

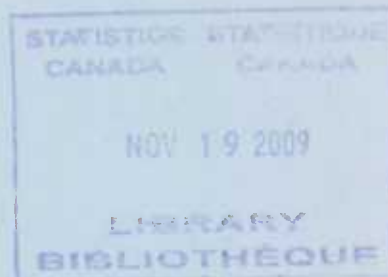
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CANADA / UNITED STATES
CURRENT ACCOUNT RECONCILIATION
BALANCE OF PAYMENTS
1988 AND 1989

Balance of Payments Division
Statistics Canada
February 1991

Canada

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CANADA/UNITED STATES

CURRENT ACCOUNT RECONCILIATION

BALANCE OF PAYMENTS

1988 AND 1989

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INTRODUCTION

In principle, the bilateral Balance of Payments (BOP) accounts of one country mirror those of its trading partners. In practice, however, discrepancies exist because of differences in concept, methodology and measurement. These differences are explained through a complex process called reconciliation.

The purpose of a reconciliation process is threefold. At the statistical level, it reveals measurement errors and gaps, it suggests the use of a counterpart series for reasons of quality and efficiency and it leads to innovations in measurement, analysis and presentation. At the analytical level, it permits fuller intercountry comparisons by using national series which are at least reconcilable between countries, if not the mirror image of the trading partner. Finally, at the policy level, a common perception of the facts is likely to facilitate the development of bilateral economic and financial negotiations.

Canada and the United States, largely because of their extensive commercial ties, have been in the forefront in reconciling their bilateral accounts. The reconciliation has concentrated on the current account and has been conducted in two parts: merchandise trade and non-merchandise trade. The merchandise trade reconciliation¹ carried out since 1970, culminated in January 1990 in a formal statistical exchange between Canada and the United States whereby each country uses the other country's import documents to compile its merchandise export data. For non-merchandise transactions, annual reconciliations have also been conducted since 1970.² The non-merchandise reconciliation is less straightforward than for merchandise trade since it deals with invisible transactions which are difficult to identify and measure.

This report³ documents the different issues arising from the Current Account reconciliation between Canada and the United States for 1988 and 1989 and from the merchandise trade exchange of 1990.

In recent years, the reconciliation has been carried out against a background of renewed international efforts to harmonize statistical concepts and classifications, with special emphasis on trade in services. The statistical offices of the International Monetary Fund, the OECD, Eurostat and the United Nations have been working on integrating the domestic and international sectors within the statistical framework of a given country as well as on refining BOP classifications to improve the portrayal of developments in external markets, notably in services. The recent emphasis on services arises largely from their inclusion in the latest round of GATT negotiations.

¹ The merchandise trade reconciliation is conducted by the International Trade Division of Statistics Canada and the U.S. Bureau of the Census.

² The reconciled Current Account data are published each year in the third quarter issue of **Canada's Balance of International Payments** (Catalogue 67-001) and in the December issue of the U.S. Bureau of Economic Analysis's **Survey of Current Business**.

³ This is the third year for which a document has been prepared on the Current Account Reconciliation.

SECTION 1. Overview and Summary

1.1 Reconciliation process

The reconciliation process is conducted in two stages: 1) conversion of the official published data to a common or uniform⁴ framework; 2) examination of the remaining data differences to arrive at reconciled values.

1) A common framework is established by adopting the same definitions and classifications. It does not represent an ideal conceptual framework, but is rather a practical working tool to facilitate comparison of data between the two countries. The major definitional differences between Canada and the United States arise from:

- merchandise re-exports: Canadian re-exports are allocated by the United States as imports from the country of origin and not from Canada; U.S. re-exports are allocated, however, as imports from the U.S. in the Canadian BOP accounts;
- the direct investment income: it is shown on an accrual basis by the United States and on a distribution basis by Canada;
- a range of other classification and methodological differences (Text Table 1): these items cancel out in the current account balance.

2) The common framework highlights similarities as well as differences in data. Most of the series published by the two countries are in the same orders of magnitude measuring, as they do, the same economic phenomena. In some cases, counterpart data are used where one country's results have been demonstrated to be better (Text Table 1 and Text Table 2). There are other cases where discrepancies are identified and remain in the published series as it is difficult to establish the better series without further research or without affecting the data with third countries. In such cases, common values are adopted for the reconciliation exercise only.

1.2 Outline of the report

The Merchandise Trade (Section 2) is first discussed with reference to the 1990 exchange of import statistics, and then with reference to the 1988 and 1989 reconciliation exercises. The subsequent sections deal with: transportation (Section 3), services (Section 4), investment income (Section 5) and transfers (Section 6). Each section explains briefly how the published accounts were re-arranged to arrive at a "Common basis" for both countries and shows the reconciliation adjustments to arrive at reconciled values. The text follows the numbering system of the tables which are shown in the Appendix. The data are shown in millions of United

⁴ Common and uniform are terms used interchangeably throughout this report.

TEXT TABLE 1. Major Areas of Conceptual Differences and Exchange in the Current Account of Canada and the United States

A. DIFFERENCES IN CONCEPT AND METHODOLOGY

1. Merchandise trade (BOP basis)

Valuation: Canada: valued at the plant (i.e. exclusive of inland freight which is classified as services)
U.S.: valued at the border (i.e. inclusive of inland freight)

Allocation of imports: Canada: last country of shipment
U.S.: country of origin

2. Services

Netting, grossing: Intercompany transactions: Canada, gross; U.S., net
Insurance transactions: Canada, gross; U.S., net
Communications transactions: Canada, net; U.S., gross

Withholding taxes: Canada: services recorded gross of taxes
U.S.: services recorded net of taxes

Automotive tooling and other charges: Canada: included; U.S.: not covered

3. Investment income

Netting/grossing: Banking transactions: Canada, net; U.S., gross
Intercompany interest (excluding banks): Canada, gross; U.S., net

Accrual/cash, direct investment income: Canada, distributed e.g. dividends
U.S., accrued i.e. includes dividends and retained earnings

Withholding taxes: Canada: investment income recorded gross of taxes
U.S.: investment income recorded net of taxes

4. Transfers

Withholding taxes: Canada: included (services and investment income are recorded gross of withholding taxes)
U.S. : not included (services and investment income are recorded net of taxes)

B. USE OF COUNTERPART DATA

1. Merchandise trade: Customs imports: detailed data exchanged between the two countries starting in 1990; were previously exchanged at the global level.

2. Services: Travel, inland freight, some government expenditures, commuter/migrant earnings and trade union transactions.

3. Investment income: Interest on deposits in U.S. banks. Canada uses U.S. Treasury data on U.S. banks liabilities to Canada to derive interest receipts.

4. Transfers: Migrants' funds, pensions.

States dollars. **Northbound** refers to Canadian payments/U.S. receipts; **Southbound** to Canadian receipts/U.S. payments. The balances are shown as net Northbound and, as such, are the reverse of the balances published in Canada's Balance of Payments.

TEXT TABLE 2. Data Exchanged as % of Total Published Data, Bilateral Account between United States and Canada, 1989

	United States		Canada	
	Total U.S. \$ billion	%	Total U.S. \$ billion	%
Northbound				
Merchandise	78	100	79	100
Travel	5	100	5	100
Transportation	3	0	3	79
Other services	5	8	7	4
Investment income	14	0	12	0
Transfers	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	105	79	107	81
Southbound				
Merchandise	87	100	90	100
Travel	3	100	3	100
Transportation	3	76	3	0
Other services	3	37	4	5
Investment income	5	0	3	14
Transfers	<u>0</u>	<u>0</u>	<u>2</u>	<u>21</u>
Total	102	92	104	90

1.3 Summary⁵ of 1990 reconciliation

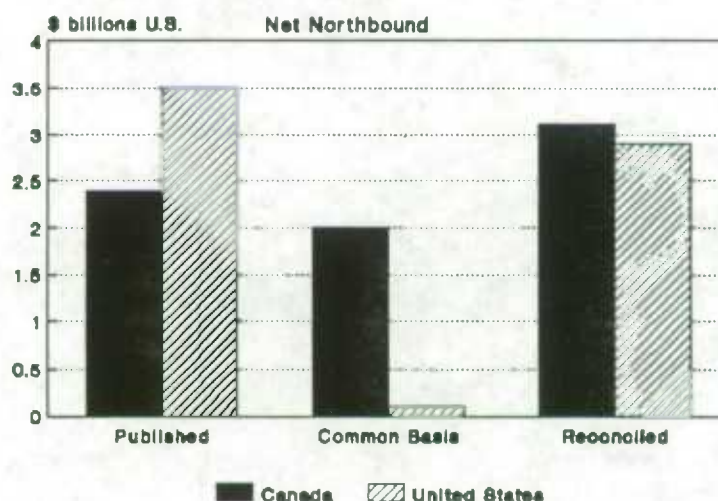
In 1989, Canada's published current account deficit with the United States was shown as \$2.4 billion in the Canadian data and \$3.5 billion in the United States data (See Graph 1). Translated into a uniform framework, the deficit was brought to \$2.0 billion (Canadian data) and \$0.1 billion (United States data). The major change was to the U.S. data from which \$3.4 billion of undistributed earnings on direct investment was removed, since undistributed earnings are not included in the Canadian balance of payments. The **reconciled** Current Account deficit for Canada amounted to \$3.1 billion (Canadian data) and to \$2.9 billion (United States data). The major changes, which are due to data measurement, came from the merchandise trade in the Canadian data (an increase of \$1.2 billion in net surplus) and from non-merchandise transactions in the U.S. data (increase of \$2.8 billion in net surplus).

For merchandise trade, the **reconciled** data show a Canadian surplus/U.S. deficit of \$9.6 billion. However, the Canadian data on a **common basis** show a larger surplus (\$10.8 billion) because of upwards revisions to Canadian exports, largely in petroleum products, carried out after the reconciliation (See Graph 2).

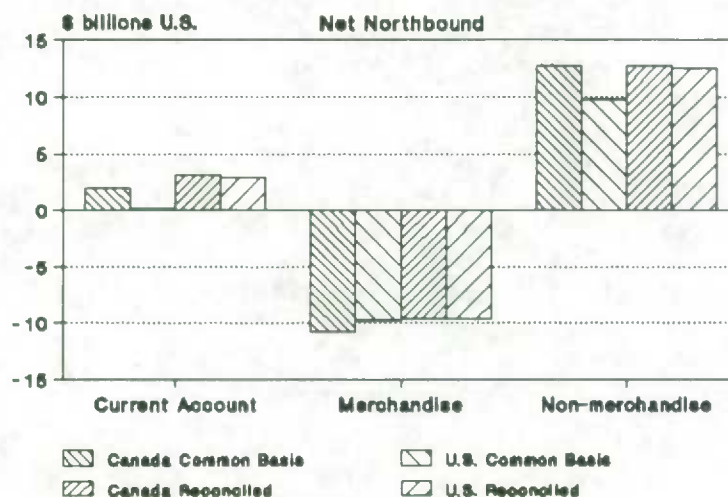
⁵ All data quoted in United States dollars.

Once rearranged into a uniform presentation, non-merchandise transactions in Canadian data show a higher Canadian deficit (\$12.8 billion) than the surplus (\$9.8 billion) from the United States data. After the reconciliation adjustments were made, the Canadian non-merchandise deficit remained about the same because of offsetting adjustments between and within the services and investment income series. The U.S. non-merchandise surplus was increased by \$2.8 billion in the reconciliation process, of which \$2.3 billion in investment income and \$0.4 billion in services.

GRAPH 1. Current Account Balances, Total 1989



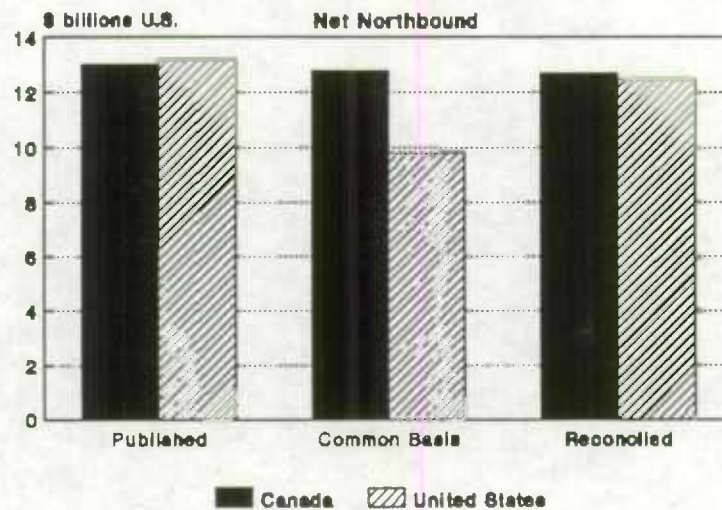
GRAPH 2. Current Account Balances, 1989



The U.S. non-merchandise surplus was increased by \$2.8 billion from a **common** to a **reconciled** basis as follows:

- \$0.5 billion for auto tooling and retro-active price adjustment;
- \$0.6 billion for direct investment income of U.S. parent companies from their Canadian affiliates;
- \$1.7 billion for interest receipts on deposits at Canadian banks.

GRAPH 3. Non-merchandise Balances, Total 1989



The Canadian non-merchandise deficit remained the same from a **common** to a **reconciled** basis, as a result of increases of:

- \$0.4 billion for services paid to U.S. parents;
- \$0.2 billion for computer services and Canadian students' expenditures in the U.S.; and
- \$0.5 billion for valuation of Canadian bank profits in the U.S. which were recorded gross of provisions for losses (netted in U.S. data).

These were offset by decreases of:

- \$0.3 billion for overvaluation of transportation services;
- \$0.8 billion for undervaluation of receipts of interest and dividends on portfolio investment income.

