical
Interest .....	561	572	-11	518	410	108	518	518	-43	-54	Definitional, gross to net, and statistical
<b>Other investment income</b> .....	<b>8,077</b>	<b>15,409</b>	<b>-7,332</b>	<b>9,690</b>	<b>11,802</b>	<b>-2,112</b>	<b>11,478</b>	<b>11,478</b>	<b>3,401</b>	<b>-3,931</b>	
Securities .....	6,282	12,161	-5,879	8,692	10,443	-1,751	10,199	10,199	3,917	-1,962	
Dividends .....	1,716	1,046	671	1,716	940	776	1,328	1,328	-388	282	Definitional, reclassification, and statistical
Interest .....	4,566	11,116	-6,550	6,976	9,503	-2,527	8,871	8,871	4,305	-2,244	Definitional and statistical
U.S. claims/Canadian liabilities .....	1,795	3,248	-1,453	998	1,359	-361	1,278	1,278	-517	-1,969	
U.S. bank claims .....	1,561	1,504	57	452	556	-104	591	591	-970	-912	Gross to net and statistical
Other private U.S. claims .....	234	1,744	-1,510	546	804	-258	687	687	453	-1,057	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>2001</b>											
<b>Investment Income</b> .....	<b>4,137</b>	<b>167</b>	<b>3,970</b>	<b>1,426</b>	<b>-1,484</b>	<b>2,910</b>	<b>1,515</b>	<b>1,515</b>	<b>-2,622</b>	<b>1,348</b>	
<b>Direct investment income</b> .....	<b>-2,049</b>	<b>-5,612</b>	<b>3,563</b>	<b>-2,368</b>	<b>-5,819</b>	<b>3,451</b>	<b>-2,948</b>	<b>-2,948</b>	<b>-899</b>	<b>2,664</b>	
Earnings of incorporated affiliates .....	-1,989	-6,242	4,253	-2,406	-6,454	4,048	-3,554	-3,554	-1,565	2,688	
Dividends .....	1,292	1,766	-474	876	1,554	-679	1,833	1,833	541	67	Definitional and statistical
Reinvested earnings .....	-3,281	-8,008	4,727	-3,282	-8,008	4,727	-5,387	-5,387	-2,106	2,621	Statistical
Earnings of unincorporated affiliates .....	-188	212	-400	31	212	-181	183	183	371	-29	Definitional and statistical
Interest .....	128	418	-290	8	423	-416	423	423	295	5	Definitional, gross to net, and statistical
<b>Other investment income</b> .....	<b>6,186</b>	<b>5,779</b>	<b>407</b>	<b>3,794</b>	<b>4,335</b>	<b>-541</b>	<b>4,463</b>	<b>4,463</b>	<b>-1,723</b>	<b>-1,316</b>	
Securities .....	2,197	2,815	-618	2,170	2,815	-645	2,604	2,604	407	-211	
Dividends .....	1,725	1,806	-81	1,583	1,806	-223	1,806	1,806	81	.....	Definitional and statistical
Interest .....	472	1,009	-537	587	1,009	-422	798	798	326	-211	Definitional and statistical
Canadian claims/U.S. liabilities .....	2,748	1,261	1,487	558	58	500	595	595	-2,153	-666	
Canadian bank claims .....	2,217	1,044	1,173	31	8	23	127	127	-2,090	-917	Gross to net and statistical
Other private Canadian claims .....	531	217	314	527	50	477	468	468	-62	251	Statistical
U.S. Government liabilities .....	1,241	1,703	-462	1,066	1,462	-396	1,264	1,264	23	-439	Definitional and statistical
<b>2002</b>											
<b>Investment Income</b> .....	<b>5,852</b>	<b>3,804</b>	<b>2,048</b>	<b>3,083</b>	<b>2,601</b>	<b>482</b>	<b>3,612</b>	<b>3,612</b>	<b>-2,240</b>	<b>-192</b>	
<b>Direct investment income</b> .....	<b>1,090</b>	<b>-1,213</b>	<b>2,303</b>	<b>-528</b>	<b>-1,236</b>	<b>708</b>	<b>-543</b>	<b>-543</b>	<b>-1,633</b>	<b>670</b>	
Earnings of incorporated affiliates .....	3,057	-1,780	4,837	304	-1,805	2,109	-1,050	-1,050	-4,107	730	
Dividends .....	2,797	521	2,276	807	496	311	651	651	-2,145	130	Definitional and statistical
Reinvested earnings .....	260	-2,301	2,561	-502	-2,301	1,799	-1,702	-1,702	-1,962	599	Statistical
Earnings of unincorporated affiliates .....	-2,178	20	-2,198	-933	20	-953	-42	-42	2,136	-62	Definitional and statistical
Interest .....	211	547	-336	101	549	-448	549	549	338	2	Definitional, gross to net, and statistical
<b>Other investment income</b> .....	<b>4,762</b>	<b>5,017</b>	<b>-255</b>	<b>3,611</b>	<b>3,837</b>	<b>-226</b>	<b>4,155</b>	<b>4,155</b>	<b>-607</b>	<b>-862</b>	
Securities .....	2,335	3,117	-782	2,364	3,117	-753	2,870	2,870	535	-247	
Dividends .....	1,926	2,026	-100	1,767	2,026	-259	2,026	2,026	100	.....	Definitional and statistical
Interest .....	408	1,091	-683	597	1,091	-494	844	844	435	-247	Definitional and statistical
Canadian claims/U.S. liabilities .....	1,481	687	794	418	-110	528	456	456	-1,025	-231	
Canadian bank claims .....	968	507	461	-91	-136	45	-10	-10	-978	-517	Gross to net and statistical
Other private Canadian claims .....	513	180	333	509	26	483	466	466	-47	286	Statistical
U.S. Government liabilities .....	946	1,213	-267	829	830	-1	829	829	-117	-384	Definitional and statistical