Differences remain between the two countries in the insurance sector for both services and investment income.

SECTION 2. MERCHANDISE TRADE

The official bilateral monthly merchandise trade data of Canada and the United States have, since 1990, been derived from an exchange of their respective customs-based import statistics. That is, Canada uses U.S. imports from Canada as exports to the United States and the United States uses Canadian imports from the United States as exports to Canada. Although the official exchange of data began in January 1990, an exchange of import statistics has been in effect since 1970, but the mechanism was different: each partner used the counterpart imports as a control series to adjust upwards its own exports for undercoverage. With the January 1990 exchange, the two countries no longer compile their own detailed export series but rather rely on the partner country's detailed imports; accordingly, reconciliation adjustments, such as for undercoverage, are no longer needed.

The first part of this section deals with the 1990 data exchange; the second part with the 1988 and 1989 reconciliations.

PART A: MERCHANDISE UNDER THE DATA EXCHANGE FROM 1990⁶

Merchandise trade is published by both countries on two bases: customs and balance of payments (BOP). Even though these series are derived from the exchange of import data, differences still remain between the two countries in the customs data (section 2.1), between customs and BOP data (section 2.2) and between BOP data (section 2.3).

2.1 Major differences between Canadian and U.S. customs data

As noted earlier, an exchange of data does not necessarily lead to identical bilateral data and this is because of conceptual and methodological differences. In the case of merchandise trade, differences are due to two major factors:

1) **Re-exports:** On a customs basis, the two countries allocate imports to the country of origin⁷ and not to the last country of shipment. Conversely, the two countries record exports inclusive of re-exports. This leads to a situation where the re-exports⁸ of a country are not recorded as imports in the other country's data. Thus, U.S. imports from Canada will show only those goods originating from Canada and not all goods shipped from Canada. Canada will show as exports, however, all

⁶ Customs data information is largely derived from "Imports by Commodity", February 1990, Statistics Canada Catalogue 65-007.

⁷ Except for U.S. goods returned which are credited to the country of shipment in the U.S. import series.

⁸ Re-exports are goods of foreign origin, which have been shipped to a consignee in Canada, have not been materially transformed in Canada and, when shipped from Canada, are designated as re-exports and are part of Canadian exports along with domestic exports. Re-exports differ from goods in transit, as the latter have been shipped to a consignee in another country through Canadian territory. Goods in transit are excluded from the national trade statistics of both countries.

goods shipped from Canada. As such, Canadian exports are larger than U.S. imports. Similarly, U.S. exports are larger than Canadian imports (customs basis) by the amount of U.S. re-exports to Canada.

2) **Point of valuation:** Canadian imports are valued at the U.S. f.o.b. place of shipment whereas the U.S. exports are valued at the U.S. border. Similarly, Canadian exports are published inclusive of inland freight whereas the U.S. imports exclude inland freight. The two merchandise trade series thus differ by the amount of inland freight.

Text Table 3 shows the steps needed to link United States imports to Canadian exports and Canadian imports to United States exports.

TEXT TABLE 3. Derivation* of Customs Merchandise Exports of a Country from Customs Merchandise Imports of the Other Country, Year-to-September 1990

	I	II	III
	billions of U.S. \$		
A Derivation of Canadian Customs Exports**			
U.S. imports (Country of origin and f.o.b. point of lading)	21.92	24.02	21.81
1) Add Canadian re-exports (goods of foreign origin shipped through Canada)	1.27	1.30	1.30
2) Subtract U.S. goods returned through Canada and designated as of Canadian origin by the U.S.	-0.84	-0.90	-0.86
3) Subtract U.S. imports originating from Canada but shipped from third countries	-0.03	-0.04	-0.02
4) Add freight and related charges from point of lading to Canadian border	0.60	0.63	0.59
<u>Equals</u>			
Canadian exports	22.91	25.02	22.80
B Derivation of United States Customs Exports**			
Canadian imports (country of origin, f.o.b. place of shipment)	18.84	20.58	17.11
1) Add Canadian goods returned (U.S. re-exports to Canada) less goods of U.S. origin shipped to Canada from third countries.	1.18	1.21	1.14
2) Add U.S. inland freight***	0.89	0.97	0.81
<u>Equals</u>			
United States exports	20.91	22.76	19.06
C Comparison of Customs Data Balances			
Canadian exports	22.91	25.02	22.80
Canadian imports	18.84	20.58	17.11
Canadian trade surplus	4.07	4.44	5.69
U.S. exports	20.91	22.76	19.06
U.S. imports	21.92	24.02	21.81
U.S. trade deficit	-1.01	-1.26	-2.75

* Derivations may not equal totals due to rounding.

** Monthly Canadian and United States data at time of release.

*** Estimated at 4.25% of published U.S. exports.

2.2 Major differences between customs based and BOP merchandise trade, Canada and the United States

In the two countries, customs based data are adjusted to arrive at a balance of payments basis. In Canada the two sets of series are published simultaneously every month, whereas in the United States the customs based series are monthly but the Balance of Payments series are quarterly only. For each country, the major differences between customs basis and balance of payments data are as follows:

Canada

1. Canadian imports are allocated to the country of origin in customs-based data and to the last country of shipment in BOP data. The last country of shipment may better represent the country with which the trade occurred (BOP change of ownership concept). For both customs based and BOP data, Canadian imports are valued f.o.b. place of direct shipment to Canada and, as such, exclude freight and insurance costs in bringing the goods to Canada from the point of direct shipment.
2. From January 1990, Canadian exports to the United States are valued f.o.b. point of exit from Canada in customs data. Canadian exports continue to be valued in BOP data at the point of lading, with the inland freight to border classified among services.
3. Canadian customs based data include goods which cross the border to be processed. The BOP excludes gold and uranium when they cross the border to be processed and when no change of ownership occurs; the processing fee is shown as services. The treatment of processing is also being reassessed against international consensus which views processing as merchandise rather than as a service activity.
4. Canadian customs trade in capital goods is valued when the goods cross the border whereas the BOP values large military goods when progress payments are made (the previous practice of valuing all large capital goods on a progress payments basis is being phased out).
5. Goods, principally gold, which change ownership but do not cross the border are recorded in the balance of payments but not in customs data.
6. Canadian exports of crude and refined petroleum and natural gas are recorded from United States imports in the customs data, but from Canadian sources in the BOP data; the latter source has been viewed as more reliable. Starting in January 1991, the Canadian sources on natural gas will be used in the customs data of both countries, and not from the U.S. customs import data. The same treatment applies for electricity exports to U.S. which is compiled from Canadian series and used in the customs sources of both countries. Discussions are underway to extend the treatment to petroleum.
7. The customs data are not seasonally adjusted whereas the BOP series are seasonally adjusted on a monthly basis.

TEXT TABLE 4. Links between Customs and BOP Merchandise Trade, Year-to-September 1990
as Published Third Quarter 1990

	I	II billions of U.S. \$	III
A Canadian exports			
Customs exports (f.o.b. border as initially published)	22.91	25.02	22.80
As published IIIQ 90	22.91	25.04	22.62
Adjustments:			
Freight	-0.61	-0.61	-0.54
Progress payments	+0.05	+0.10	-0.08
Crude petroleum	+0.08	+0.19	+0.15
Natural gas	+0.18	+0.21	+0.22
Gold bullion	+0.17	+0.17	+0.18
Uranium	-0.03	-0.05	-0.02
Other	-0.04	0	0
Total	-0.20	-0.09	-0.09
<u>Equals</u>			
BOP exports	22.69	24.94	27.51
B Canadian imports			
Customs imports country of origin (f.o.b. place of shipment as initially published)	18.84	20.58	17.11
Adjustments to country of shipment	+1.18	+1.21	+1.14
Canadian imports country of shipment (as initially published)	20.02	21.79	18.25
As published IIIQ90	20.20	21.83	18.31
Adjustments:			
Progress payments	+0.03	-0.12	+0.04
Gold	+0.16	+0.01	+0.06
Cda/U.S. recon.	-0.11	-0.11	-0.10
<u>Equals</u>			
BOP imports	20.28	21.60	18.32
C Comparison of balances			
Customs balance	+2.71	+4.21	+4.31
BOP balance	+2.36	+3.34	+4.19

United States

1. The United States trade includes the value of equipment repair in its customs series but classifies it as services in the balance of payments.
2. The customs basis merchandise trade includes military agency trade; this military agency trade is excluded from merchandise trade on a BOP basis and included in the Military transactions accounts shown separately in the BOP.
3. The United States customs trade includes the value of exposed motion picture film. This value is removed from the merchandise trade on the BOP as the rental value of the films is included in services.
4. The United States customs data publishes revisions for the previous month in total only (no commodity, no geographical details) and once a year (July) for previous months. However, the commodity and country details revisions are made available. The U.S. BOP includes these detailed revisions in the merchandise trade data, with the revisions for the previous year included in the IIQ (June) release.
5. The United States customs merchandise trade is published exclusive of inland freight whereas the BOP merchandise trade includes inland freight.
6. The United States customs merchandise trade data are published every month whereas the BOP series are published every quarter.
7. The customs merchandise trade data are seasonally adjusted on a monthly basis. The BOP data are also seasonally adjusted on a monthly basis, but published quarterly only. Differences in seasonal data between the two series are in the process of being resolved.

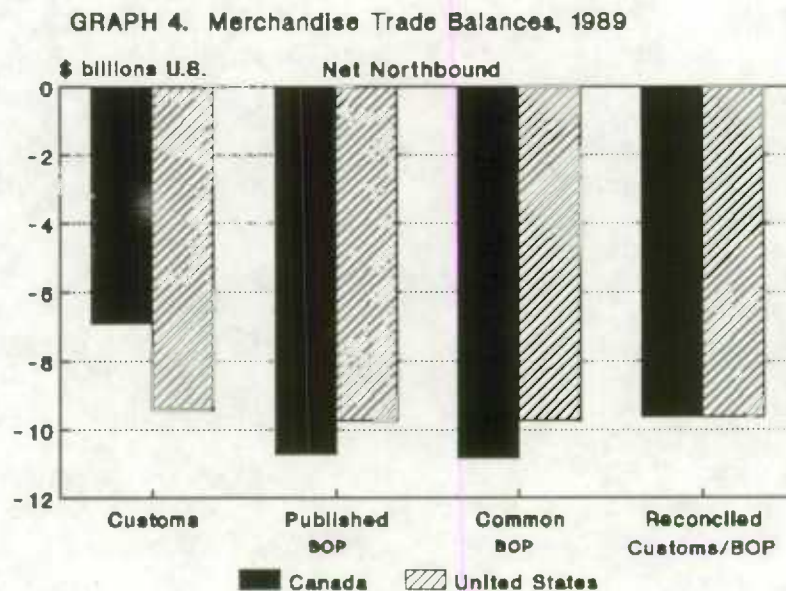
2.3 Differences in BOP merchandise trade between Canada and the United States

1. Merchandise trade is valued at the f.o.b. point of lading in Canada and at the border in the United States.
2. Merchandise imports are allocated to the last country of export/consignment in Canada and to the country of origin in the United States (except for U.S. goods returned which are credited to the country of shipment in the U.S. imports series).
3. The value of repair is included in merchandise trade by Canada but excluded by the United States. International consensus calls for the repair value on investment goods to be shown as merchandise trade.
4. Canada excludes processing of gold and uranium (the fees on processing are included in services) whereas the United States includes the full value of all goods processed. Canada is reviewing its treatment with a view to recording processing as merchandise trade.
5. Canada includes the value of motion picture film whereas it is excluded in United States data.
6. Canada records large military goods when the progress payments are made; the United States records the trade when goods cross the border.

PART B: BOP MERCHANDISE DATA UNDER THE RECONCILIATION, 1988 and 1989

In order to reconcile data under a common framework for 1988 and 1989, customs-based imports were allocated to the country of last shipment so that re-exports could be matched against the imports of each partner country.

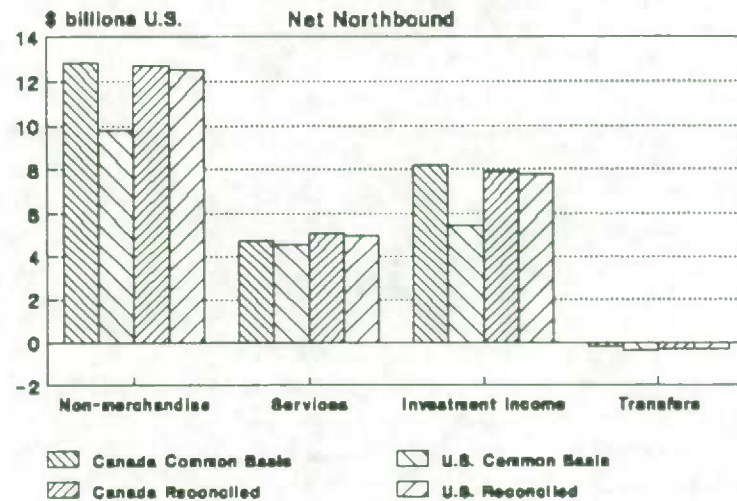
Though both countries' BOP data were derived from reconciled data, they still differ because of revisions which were incorporated after the Merchandise Trade Reconciliation. The major revisions to the Canadian series are caused by higher exports of energy products which are believed to have been under-reported in United States imports series.



NON-MERCHANDISE

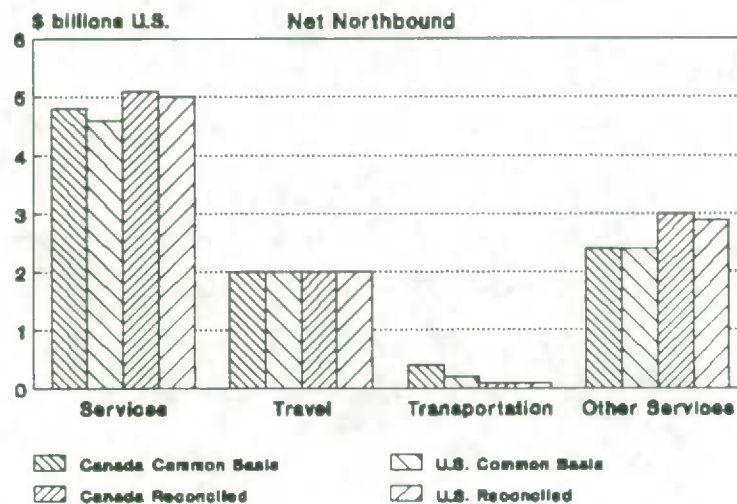
Non-merchandise transactions are made up of Services, Investment Income and Transfers (see Graph 5).

GRAPH 5. Non-merchandise Balances, 1989



Services are in turn made up of Travel, Transportation and Other Services. The latter category comprises Government Services, Business Services and all Other Services (see Graph 6).

GRAPH 6. Services Balances, 1989



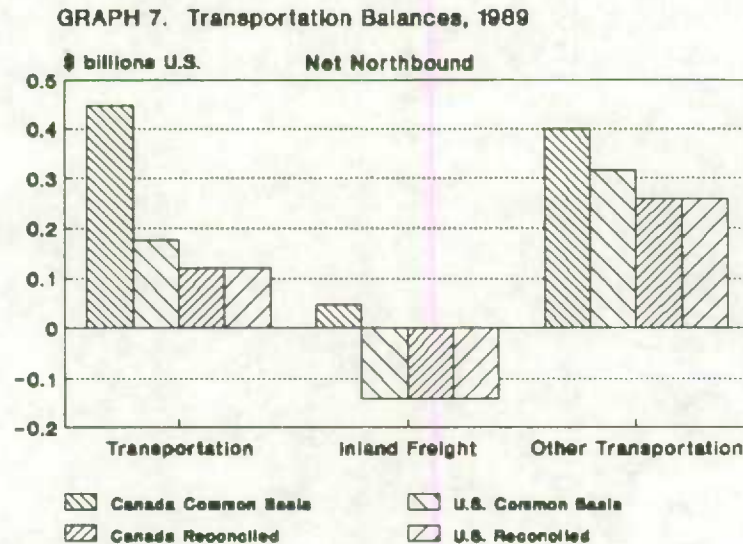
SECTION 3: TRANSPORTATION

The transportation accounts tend to be distorted by two conventions: that merchandise is valued at the border of the exporting country (adopted by the United States), and that importers bear the freight charge (adopted by both countries).

The Canadian BOP data value merchandise trade at plant, and assign inland freight to the frontier to the transportation account⁹.

The convention that inland freight costs are borne by the importer is accepted by both Canada and the United States. Furthermore, the two countries have been exchanging one another's estimates of inland freight for many years. Starting in 1990, a direct monthly reporting to U.S. Customs of freight on commodity imports is being used in place of less specific Canadian estimates of inland freight receipts used previously. (For purposes of reconciliation, the United States allocates inland freight to transportation.)

Apart from inland freight, certain smaller differences exist between the Canadian and United States transportation accounts. The United States, for example, includes various transactions of airlines, railways and related equipment rentals which Canada classifies to its Business services account (transferred to Transportation for reconciliation purposes). Canada records a number of receipts earned by Canadian carriers on U.S. goods in transit through Canada; the United States assumes that foreign importers pay for this and make no entry (for reconciliation, these Canadian earnings are removed).



⁹ Where certain resources exports were in practice valued at border (inclusive of inland freight), a deduction from the merchandise data in the form of a BOP adjustment has been made. After 1989, such deductions on resources exports are no longer needed since U.S. import data separately identify the value of goods at the plant as well as the inland freight component to the border. BOP imports, including those from the U.S., are valued f.o.b. place of shipment.

The reconciled transportation balance shows a Canadian deficit/U.S. surplus of \$0.2 billion in 1988 and \$0.1 billion in 1989.

Reconciliation is conducted under four major headings: A) Freight, B) Port expenditures, C) Other freight-related transactions (excluding inland freight) and D) Inland freight.

- A) 3.111 **FREIGHT** - Ocean
 - Great Lakes
 - Air
 - Rail
 - Pipelines

3.1111 **Ocean**

Northbound (U.S. receipts, Canadian payments)

		<u>1988</u>			<u>1989</u>		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1111	Ocean	199	213	(14)	144	223	(79)
3N.11111	Foreign to						
	foreign	115	124	(9)	72	132	(60)
3N.11112	Exports	84	43	41	72	47	25
3N.11113	Other	0	46	(46)	0	44	(44)

"Foreign to foreign" represents payments to U.S. shipping operators on Canadian imports loaded in foreign ports; also goods destined for Canada carried by U.S. operators, unloaded in U.S. ports and then carried to Canada by land. For 1988, the differences stand. The U.S. felt its 1989 figure was low; the Canadian figure was largely estimated, and a reconciled value of \$125 million for each country was taken.

Canada identifies its petroleum traffic (under Other). However, the U.S. does not include such receipts if paid to non-flag ships, which is partly the case in the Canadian data. (The Canadian survey covers payments to both flag and non-flag carriers.) Some replies to clarify flag or non-flag status are outstanding and an interim estimate of \$15 million is made here for 1988 and 1989.

The reconciled results are as follows, with any remaining differences agreed to stand.

		<u>1988</u>			<u>1989</u>		
	<u>Reconciled</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1111	Ocean freight	199	182	17	197	187	10
3N.11111	Foreign to foreign	115	124	(9)	125	125	0
3N.11112	Exports and other	84	58	26	72	62	10
& 11113							

Southbound (U.S. payments, Canadian receipts)

		<u>1988</u>			<u>1989</u>		
		<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
3S.1111	Ocean freight	114	117	3	104	113	9

This represents earnings by Canadian carriers to bring Canadian and foreign cargo into the U.S. For reconciliation, it was agreed that the small differences should stand.

		<u>1988</u>			<u>1989</u>		
		<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
3.1112	Great Lakes						
3N.1112	Northbound	10	10	0	6	11	(5)
3S.1112	Southbound	51	59	8	52	69	17

The 1989 Canadian Northbound figure is an estimate. (The figure has yet to be obtained from the U.S., the source in the past.) Earnings by Canadian shipping operators (Southbound) are calculated separately for iron ore and other traffic. Using past practice for this item (i.e. using U.S. figures Northbound and Canadian figures Southbound) produces the following reconciliation:

		<u>1988</u>			<u>1989</u>		
		<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
	Great Lakes (reconciled)						
3N.1112	Northbound	10	10	0	6	6	0
3S.1112	Southbound	59	59	0	69	69	0
3.1113	Air						
		<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
3N.1113	Northbound	20	7	13	74	11	63
3S.1113	Southbound	22	12	(10)	26	13	(13)

Data represent earnings paid to carriers to bring air cargo into the importing country. The Northbound U.S. value for 1989 is revised to \$20 million after reallocation to other countries; the differences are allowed to stand. The lower Southbound Canadian values are largely estimated. These need to be obtained from the carriers. U.S. figures are used in reconciliation.

		<u>1988</u>			<u>1989</u>		
		<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
	Air (reconciled)						
3N.1113	Northbound	20	7	13	20	11	9
3S.1113	Southbound	22	22	0	26	26	0
3.1114	Rail						
	(reconciled)	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Cda</u>	<u>Diff</u>
	Northbound	17	17	0	18	18	0
	Southbound	63	63	0	66	66	0

Data represent earnings paid to one country's carriers for the carriage of the other's goods. Canadian coverage still requires clarification; U.S. estimates are used for reconciliation as shown above.

3.1115	Pipelines		<u>1988</u>		<u>1989</u>		
	(reconciled)	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3.N1115	Northbound (only)	260	273	(13)	254	248	6

Data represent payments to pipelines in the United States to move oil and gas into Canada. While Canadian totals are sometimes higher over time than U.S. counterpart totals and vice versa, the differences are not substantial and stand for reconciliation.

- B) 3.112 PORT EXPENDITURES - Ocean
 - Great Lakes
 - Air
 - Rail

These refer to a wide variety of expenditures by carriers enabling them to operate abroad. Expenditures such as fuel, maintenance and current repairs, crew wages, fees, supplies and specific services (including pilotage, stevedoring, harbour charges in the case of water transport), are all covered by port expenditures. Port expenditures other than those related to water-borne transportation are included with Business services in Canadian presentations.

3.1121	Ocean		<u>1988</u>		<u>1989</u>		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1121	Northbound	55	29	26	60	35	25
3S.1121	<u>Southbound</u>	168	42	(126)	78	41	(37)
<u>3S.1121</u>	Reconciled	84 ^r	42	(42)	78	41	(37)
^r Revised							

^r Revised

U.S. data are being examined for improvements; Canadian survey lists require review for updating. The above differences stand for Northbound reconciliation.

3.1122	Great Lakes		<u>1988</u>		<u>1989</u>		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1122	<u>Northbound</u>	4	7	(3)	19	4	15
3N.1122	Reconciled	4	7	(3)	5 ^r	4	1
3S.1122	<u>Southbound</u>	6	6	0	4	6	2
3S.1122	Reconciled	6	6	0	4	4	0

^r Revised

Canadian Northbound figures are partial for 1989 but available returns show a drop. U.S. values have increased. The U.S. is revising its 1989 figure to \$5 million.

The 1989 Canadian Southbound figure should be obtained from the U.S., the source used in the past.

3.1123	Air	1988			1989		
		U.S.	Cda	Diff	U.S.	Cda	Diff
3N.1123	Northbound	208	208	0	234	234	0
3S.1123	Southbound	145	187	42	140	204	64
3S.1123	Reconciled	187	187	0	204	204	0

Canadian Northbound data are estimates transferred from Business services; they require review in light of incomplete reporting. U.S. figures are used.

Southbound figures are based on Canadian surveys where 1989 results are partly estimated pending complete returns. Canadian estimates are taken for reconciliation.

C) 3.113 OTHER FREIGHT-RELATED TRANSACTIONS

- Rail (port expenditures)
- Rail (freight car rentals)
- Vessel charter
- Aircraft leasing

Port expenditures (3.1124) by rail companies (e.g. crews, trackage, maintenance) have not been identifiable within Canadian data for some ten years, but the data allocated to **rentals** (3.1131) by Canada and transferred from that category of Business services very broadly approximates the sum of U.S. port and rental transactions on the Northbound side. U.S. presentations are the result of allocating an aggregate estimate to port services and to freight car rentals. On a common basis, the entries are as follows:

		1988			1989		
		U.S.	Cda	Diff	U.S.	Cda	Diff
3N.1124	Northbound - port	94	0	94	95	0	95
3N.1131	Northbound - rentals	55	170	(115)	62	186	(124)
	Total	149	170	(21)	157	186	(29)
3S.1124	Southbound - port	93	0	(93)	61	0	(61)
3S.1131	Southbound - rentals	75	114	39	99	126	27
	Total	168	114	(54)	160	126	(34)

The U.S. places the entire amount in freight car rentals for reconciliation purposes.

The reconciled entries are as follows:

	Reconciled	1988			1989		
		U.S.	Cda	Diff	U.S.	Cda	Diff
3N.1124	Northbound - port	0	0	0	0	0	0
3N.1131	Northbound - rentals	170*	170	0	186*	186	0
3S.1134	Southbound - port	0	0	0	0	0	0
3S.1131	Southbound - rentals	168	168**	0	160	160**	0

* Canadian data.

** U.S. data.

3.1132	Vessel charter	1988			1989		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1132	Northbound	0	10	(10)	0	19	(19)
3S.1132	Southbound	4	4	0	4	0	(4)

Northbound differences will stand for reconciliation purposes, reflecting the view that U.S. vessels are not chartered by other countries. Specifics of the Canadian survey are to be reviewed.

On the Southbound side, no further Canadian responses are outstanding for 1989 and the reported result is zero. The small difference stands for reconciliation.

3.1134	Aircraft leasing	1988			1989		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1134	Northbound	5	5	0	6	5	1
3S.1134	Southbound	18	1	(17)	21	2	(19)

Canadian values are estimates (reflecting incomplete reporting) and are transferred from Business services; U.S. data is also estimated. Half-way figures are taken for reconciliation as follows:

	Reconciled	1988			1989		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.1134	Northbound	5	5	0	6	6	0
3S.1134	Southbound	10	10	0	11	11	0

D) 3.12 INLAND FREIGHT

These series are exchanged, the United States providing its receipts (Canadian payments), Canada also supplying its receipts (U.S. payments).

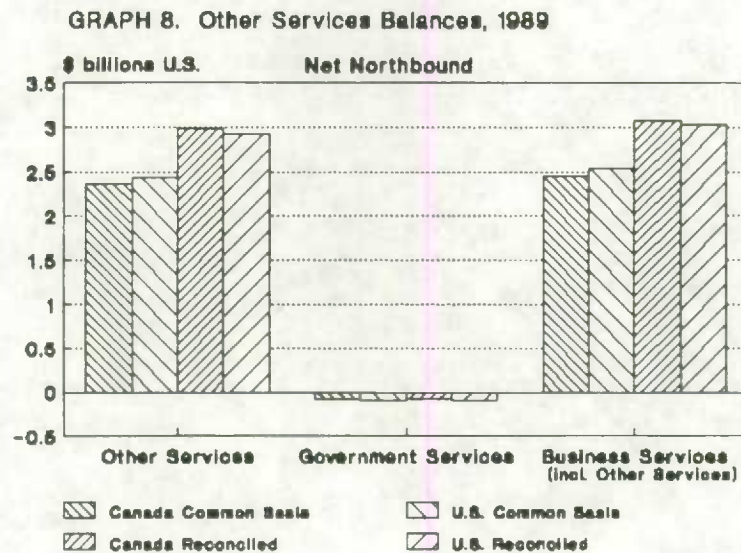
Inland freight		1988			1989		
		<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>	<u>U.S.</u>	<u>Oda</u>	<u>Diff</u>
3N.12	Northbound	1845	1834	11	1979	2167	(188)
3S.12	Southbound	2254	2120	(134)	2120	2120	0
Reconciled							
3N.12	Northbound	2041	2041	0	1979	0	
3S.12	Southbound	2120	2120	0	2120	2120	0

Northbound: To the U.S. published \$1,845 million in 1988 should be added \$196 million to account, as in the past, for freight included in U.S. merchandise trade data. For 1989, no allowance similar to the \$196 million of 1988 was made. The 1989 figure of \$1,979 million was confirmed as appropriate (Canada data were based on quarterly information).

Southbound: The Canadian data for 1988 and 1989 are used. (Identical values for Canada in 1988 and 1989 are coincidental.)

SECTION 4: SERVICES

In addition to Travel and Transportation referred to in previous sections, Other Services in the Balance of Payments (see Graph 8) can be further broken down between Government services and Business services (inclusive of other services).



A) GOVERNMENT SERVICES

The government series refer here only to the U.S. government sector. These series correspond to the Canadian government series only to the extent that they entail government to government transactions. The Canadian government transactions with the U.S. non-government sector are classified among Other services.

Summary, Government Services

	<u>1988</u>		<u>1989</u>	
<u>Common basis</u>	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	33	41	46	52
Southbound	<u>114</u>	<u>114</u>	<u>140</u>	<u>137</u>
Net	(81)	(73)	(94)	(85)
 <u>Reconciled basis</u>				
Northbound	33	41	46	52
Southbound	<u>114</u>	<u>114</u>	<u>140</u>	<u>137</u>
Net	(81)	(73)	(94)	(85)

There is no difference between reconciled and common basis balances as Canada largely uses U.S. data as inputs.

4.111 **Postal transactions**

	<u>1988</u>		<u>1989</u>	
<u>Common basis</u>	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	22	22	36	36
Southbound	<u>78</u>	<u>78</u>	<u>98</u>	<u>98</u>
Net	(56)	(56)	(62)	(62)

The series are the same since Canadian values have been taken from U.S. data.

4N.113 **St. Lawrence Seaway (Northbound only)**

<u>Common basis</u>				
Northbound	7	19	6	16
Reconciled	7	x	6	x

x Canada collects from and remits fees to the U.S. government. Amounts are surveyed at source but are not publishable separately.

4N.112 **Other U.S. government**

4N.114

and

4N.115

and

4S.112 Common basis

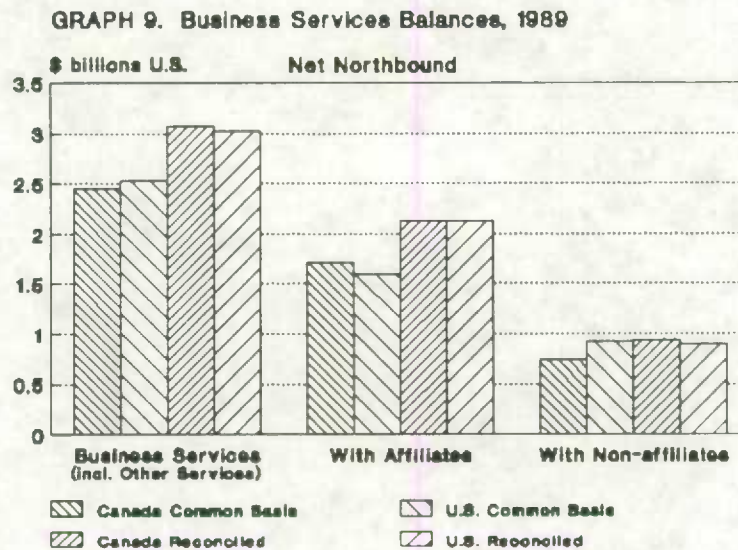
Northbound	4	0	4	0
Southbound	36	36	42	39

The Canadian data are from the United States Survey of Current Business (line 25) adjusted to exclude U.S. Post Office (see above). Canadian data will be updated in the first quarter 1991.

B) BUSINESS SERVICES

Services are comprised of services with affiliates and with non-affiliates (see Graph 9). Services with affiliates are further broken down between those of United States controlled companies and those of other (mostly Canadian) controlled companies.

1. Business services with affiliates
 - U.S. controlled
 - Other controlled
2. Business services with non-affiliates



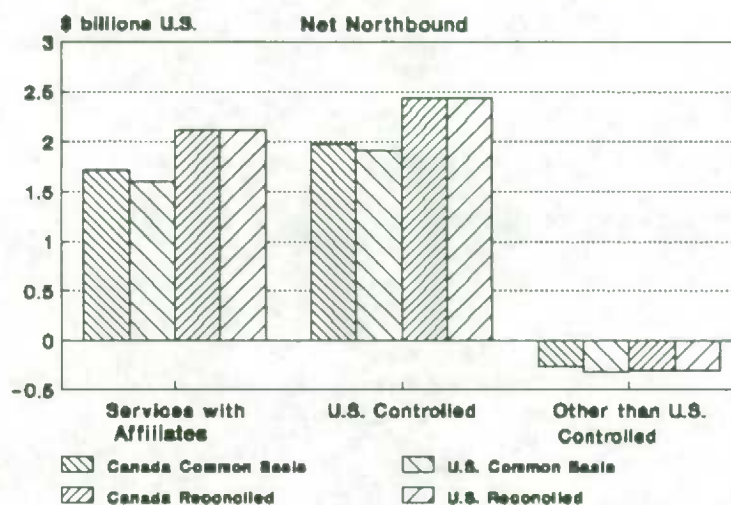
4.1 SERVICES WITH AFFILIATES

Major differences between the Canadian and U.S. published BOP presentations are as follows:

- 1) The Canadian BOP presents the exports (sales) and imports (purchases) of services on a gross basis whereas the U.S. presents them on a net basis for United States controlled firms and other foreign controlled firms.
- 2) Canada includes withholding taxes (grossing of services) whereas the United States excludes these taxes (netting of services).
- 3) Canada has an allocation for unreported transactions based on a 1982 benchmark whereas the United States does not.

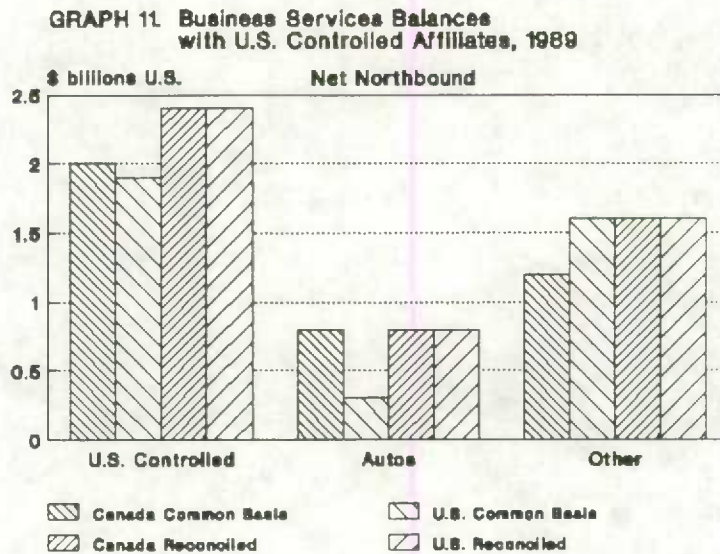
The reconciled balance shows a higher Canadian deficit/U.S. surplus than the common basis (see Graph 10). This is due to the fact that 1) the United States does not include Tooling charges receipts 2) and that Canada has undervalued Other service payments.

GRAPH 10. Business Services Balances with Affiliates, 1989



4.1.1 Northbound - U.S. controlled services

4.1.1 Northbound - U.S. controlled services



		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
4N.12	Net	1,717	1,827	1,915	1,982
4N.121	U.S. receipts	1,909	2,720	2,159	2,912
4N.1211	Royalties	710	666	825	713
4N.1212	Other charges	1,199	2,054	1,334	2,199
4N.122	U.S. payments	192	893	244	930
4N.1221	Royalties	21	8	18	9
4N.1222	Other charges	171	885	226	921

Canadian receipts and payments are larger because they include "Tooling" and "retro-active price adjustments" which are not included in U.S. data. (See Graph 11.)

		<u>1988</u>		<u>1989</u>		
<u>Auto industry</u>		<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>	
		<u>Total</u>		<u>Tooling</u>	<u>Total</u>	<u>Tooling</u>
U.S. receipts		330	1,279	609	330	1462
U.S. payments		0	585	579	5	626
Net		330	694	30	325	836
<u>Reconciled**</u>						
U.S. receipts		1279	1279		1462	1462
U.S. payments		585	585		626	626

** Canadian data.

	<u>1988</u>		<u>1989</u>	
<u>Excluding Auto</u>	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Receipts	1579	1441	1829	1450
Payments	<u>192</u>	<u>308</u>	<u>239</u>	<u>280</u>
Net	1387	1133	1590	1170
<u>Reconciled</u>	1387	1387*	1590	1590*

	<u>1988</u>		<u>1989</u>	
Total (incl. auto)	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Receipts	1909	2720	2159	2912
Payments	192	893	244	930

<u>Reconciled</u>				
Receipts	2858	2858	3291	3291
Payments	<u>777</u>	<u>777</u>	<u>865</u>	<u>865</u>
Net	2081	2081	2426	2426

* U.S. data.

4.1.2 Southbound - Other than U.S. controlled services

		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
4S.12	Net	307	234	313	267
4S.121	Payments of U.S. affiliates	738	632	944	722
4S.1211	Royalties	24	16	23	18
4S.1212 & 3	Other	714	616	921	704
4S.122	Receipts of U.S. affiliates	431	398	631	455
4S.1221	Royalties	24	30	76	34
4S.1222	Other	407	368	555	421

U.S. receipts and payments are higher because they include large amounts of services for the insurance industry which are not reflected in the Canadian data.

		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
<u>Insurance</u>					
Payments of					
U.S. affiliates		362	0	244	0
Receipts of					
U.S. affiliates		99	0	167	0

It should be investigated as to why Canadian controlled insurance companies do not report large amounts of service receipts from their United States affiliates.

After the Insurance is removed the data are as follows:

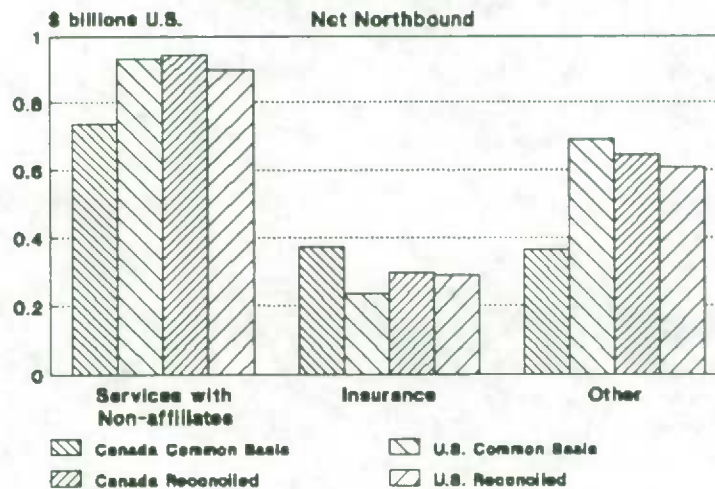
		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
<u>Excl. Insurance</u>					
Payments of					
U.S. affiliates		376	632	700	722
Receipts of					
U.S. affiliates		332	398	464	455
		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
<u>Reconciled data</u>					
(including ins.)					
Payments of					
U.S. affiliates		700	700	850	850
Receipts of					
U.S. affiliates		410	410	550	550
Net		290	290	300	300

The U.S. data may overvalue the insurance data and undervalue other coverage. The reconciled data are a medium between Canadian and U.S. data (including insurance).

4.2 SERVICES WITH NON-AFFILIATES

Insurance
 Financial services
 Royalties, consulting, management and other professional services
 Advertising
 Computer services
 Mailing, reproduction and commercial art
 R & D
 Sports and entertainment
 Franchises
 Installation, maintenance and repair of equipment
 Medical services
 Education and training
 Computers
 Canadian government
 Trade unions
 Communications
 Other

GRAPH 12. Business Services Balances
 with Non-affiliates, 1989



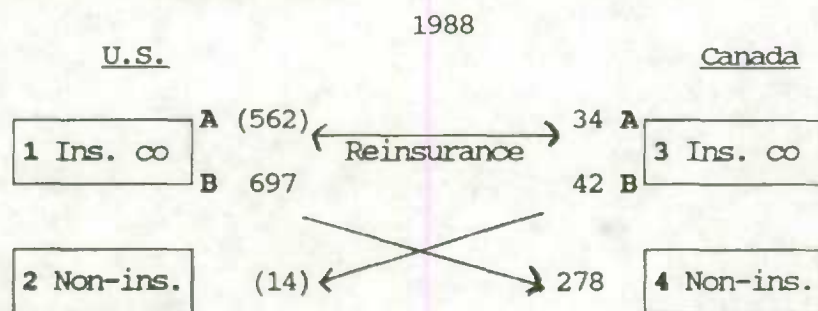
4.131 Insurance

Because of major differences in the surveys conducted by the two countries, the data are not strictly comparable. The U.S. survey (BE-48) of insurance companies identifies primary insurance as well as reinsurance; within reinsurance, the U.S. distinguishes premiums paid out and losses received and premiums received and losses paid out. Finally, the United States also surveys U.S. non-insurance companies (BE-20) to obtain their Insurance payments/receipts from abroad.

The Canadian surveys to insurance companies (BP-27 for incorporated Canadian companies and BP-28 for Canadian branches of foreign insurance companies) ask only for premiums receipts/payments, without identifying primary or reinsurance. Canada also surveys Canadian non-insurance companies (BP-21S) to obtain their insurance receipts/payments from abroad.

Given the limited comparability of data, assumptions are made. It is assumed that:

- 1) the Primary insurance (Northbound) of U.S. corresponds to the payments reported by the Canadian non-insurance companies (BP-21S);
- 2) the reinsurance reported by the U.S. both for premiums paid and received correspond to the affiliated transactions of Canadian insurance (BP-27 and BP-28);
- 3) the non-affiliated insurance of Canadian insurance (BP27-28) correspond to Primary insurance (Southbound).



The data were broken down as follows:

- 1) U.S. insurance companies with Canadian non-insurance companies

		1988		1989		
	<u>U.S. sources</u>	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>	<u>Odn sources</u>
1B	Ins. primary, net	697	278	499	294	Net 4
	Northbound	697	326	499	348	Non-ins. payments (BP21S)
	Southbound		48		54	Non-ins. receipts (BP21S)
			35			U.S. controlled
			13			Other controlled
		---	---	---	---	
	Reconciled, net	519	278	296	294	

2) **U.S. reinsurance companies with Canadian insurance companies**

	<u>1988</u>		<u>1989</u>		<u>Cdn sources</u>
	<u>U.S. sources</u>	<u>U.S.</u> <u>Cda</u>	<u>U.S.</u> <u>Cda</u>		
1A	U.S. insurance, net	(562) 34	(240) 35		Cdn. insurance, net 3A
	Premiums received (N)	(24) 141	141 152		Payments to affiliates
	Premiums paid (S)	538 107	381 117		Receipts from affiliates
	Adjusted (North)	(24) 141	(141) 152		
	(South)	360 107	203 117		

According to U.S. data, the U.S. paid out a net \$562 million (deficit) to Canada for reinsurance purposes; this means that Canada runs a surplus on reinsurance. This is not reflected in the Canadian data which show a deficit.

3) **U.S. non-insurance companies with Canadian insurance companies**

	<u>1988</u>		<u>1989</u>		<u>Cdn sources</u>
	<u>U.S. sources</u>	<u>U.S.</u> <u>Cda</u>	<u>U.S.</u> <u>Cda</u>		
2	U.S. non-insurance (S)	14 (42)	22 (45)		BP27/28 net 3B
	Adjusted	14 (42)	22 (45)		

4)	Summary - Insurance	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
	Net	121	353	237	374
	Northbound	673	766	640	826
	Southbound	552	413	403	452

Reconciled

Net	280	204	287	296
Northbound	495	419	437	446

Southbound

Adjusted	374	65	225	72
Reconciled*	215	215	150	150

* differences in adjusted data split for reconciliation purposes.

4.1321 **Financial services**

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
Northbound	187	219	215	282
Southbound	66	148	100	168
Net	121	71	115	114
Reconciled (net)	35	71	23	114
of which:				
Commodity	28	15	33	18
Security	57	78	47	115
Banking	(50)	(28)	(57)	(26)
Other	0	6	0	7

The data between the two countries are comparable except for banking where U.S. does not show payments to Canada. For reconciliation, U.S. uses Canadian figures for Banking (Southbound).

4N.1322 **Royalties, consulting, management and other professional**
and services
 4S.1323

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	230	204	209	218
Southbound	<u>122</u>	<u>113</u>	<u>114</u>	<u>128</u>
Net	108	91	95	90
<u>Reconciled</u>				
Northbound	230	230	209	218
Southbound	<u>122</u>	<u>122</u>	<u>114</u>	<u>128</u>
Net	108	108	95	90

Part of published U.S. Royalties was reallocated to Franchises (Northbound: \$8 and \$10 million) and to Broadcasting (Northbound: \$18 and \$25 million, Southbound: \$150 and \$30 million).

A conservative reconciled number therefore consists in taking the largest gross figures between the two countries on the assumption that the smaller figures may be missing some transactions. U.S. prefers the difference to stand for 1989.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
4N.1323 Advertising				
and				
4S.1324 Northbound	19	54	20	58
Southbound	<u>8</u>	<u>12</u>	<u>10</u>	<u>13</u>
Net	11	42	10	45
<u>Reconciled*</u>				
Northbound	54	54	58	58
Southbound	<u>12</u>	<u>12</u>	<u>13</u>	<u>13</u>
Net	42	42	45	45

* Using the largest gross data between the two countries.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
4N.1324 Computer services				
and				
4S.1325 Northbound	141	40	85	43
Southbound	<u>10</u>	<u>136</u>	<u>13</u>	<u>156</u>
Net	131	(96)	72	(113)

The U.S. shows a large surplus with Canada and Canada also shows a surplus with the United States. It is more likely that Canada has a deficit than a surplus with the United States. Therefore, the U.S. receipts and Canadian receipts are used, both being adjusted downward to account for an unusually large receipt for the United States and the possible inclusion of hardware in Canada.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
<u>Reconciled</u>				
Northbound	76	76	85	85
Southbound	<u>50</u>	<u>50</u>	<u>55</u>	<u>55</u>
Net	26	26	30	30

4N.1325 **Mailing, reproduction and commercial art**
and
4S.1326

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	0	0	0	0
Southbound	3	0	3	0
<u>Reconciled</u>				
Northbound	0	0	0	0
Southbound	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Net	(3)	(3)	(3)	(3)

4N.1326 **R & D**
and
4S.1327

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	5	15	9	16
Southbound	<u>11</u>	<u>28</u>	<u>8</u>	<u>32</u>
Net	(6)	(13)	1	(16)
<u>Reconciled</u>				
Northbound	5	15	9	16
Southbound	<u>11</u>	<u>28</u>	<u>8</u>	<u>32</u>
Net	(6)	(13)	1	(16)

4N.1327 **Sports and entertainment**
and
4S.1328

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	97	156	110	171
Southbound	<u>152</u>	<u>219</u>	<u>33</u>	<u>27</u>
Net	(55)	(63)	77	144
<u>Reconciled</u>				
Northbound	156	156	171	171
Southbound	<u>219</u>	<u>219</u>	<u>33</u>	<u>33</u>
Net	(63)	(63)	138	138

4N.1328 **Franchises**

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound (only)	8	6	10	7
<u>Reconciled</u>	8	8	10	10

4.1329 **Installation, maintenance and repair of equipment**

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	27	0	26	0
Southbound	43	0	43	0
Net				

In its published series, the U.S. deducts the value of equipment repairs from Customs data and allocates it to Services. For the purposes of the reconciliation, only the amount reported on surveys (not on Customs) is shown as a service; the amount reported in Customs remains in merchandise trade.

4N.132A	Medical services	<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
	<u>Northbound</u>	80	40	87	44
	<u>Reconciled</u>	80	40	87	44

4N.132B and 4S.132A	Education, training	<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
	<u>Northbound</u>	189	57	210	62
	<u>Southbound</u>	14	19	16	21
	<u>Net</u>				
	<u>Reconciled</u>				
	<u>Northbound</u>	189	189	210	210
	<u>Southbound</u>	<u>14</u>	<u>19</u>	<u>16</u>	<u>21</u>
	<u>Net</u>	175	170	194	189

The U.S. results need to be studied further by Canada for possible inclusion in Canadian published data.

4N.132C to 4N.132F, **Commuters, Canadian government expenditures and revenues and**
4S.132B to 4S.132D **Trade unions**

The Canadian data are used for reconciliation purposes.

4N.132G **Communications**
and

4S.1322 In the published series, these data are presented on a net basis in Canada and on a gross basis in the United States. For reconciliation purposes, these numbers are shown on a net basis (confidential data).

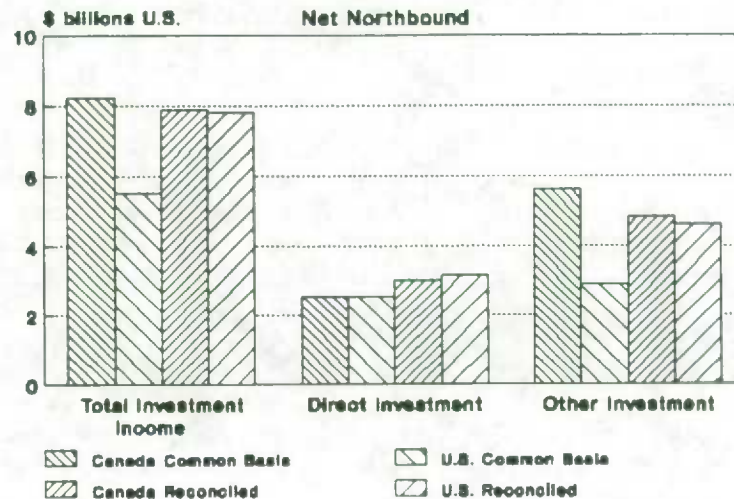
	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
<u>Southbound (net)</u>	71	21	74	25
<u>Reconciled</u>	71	71	74	74

4N.132H and 4S.132E	Other	<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
	<u>Northbound</u>	0	160	0	161
	<u>Southbound</u>	<u>7</u>	<u>102</u>	<u>12</u>	<u>166</u>
	<u>Net</u>	(7)	58	(12)	(5)
	<u>Reconciled</u>				
	<u>Northbound</u>	90	90	90	90
	<u>Southbound</u>	<u>60</u>	<u>60</u>	<u>80</u>	<u>80</u>
	<u>Net</u>	30	30	10	10

SECTION 5: INVESTMENT INCOME

The investment income data comprise Direct investment and Other investment income.

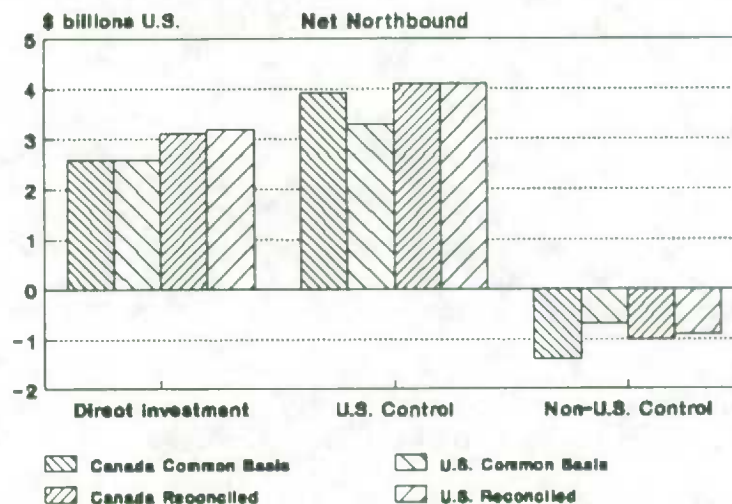
GRAPH 13. Investment Income Balances, 1989



A) 5.11 DIRECT INVESTMENT INCOME

Direct investment series are further split between U.S. controlled firms (Northbound) and Other controlled firms (Southbound), the latter made up largely of Canadian controlled firms.

GRAPH 14. Direct Investment Income Balances, 1989



In its published series, the U.S. direct investment reflects earnings of affiliates plus interest on intercompany accounts less withholding taxes. Earnings consist of distributed earnings and reinvested earnings. For incorporated affiliates, distributed earnings are dividends on common and preferred stock. Reinvested earnings of affiliates, whether incorporated or unincorporated, are earnings less distributed earnings.

Canada records the income from incorporated firms only when remitted (Dividends), except for banking where income is accrued. The income from non-incorporated firms (branches) is also accrued.

For reconciliation purposes, the income from incorporated firms is shown on a distributed basis (Dividends) except for the financial sector where the income is shown on an accrual basis. This is in line with the Canadian official presentation except for the foreign insurance income which is currently recorded on a distributed basis in the Canadian data and on an accrual basis in the Reconciliation.

1. 5N.11 Northbound - U.S. controlled affiliates

The Canadian payments are larger than U.S. receipts for dividends but lower for unincorporated earnings. This may be due partly to misclassification between dividends and earnings.

		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
5N.111	Dividends	4269	4648	2427	2910
5N.112	Earnings	<u>1052</u>	<u>491</u>	<u>399</u>	<u>642</u>
	Total	5321	5139	2826	3552
	<hr/>				
	Reconciled	5321	5321	3552	3552

		<u>1988</u>		<u>1989</u>	
		<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
5N.1121	<u>Insurance</u>				
	of which:				
	Uninc. earnings	282	267	100	382
	Reconciled	282	282	382	382

Insurance: In its published data, Canada reports for the U.S. controlled insurance branches remittances to U.S. of \$65 million in 1988 and \$71 million in 1989. For reconciliation purposes, the data were put on an accrual basis.

The insurance industry is especially difficult to reconcile because of accounting conventions used by that industry.

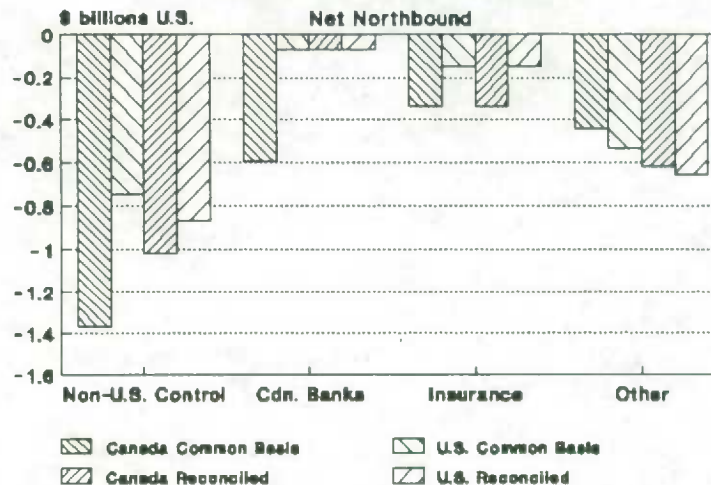
Further research needs to be carried out for the insurance industry before an appropriate reconciliation can be made.

5N.113 Interest: for reconciliation, U.S. figures are used.

2. 5S.11 Southbound - Other than U.S. controlled affiliates

The direct investment income is made up of dividends, unincorporated earnings and interest.

GRAPH 15. Direct Investment Income Balances
Other than U.S. Controlled, 1989



5S.111 Dividends

The Canadian receipts are higher than U.S. payments. This may be due to U.S. affiliates paying the dividends to holding companies in third countries, which in turn remit the dividends to Canada.

	1988		1989	
	U.S.	Cda	U.S.	Cda
Dividends	619	1780	212	383
Reconciled	1780	1780	383	383

5S.112 Unincorporated earnings

	1988		1989	
	U.S.	Cda	U.S.	Cda
Total	742	422	131	955
5S.1122 Banking	191	515	68	591
5S.1121 Insurance	575	(122)	146	334
5S.1123 Other	(24)	29	(83)	30

5S.1122 Banking

The differences in the banking sector are believed to be due to the provisions for loan losses, with the U.S. income reported after these provisions (net) and the Canadian receipts before provisions for loss (gross).

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Profits (Southbound)	191	515	68	591
Reconciled	191	191	68	68

For reconciliation purposes, the U.S. data for income (net of provisions) are used.

5S.1121 Insurance

The insurance data, which here refers largely to Canadian controlled companies, contain differences which could not be explained. For 1988, the U.S. reduced its payments to \$136 million as the figure of \$575 million included unrealized capital gains.

5S.1123 Other

Differences stand for reconciliation purposes for 1988. For 1989, the U.S. raised their figure to \$67 million to account for unreported data.

5S.113 Interest

The U.S. data contained large interest payments to Canada which are not found in Canadian receipts. Some of these differences arise from Canada investing in the United States through holding companies in third countries. For reconciliation purposes, half of the U.S. data is used.

B) 5.12 OTHER INVESTMENT INCOME and

5.13 Northbound: Interest - Interbanks
Dividends - Other Northbound interest

Southbound: Interest
Dividends

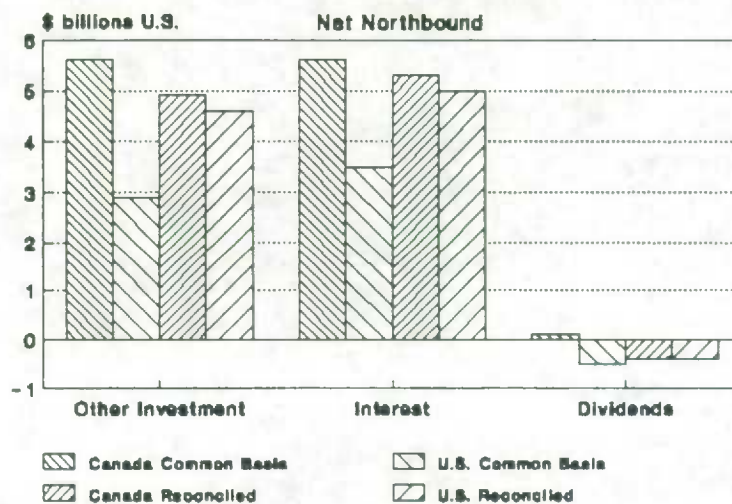
1. 5N.12251 Net Interest on Interbanks (Northbound, net) and 5S.12222

Even though the two countries gross up the interbanking interest in their Northbound and Southbound components, the interest between banks is netted for reconciliation purposes.

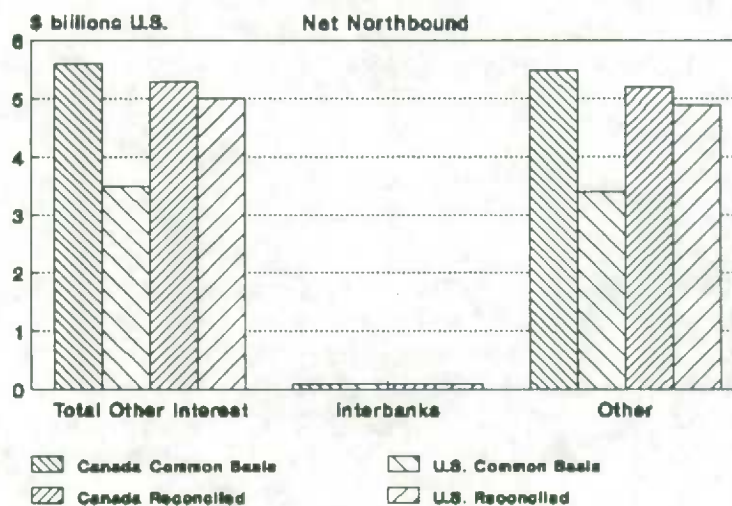
	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Interest on interbank				
Northbound	1091	773	730	1222
Southbound	943	633	599	1155
Net	148	140	131	67
<u>Reconciled</u>				
Northbound	1091	773	730	954
Southbound	943	633	599	848
Net	148	140	131	106

The net interbank interest for 1988 are very comparable, but differs for 1989. After reconciliation, the net 1989 Canadian payment was increased to \$106 million.

GRAPH 16. Other Investment Income Balances, 1989



GRAPH 17. Other Investment Income Balances, 1989



2. NorthboundInterest

5N.12252 Other Canadian banks with payments to U.S. non-banks
and

5N.12253

U.S. dollar deposits and deposits in other foreign currencies

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
U.S. \$ claims	343	360	370	393
Foreign currency claims	<u>67</u>	<u>59</u>	<u>67</u>	<u>40</u>
Net	410	419	437	433

Differences stand for reconciliation purposes.

5N.12241 U.S. non-bank receipts from Canadian banks

Canadian estimates for payments on both U.S. dollar and foreign currency deposits are sharply higher than U.S. receipts. The U.S. agrees that their interest receipts should be calculated from Canadian banking liabilities.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
Northbound, net	184	1367	206	1554
Reconciled	1367	1367	1554	1554

5N.12254 U.S. banks' receipts from Canadian non-banks

The Canadian estimates comprised bank borrowing by provincial governments and corporations. The 1988 data were similar. For 1989, Canadian payments were considerably higher than the U.S. estimate of \$474 million, but differences were also agreed to stand. Canada confirmed afterwards that the increase was due to additional borrowing from U.S. banks by large Canadian corporations.

5N.1221 Interest received on Canadian bonds
and

5N.1223 The higher U.S income estimates in 1988 resulted from higher outstandings and the use of different methods. (Data covering U.S. redemptions may be incomplete; in addition, U.S. income may be overstated due to the use of lower historical yields being applied to retirements). The U.S. agreed to use Canadian payments since Canada calculates on the interest payments, an individual bond basis maintaining a detailed inventory of Canadian bonds held by non-residents.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
U.S. \$ bonds	3762	3220	3812	3244
Non - U.S. \$ bonds	<u>296</u>	<u>371</u>	<u>691</u>	<u>665</u>
Total	4058	3591	4503	3909
Reconciled	3591	3591	3909	3909

5N.12242 Other receipts from Canadian non-banks, U.S. government income from and Canada.

5N.13

For 1988, the U.S. accepted the Canadian estimate of \$735 million comprised of Canadian money market of \$477 million and other liabilities of \$258 million.

Other liabilities were comprised of: other interest (BP-21), leases, interest on insurance company mortgages and other liabilities. Real estate rentals were also a small part of the estimate.

	<u>1988</u>		<u>1989</u>		
<u>U.S. sources</u>	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>	<u>Odn. sources</u>
Other receipts from	447	229	535	459	Govt of Oda paper
Odn. owned banks					
U.S. government	31	248	27	333	Commercial paper
income from Canada					
		<u>258</u>		<u>266</u>	Other
Total	<u>478</u>	<u>735</u>	<u>562</u>	<u>1058</u>	
Reconciled	735	735	1058	1058	

5N.121 Portfolio dividends

For reconciliation, Canadian figures are used.

3. Southbound

Interest

5S.12221 U.S. banks' payments to Canadian non-banks

Canada uses U.S. banking data to calculate interest and therefore the differences are minimal and stand for reconciliation.

5S.12222 U.S. banks' payments to Canadian banks: Netted in the Northbound, above.

5S.12223 Other Canadian banks - U.S. \$ denominated liabilities.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Total	334	281	387	275
Adjustments for:				
U.S. bank custody liabilities		+ 11		+ 39
Revised yield				+ 29
Reconciled	<u>334</u>	<u>292</u>	<u>387</u>	<u>343</u>

Higher outstandings explain the higher U.S. income estimates. For 1989, the Canadian yield was revised upwards but Canada continued to use its position outstanding.

5S.12224 Other Canadian banks foreign currency liabilities

U.S. will incorporate Canadian estimates of \$75 million in 1988 and \$56 million in 1989.

Normally, the U.S. does not calculate interest on foreign currency balances.

5S.13 U.S. government liabilities

This account has been a continuing source of serious differences amounting to over \$600 million in both 1988 and 1989 (the U.S. amount was higher). It is felt that the U.S. data may include U.S. liabilities of Canadian controlled insurance companies established in the United States. To the extent that this is the case, these assets and their income would accrue to U.S. policy holders (not a cross-border flow). More research is required and it was agreed to split the differences between the two countries as an interim measure.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
Treasury bills	n.a.	275	n.a.	205
Treasury bonds	n.a.	573	n.a.	758
<u>Total</u>	1474	848	1597	963
Reconciled	1161	1161	1280	1280

5S.1221 Interest paid on investments and securities

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Cda</u>	<u>U.S.</u>	<u>Cda</u>
Total	233	130	274	153
Adjustment for:				
Interest on money market				
transferred from 5S.1223		+ 20		+ 49
<u>Revised total</u>	233	150	274	202
Reconciled	182	182	214	214

For reconciliation, it was agreed to split the differences before adjustments between the two countries.

5S.1223 Payments on other U.S. non-bank liabilities

Canada removed two components from this account. Dividends on shares held by banks are reclassified with portfolio dividend receipts. Interest on foreign money market instruments is reclassified to Interest paid on investments and securities (above). This brought the Canadian estimate much closer to the U.S. data.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Total	95	157	127	186
Adjustments for:				
Shares held by banks		- 23		- 20
Interest on foreign money market		- 20		- 49
U.S. adjustments	+ 23		+ 19	
Reconciled total	118	114	146	117

5S.121 **Portfolio dividends**

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Total	732	350	845	421
Adjustments for:				
Shares held by banks		+ 23		+ 20
Revised total	732	373	845	441
Reconciled	732	732**	845	845**

** U.S. data.

The U.S. data are used. They are derived from a detailed benchmark 1984 study on foreign portfolio investment in the United States. Canada is currently compiling the results of its own 1984 survey.

SECTION 6: TRANSFERS

The U.S. publishes transfers on a net basis. These numbers are on a gross basis in Canada's official series. For reconciliation purposes, the transfers series are shown on a gross basis and withholding taxes are removed from the Canadian transfers.

	<u>1988</u>		<u>1989</u>	
	<u>U.S.</u>	<u>Oda</u>	<u>U.S.</u>	<u>Oda</u>
Northbound	345	379	356	413
Southbound	676	570	710	607
Reconciled				
Northbound	379*	379	413*	413
Southbound	676	676**	710	710**

* Canadian data.

** U.S. data.

On the Northbound, 1988 Canadian transfers comprise: Inheritances and emigrants' funds (\$161 million) and Personal and institutional remittances (\$218 million).

On the Southbound, 1988 Canadian transfers comprise: Inheritances and emigrants' Funds (\$196 million) and Personal and institutional remittances (\$373 million).

The difference arises from Personal and institutional remittances, since the Inheritance and migrants' funds are currently exchanged between the two countries. Canada is presently reviewing its treatment of migrants' transfers.

For reconciliation purposes, the largest value between the two countries are used.

APPENDIX

1988

STATEMENT IN. Canada/U.S. Current Account Adjustments from Published to Common Basis, **NORTHBOND**, 1988
Major adjustments to arrive at common basis

NORTHBOND	Published		Definition		Classification		Gross/net		Other		Common basis	
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.
- U.S. \$ millions -												
A. Merchandise												
1. Transfer inland freight to other transportation					- 1,845	- 267						
2. Commissions					+ 109							
3. Repairs												
Total merchandise	74,322	71,821			- 1,736	- 267					72,586	71,554
B. Transportation												
Inland freight												
1. Transfer inland freight from merchandise to other transportation					+ 1,845							
Other												
2. Transfer transactions of airlines, railways and leasing to other transportation						+ 383						
3. Canal fees to other services						- 19						
Total transportation	927	2,402			+ 1,845	+ 364					2,772	2,766
C. Travel	4,634	4,639									4,634	4,639
D. Other services												
Affiliated												
1. Services to U.S. parents							- 893					
2. Services of Cdn. parents							- 398					
3. Benchmark for unrecorded transactions									- 219			
Total affiliated	1,717	3,337					- 1,291		- 219		1,717	1,827
Unaffiliated												
4. Transfer transactions of airlines, railways and leasing to other transportation						- 383						
5. Elimination of commissions on merchandise						- 125						
6. Grossing/Netting of transactions							- 277	- 6				
7. Canal fees from transportation						+ 19						
8. Repairs					- 109							
9. Elimination of withholding taxes from services				- 244								
10. Other									- 1			
Total unaffiliated	2,677	2,895		- 244	- 109	- 489	- 277	- 6	- 1		2,290	2,156
Total other services	4,394	6,232		- 244	- 109	- 489	- 277	- 1,297	- 1	- 219	4,007	3,983
E. Investment income												
Direct investment												
1. Elimination of retained earnings			-1,518									
2. Elimination of dividends from branches treated as subsidiaries (net of profits)				+ 64								
3. Adjusting insurance company profits to accrual basis from cash basis				+ 202								
4. Grossing of direct investment interest income								- 36				
5. Elimination of withholding taxes				- 639								
6. Elimination of stock dividend						- 23						
7. Transfers from/to portfolio									- 55	+ 21		
8. Other									- 55	+ 21		
Total direct investment	7,276	5,877	-1,518	- 373		- 23		- 36	- 55	+ 21	5,703	5,466
Other income												
1. Elimination of withholding taxes				- 246								
2. Elimination of stock dividends				- 2								
3. Grossing of foreign currency						+ 23		+ 1,193				
4. Transfers from/to direct												
5. Adjust bond interest to cash basis				- 150								
6. Double counting of transactions										- 132		
7. Netting of interbank										+ 9		
8. Other							- 943	- 633				
Total other income	7,312	7,325		- 398		+ 23	- 943	+ 560	- 123		6,369	7,387
Total investment income	14,588	13,202	-1,518	- 771		0	- 943	+ 524	- 55	- 102	12,072	12,853
F. Transfers												
1. Grossing of U.S. transfers							+ 345					
2. Elimination of withholding taxes from transfers				- 106								
Total transfers	0	485		- 106			+ 345				345	379
G. TOTAL - U.S. RECEIPTS	98,865	98,781	-1,518	-1,121	0	- 392	- 875	- 773	- 56	- 321	96,416	96,174

STATEMENT 15. Canada/U.S. Current Account Adjustments from Published to Common Basis, SOUTHBOUND, 1988 (concluded)
Major adjustments to arrive at common basis

SOUTHBOUND	Published		Definition		Classification		Gross/net		Other		Common basis	
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.
- U.S. \$ millions -												
A. Merchandise												
1. Transfer inland freight to other transportation					- 2,254							
2. Transfer of refining and processing from services						+ 28						
3. Commissions						- 125						
4. Repairs					+ 242							
5. Canadian re-exports			+ 1,152									
Total merchandise	84,746	83,367	+ 1,152		- 2,012	- 97					83,886	83,270
B. Transportation												
1. Inland freight												
2. Transfer inland freight from merchandise to other transportation					+ 2,254							
3. Other												
4. Transfer transactions of airlines, railways and leasing from services to other transportation						+ 302						
5. Intransit freight									- 140			
Total transportation	759	2,503			+ 2,254	+ 302			- 140		3,013	2,665
C. Travel	3,482	3,467									3,482	3,467
D. Other services												
Affiliated												
1. Services for U.S. parents							- 893					
2. Services for Cdn. parents							- 398					
3. Benchmark for unrecorded transactions									- 64			
Total affiliated	307	1,589					- 1,291		- 64		307	234
Unaffiliated												
4. Transfer transactions of airlines, railways and leasing to other transportation						- 302						
5. Transfer of refining and processing to merchandise						- 28						
6. Elimination of commissions on merchandise						- 267						
7. Grossing of transactions							- 277	- 6				
8. Repairs					- 242							
9. Elimination of withholding taxes from services			- 7						- 2			
10. Other								- 6	- 2			
Total unaffiliated	2,172	2,309		- 7	- 242	- 597	- 277	- 6	- 2		1,651	1,699
Total other services	2,479	3,898		- 7	- 242	- 597	- 277	- 1,297	- 2	- 64	1,958	1,933
E. Investment income												
Direct investment												
1. Elimination of retained earnings			+ 547									
2. Elimination of withholding taxes				- 50								
3. Adjusting insurance company profits to accrual basis from cash basis												
4. Grossing of direct investment interest income								- 36				
5. Earnings of banks' subs.									- 13	- 10		
6. Other									- 13	- 10		
Total direct investment	1,082	2,320	+ 547	- 50				- 36	- 13	- 10	1,616	2,224
Other income												
1. Elimination of withholding taxes				- 50								
2. Elimination of stock dividends				- 9								
3. Grossing of foreign currency banking transactions								+ 1,189				
4. Transfer to direct												
5. Other										+ 2		
6. Netting of interbank							- 943	- 633				
Total other income	4,223	1,754		- 59			- 943	+ 556		+ 2	3,280	2,253
Total investment income	5,305	4,074	+ 547	- 109			- 943	+ 520	- 13	- 8	4,896	4,477
F. Transfers												
1. Grossing of U.S. data							+ 345					
2. Elimination of withholding taxes - transfers				- 1,129								
Total transfers	331	1,699		- 1,129			+ 345				676	570
G. TOTAL - CANADIAN RECEIPTS	97,102	99,008	+ 1,699	- 1,245	0	- 392	- 875	- 777	- 15	- 212	97,911	96,382

STATEMENT 2. Canada/U.S. Current Account Adjustments from Common Basis to Reconciled Data, 1988

	Common basis			Recon. adjusts.		Reconciled data	
	U.S.	Cda.	Differences	U.S.	Cda.	U.S.	Cda.
NORTHBOUND	- U.S. \$ millions -						
A. Merchandise BOP	72,586	71,554	+ 1,032	- 964	+ 68	71,622	71,622
B. Transportation : Inland	1,845	1,834	+ 11	+ 196	+ 207	2,041	2,041
Other	927	932	- 5	+ 21	- 14	948	918
Total transportation	2,772	2,766	+ 6	+ 217	+ 193	2,989	2,959
C. Travel (incl. passenger fares)	4,634	4,639	- 5			4,634	4,639
D. Other services							
. Affiliated	1,717	1,827	- 110	+ 364	+ 254	2,081	2,081
of which auto	330	694	- 364	+ 364		694	694
. Unaffiliated	2,290	2,156	+ 134	- 73	- 32	2,217	2,124
U.S. government	33	41	- 8			33	41
Military	189	0	+ 189		+ 189	189	189
Other	2,068	2,115	- 47	- 73	- 221	1,995	1,894
Total other services	4,007	3,983	+ 24	+ 291	+ 222	4,298	4,205
E. Investment income : Direct	5,703	5,466	+ 237		+ 237	5,703	5,703
(Excluding reinvested earnings) : Portfolio	6,369	7,387	- 1,018	+ 998		7,367	7,387
Total: Investment income	12,072	12,853	- 781	+ 998	+ 237	13,070	13,090
F. Transfers (excluding withholding taxes)	345	379	- 34	+ 34		379	379
G. Total: Current Receipts (U.S.)	96,416	96,174	+ 242	+ 576	+ 720	96,992	96,894
SOUTHBOUND							
A. Merchandise BOP	83,886	83,270	+ 616	- 1,184	- 568	82,702	82,702
B. Transportation : Inland	2,254	2,120	+ 134	- 134		2,120	2,120
Other	759	545	+ 214	- 42	+ 133	717	578
Total transportation	3,013	2,665	+ 348	- 176	+ 133	2,837	2,798
C. Travel (including passenger fares)	3,482	3,467	+ 15			3,482	3,467
D. Other services							
. Affiliated	307	234	+ 73	- 17	+ 56	290	290
. Unaffiliated	1,651	1,699	- 48	- 43	- 116	1,608	1,583
U.S. government	114	114	0			114	114
Defense expenditures	249	101	+ 148		+ 148	249	249
Other	1,288	1,484	- 196	- 43	- 264	1,245	1,220
Total other services	1,958	1,933	+ 25	- 60	- 60	1,898	1,873
E. Investment income : Direct	1,616	2,224	- 608	+ 595	- 218	2,211	2,006
(Excluding reinvested earnings) of which: banks	191	515	- 324		- 324	191	191
Portfolio	3,280	2,253	+ 1,027	- 266	+ 715	3,014	2,968
Total: Investment income	4,896	4,477	+ 419	+ 329	+ 497	5,225	4,974
F. Transfers (excluding withholding taxes)	676	570	+ 106		+ 106	676	676
G. Total: Current Payments (U.S.)	97,911	96,382	+ 1,529	- 1,091	+ 108	96,820	96,490
BALANCES*							
Merchandise BOP	- 11,300	- 11,716	+ 416	+ 220	+ 636	- 11,080	- 11,080
Services	+ 2,960	+ 3,323	- 363	+ 744	+ 342	+ 3,704	+ 3,665
Investment income	+ 7,176	+ 8,376	- 1,200	+ 669	- 260	+ 7,845	+ 8,116
Transfers (excluding withholding taxes)	- 331	- 191	- 140	+ 34	- 106	- 297	- 297
Total: Current Account	- 1,495	- 208	- 1,287	+ 1,667	+ 612	+ 172	+ 404

* Using signs from a U.S. point of view.

STATEMENT 3. Canada/U.S. Current Account Adjustments from Published to Reconciled Data, 1988

			Published value	Defini- tion	Classi- fication	Gross/ net	Other	Common basis	Cover- age and error	Recon- ciled data
NORTHBOUND			- U.S. \$ billions -							
Merchandise BOP	U.S. X		74.3		- 1.7			72.6	- 1.0	71.6
	Cda. M		71.8		- 0.3			71.6	+ 0.1	71.6
Non-merchandise	U.S. X		24.5	- 1.5	+ 1.8	- 0.9	- 0.1	23.8	+ 1.5	25.4
	Cda. M		27.0	- 1.1	- 0.1	- 0.8	- 0.3	24.6	+ 0.7	25.3
Transportation	U.S. X		0.9		+ 1.8			2.8	+ 0.2	3.0
	Cda. M		2.4		+ 0.4			2.8	+ 0.2	3.0
Travel	U.S. X		4.6					4.6		4.6
	Cda. M		4.6					4.6		4.6
Other services	U.S. X		4.4		- 0.1	- 0.3		4.0	+ 0.3	4.3
	Cda. M		6.2	- 0.2	- 0.5	- 1.3	- 0.2	4.0	+ 0.2	4.2
Investment income	U.S. X		14.6	- 1.5		- 0.9	- 0.1	12.1	+ 1.0	13.1
	Cda. M		13.2	- 0.8		+ 0.5	- 0.1	12.9	+ 0.2	13.1
Transfers	U.S. X		0			+ 0.3		0.3		0.4
	Cda. M		0.5	- 0.1				0.4		0.4
Current account	U.S. X		98.9	- 1.5	0	- 0.9	- 0.1	96.4	+ 0.6	97.0
	Cda. M		98.8	- 1.1	- 0.4	- 0.8	- 0.3	96.2	+ 0.7	96.9
SOUTHBOUND										
Merchandise BOP	U.S. M		84.7	+ 1.2	- 2.0			83.9	- 1.2	82.7
	Cda. X		83.4		- 0.1			83.3	- 0.6	82.7
Non-merchandise	U.S. M		12.4	+ 0.5	+ 2.1	- 0.9		14.0	+ 0.1	14.1
	Cda. X		15.6	- 1.2	- 0.3	- 0.8	- 0.2	13.1	+ 0.7	13.8
Transportation	U.S. M		0.8		+ 2.3			3.0	- 0.2	2.8
	Cda. X		2.5		+ 0.3		- 0.1	2.7	+ 0.1	2.8
Travel	U.S. M		3.5					3.5		3.5
	Cda. X		3.5					3.5		3.5
Other services	U.S. M		2.5		- 0.2	- 0.3		2.0	- 0.1	1.9
	Cda. X		3.9		- 0.6	- 1.3	- 0.1	1.9	- 0.1	1.9
Investment income	U.S. M		5.3	+ 0.5		- 0.9		4.9	+ 0.3	5.2
	Cda. X		4.1	- 0.1		+ 0.5		4.5	+ 0.5	5.0
Transfers	U.S. M		0.3			+ 0.3		0.7		0.7
	Cda. X		1.7	- 1.2				0.6	+ 0.1	0.7
Current account	U.S. M		97.1	+ 1.7	0	- 0.9		97.9	- 1.1	96.8
	Cda. X		99.0	- 1.2	- 0.4	- 0.8	- 0.2	96.4	+ 0.1	96.5
BALANCES*										
Merchandise	U.S. sources: net X		- 10.4	- 1.2	+ 0.3			- 11.3	+ 0.2	- 11.1
	Cda sources: net M		- 11.5		- 0.2			- 11.7	+ 0.6	- 11.1
Non-merchandise	U.S. sources: net X		+ 12.2	- 2.1	- 0.3			+ 9.8	+ 1.5	+ 11.3
	Cda sources: net M		+ 11.3	+ 0.1	+ 0.2		- 0.1	+ 11.5		+ 11.5
Services	U.S. sources: net X		+ 3.2		- 0.3			+ 3.0	+ 0.7	+ 3.7
	Cda sources: net M		+ 3.4	- 0.2	+ 0.2			+ 3.3	+ 0.3	+ 3.7
Investment income	U.S. sources: net X		+ 9.3	- 2.0			- 0.1	+ 7.1	+ 0.7	+ 7.8
	Cda sources: net M		+ 9.1	- 0.7			- 0.1	+ 8.4	- 0.3	+ 8.1
Transfers	U.S. sources: net X		- 0.3					- 0.3		- 0.3
	Cda sources: net M		- 1.2	+ 1.0				- 0.2	- 0.1	- 0.3
Current account	U.S. sources: net X		+ 1.8	- 3.2				- 1.5	+ 1.7	+ 0.2
	Cda sources: net M		- 0.2	+ 0.1	0	0	- 0.1	- 0.2	+ 0.6	+ 0.4

* Using signs from a U.S. BOP point of view.

STATEMENT 4. Canada/U.S. Non-merchandise Adjustments from Published to Reconciled Data, 1988

	<u>NORTHBOUND</u>		<u>SOUTHBOUND</u>		<u>NET</u>	
	U.S. receipts	Cda. payments	U.S. payments	Cda. receipts	U.S. surplus	Cda. deficit
	- U.S. \$ billions -					
Published values	24.5	27.0	12.4	15.6	+ 12.2	+ 11.3
Definition	- 1.5	- 1.1	+ 0.5	- 1.2	- 2.1	+ 0.1
Classification	+ 1.8	- 0.1	+ 2.1	- 0.3	- 0.3	+ 0.2
Gross/Net	- 0.9	- 0.8	- 0.9	- 0.8	0	0
Other	- 0.1	- 0.3	0	- 0.2	0	- 0.1
Common basis	23.8	24.6	14.0	13.1	+ 9.8	+ 11.5
Coverage and errors	+ 1.5	+ 0.7	+ 0.1	+ 0.7	+ 1.5	0
Reconciled	25.4	25.3	14.1	13.8	+ 11.3	+ 11.5

Table 1N. Summary, Canada/U.S. Current Account, NORTHBOUND, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
1N.11	Goods and services	98,865	98,296	569	96,071	95,795	276	96,613	96,515	98
1N.111	Merchandise and transportation	75,249	74,223	1,026	75,358	74,320	1,038	74,611	74,581	30
1N.1111	Merchandise, adjusted to exclude military and inland freight(Table 2N)...	72,477	71,821	656	72,586	71,554	1,032	71,622	71,622	0
1N.1112	Inland freight(Table 3N)...	1,845	1,834	11	1,845	1,834	11	2,041	2,041	0
1N.1113	Other transportation(Table 3N)...	927	568	359	927	932	(5)	948	918	30
1N.112	Other goods and services	23,616	24,073	(457)	20,713	21,475	(762)	22,002	21,934	68
1N.1121	Transfers under U.S. military agency sales contracts	189	0	189	189	0	189	189	189	0
1N.1122	Travel	3,986	3,989	(3)	3,986	3,989	(3)	3,986	3,989	(3)
1N.1123	Passenger fares	648	650	(2)	648	650	(2)	648	650	(2)
1N.1124	Royalties & license fees(Table 4N)...	802	840	(38)	776	754	22	776	776	0
1N.1125	Other private services(Table 4N)...	3,370	5,370	(2,000)	3,009	3,188	(179)	3,300	3,199	101
1N.1126	U.S. government miscellaneous services.....(Table 4N)...	33	22	11	33	41	(8)	33	41	(8)
1N.1127	U.S. direct investment income(Table 5N)...	7,276	5,877	1,399	5,703	5,466	237	5,703	5,703	0
1N.1128	Other U.S. private income(Table 5N)...	7,281	7,325	(44)	6,338	7,387	(1,049)	7,336	7,387	(51)
1N.1129	U.S. government income(Table 5N)...	31	0	31	31	0	31	31	0	31
1N.12	Personal remittances	0	485	(485)	345	379	(34)	379	379	0
1N.1	CURRENT ACCOUNT - NORTHBOUND	98,865	98,781	84	96,416	96,174	242	96,992	96,894	98

Note: () bracketed values are negative

Table 1S. Summary, Canada/U.S. Current Account, SOUTHBOUND, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
1S.11	Goods and services	96,771	97,309	538	97,235	95,812	(1,423)	96,144	95,814	(330)
1S.111	Merchandise and transportation	85,505	85,870	365	86,899	85,935	(964)	85,539	85,500	(39)
1S.1111	Merchandise, adjusted to exclude military and inland freight(Table 2S)...	82,492	83,367	875	83,886	83,270	(616)	82,702	82,702	0
1S.1112	Inland freight(Table 3S)...	2,254	2,120	(134)	2,254	2,120	(134)	2,120	2,120	0
1S.1113	Other transportation(Table 3S)...	759	383	(376)	759	545	(214)	717	678	(39)
1S.112	Other goods and services	11,266	11,439	173	10,336	9,877	(459)	10,605	10,314	(291)
1S.1121	Direct defense expenditures	249	***		249	101	(148)	249	249	0
1S.1122	Travel	3,228	3,213	(15)	3,228	3,213	(15)	3,228	3,213	(15)
1S.1123	Passenger fares	254	254	0	254	254	0	254	254	0
1S.1124	Royalties & license fees(Table 4S)...	225	43	(182)	75	6	(69)	70	70	0
1S.1125	Other private services(Table 4S)...	1,891	3,741	1,850	1,520	1,712	192	1,465	1,440	(25)
1S.1126	U.S. government miscellaneous services(Table 4S)...	114	114	0	114	114	0	114	114	0
1S.1127	Canadian direct investment income(Table 5S)...	1,082	2,320	1,238	1,616	2,224	608	2,211	2,006	(205)
1S.1128	Other Canadian private income(Table 5S)...	2,749	901	(1,848)	1,806	1,405	(401)	1,853	1,807	(46)
1S.1129	U.S. government payments(Table 5S)...	1,474	853	(621)	1,474	848	(626)	1,161	1,161	0
1S.12	Personal remittances	331	1,699	1,368	676	570	(106)	676	676	0
1S.1	CURRENT ACCOUNT - SOUTHBOUND	97,102	99,008	1,906	97,911	96,382	(1,529)	96,820	96,490	(330)

Note: *** included in Other private services
() bracketed values are negative

Table 1Net. Summary, Canada/U.S. Current Account, NET NORTHBOUND modified, 1988

07-Feb-91

NET NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1Net.11	Merchandise	(10,424)	(11,546)	(1,122)	(11,300)	(11,716)	(416)	(11,080)	(11,080)	0
1Net.12	Non-merchandise	12,187	11,319	(868)	9,805	11,508	1,703	11,252	11,484	232
1Net.121	Total Services	3,235	3,405	170	2,960	3,323	363	3,704	3,665	(39)
1Net.1211	Travel and passenger fares	1,152	1,172	20	1,152	1,172	20	1,152	1,172	20
1Net.12111	Travel	758	776	18	758	776	18	758	776	18
1Net.12112	Passenger fares	394	396	2	394	396	2	394	396	2
1Net.1212	Total Transportation	168	(101)	(269)	(241)	101	342	152	161	9
1Net.12121	Inland freight	0	(286)	(286)	(409)	(286)	123	(79)	(79)	0
1Net.12122	Other transportation	168	185	17	168	387	219	231	240	9
1Net.1213	Total Other Services	1,915	2,334	419	2,049	2,050	1	2,400	2,332	(68)
1Net.12131	Affiliated Services	1,410	1,748	338	1,410	1,593	183	1,791	1,791	0
1Net.12132	Non-affiliated Services	505	586	81	639	457	(182)	609	541	(68)
1Net.12132	U.S. government miscellaneous services	(81)	(92)	(11)	(81)	(73)	8	(81)	(73)	8
1Net.12132	U.S. military/defence	(60)	0	60	(60)	(101)	(41)	(60)	(60)	0
1Net.12132	Other non-affiliated	646	678	32	780	631	(149)	750	674	(76)
1Net.122	Total Investment Income	9,283	9,128	(155)	7,176	8,376	1,200	7,845	8,116	271
1Net.1221	Direct investment income	6,194	3,557	(2,637)	4,087	3,242	(845)	3,492	3,697	205
1Net.1222	Other investment income	3,089	5,571	2,482	3,089	5,134	2,045	4,353	4,419	66
1Net.12221	Interest	3,081	5,134	2,053	3,081	4,719	1,638	4,320	4,386	66
1Net.12222	Dividends	8	437	429	8	415	407	33	33	0
1Net.123	Personal remittances	(331)	(1,214)	(883)	(331)	(191)	140	(297)	(297)	0
1Net.1	CURRENT ACCOUNT - NET NORTHBOUND	1,763	(227)	(1,990)	(1,495)	(208)	1,287	172	404	232

Note: () bracketed values are negative

Table 1M. Summary, Canada/U.S. Current Account, NORTHBOUND modified, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1M.11	Merchandise	74,322	71,821	2,501	72,586	71,554	1,032	71,622	71,622	0
1M.12	Non-merchandise	24,543	26,960	(2,417)	23,830	24,620	(790)	25,370	25,272	98
1M.121	Total Services	9,955	13,273	(3,318)	11,413	11,388	25	11,921	11,803	118
1M.1211	Travel and passenger fares	4,634	4,639	(5)	4,634	4,639	(5)	4,634	4,639	(5)
1M.12111	Travel	3,986	3,989	(3)	3,986	3,989	(3)	3,986	3,989	(3)
1M.12112	Passenger fares	648	650	(2)	648	650	(2)	648	650	(2)
1M.1212	Total Transportation	927	2,402	(1,475)	2,772	2,766	6	2,989	2,959	30
1M.12121	Inland freight	0	1,834	(1,834)	1,845	1,834	11	2,041	2,041	0
1M.12122	Other transportation	927	568	359	927	932	(5)	948	918	30
1M.1213	Total Other Services	4,394	6,232	(1,838)	4,007	3,983	24	4,298	4,205	93
1M.12131	Affiliated Services	1,717	3,337	(1,620)	1,717	1,827	(110)	2,081	2,081	0
1M.12132	Non-affiliated Services	2,677	2,895	(218)	2,290	2,156	134	2,217	2,124	93
1M.121321	U.S. government miscellaneous services	33	22	11	33	41	(8)	33	41	(8)
1M.121322	U.S. military	189	0	189	189	0	189	189	189	0
1M.121323	Other non-affiliated	2,455	2,873	(418)	2,068	2,115	(47)	1,995	1,894	101
1M.122	Total Investment Income	14,588	13,202	1,386	12,072	12,853	(781)	13,070	13,090	(20)
1M.1221	Direct investment income	7,276	5,877	1,399	5,703	5,466	237	5,703	5,703	0
1M.1222	Other investment income	7,312	7,325	(13)	6,369	7,387	(1,018)	7,367	7,387	(20)
1M.12221	Interest	6,572	6,484	88	5,629	6,622	(993)	6,602	6,622	(20)
1M.12222	Dividends	740	841	(101)	740	765	(25)	765	765	0
1M.123	Personal remittances	0	485	(485)	345	379	(34)	379	379	0
1M.1	CURRENT ACCOUNT - NORTHBOUND	98,865	98,781	84	96,416	96,174	242	96,992	96,894	98

Note: () bracketed values are negative

Table 1S. Summary, Canada/U.S. Current Account, SOUTHBOUND modified, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1S.11	Merchandise	84,746	83,367	1,379	83,886	83,270	616	82,702	82,702	0
1S.12	Non-merchandise	12,356	15,641	(3,285)	14,025	13,112	913	14,118	13,788	330
1S.121	Total Services	6,720	9,868	(3,148)	8,453	8,065	388	8,217	8,138	79
1S.1211	Travel and passenger fares	3,482	3,467	15	3,482	3,467	15	3,482	3,467	15
1S.12111	Travel	3,228	3,213	15	3,228	3,213	15	3,228	3,213	15
1S.12112	Passenger fares	254	254	0	254	254	0	254	254	0
1S.1212	Total Transportation	759	2,503	(1,744)	3,013	2,665	348	2,837	2,798	39
1S.12121	Inland freight	0	2,120	(2,120)	2,254	2,120	134	2,120	2,120	0
1S.12122	Other transportation	759	383	376	759	545	214	717	678	39
1S.1213	Total Other Services	2,479	3,898	(1,419)	1,958	1,933	25	1,898	1,873	25
1S.12131	Affiliated Services	307	1,589	(1,282)	307	234	73	290	290	0
1S.12132	Non-affiliated Services	2,172	2,309	(137)	1,651	1,699	(48)	1,608	1,583	25
1S.121321	U.S. government miscellaneous services	114	114	0	114	114	0	114	114	0
1S.121322	U.S. defence	249	0	249	249	101	148	249	249	0
1S.121323	Other non-affiliated	1,809	2,195	(386)	1,288	1,484	(196)	1,245	1,220	25
1S.122	Total Investment Income	5,305	4,074	1,231	4,896	4,477	419	5,225	4,974	251
1S.1221	Direct investment income	1,082	2,320	(1,238)	1,616	2,224	(608)	2,211	2,006	205
1S.1222	Other investment income	4,223	1,754	2,469	3,280	2,253	1,027	3,014	2,968	46
1S.12221	Interest	3,491	1,350	2,141	2,548	1,903	645	2,282	2,236	46
1S.12222	Dividends	732	404	328	732	350	382	732	732	0
1S.123	Personal remittances	331	1,699	(1,368)	676	570	106	676	676	0
1S.1	CURRENT ACCOUNT - SOUTHBOUND	97,102	99,008	(1,906)	97,911	96,382	1,529	96,820	96,490	330

Note: () bracketed values are negative

Table 2N. Canada/U.S. Merchandise Trade, NORTHBOUND, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
2N.1	Total Merchandise Trade	74,322	71,821	2,501	72,586	71,554	1,032	71,622	71,622	0
2N.11	of which: Merchandise	72,477	71,477		72,477	71,477				
2N.12	Inland freight	1,845	0		0	0				
2N.13	Repairs	0	77		109	77				
2N.14	Commissions	0	267		0	0				

Table 2S. Canada/U.S. Merchandise Trade, SOUTHBOUND, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
2S.1	Total Merchandise Trade	84,746	83,367	1,379	83,886	83,270	616	82,702	82,702	0
2S.11	of which: Merchandise	82,492	83,086		82,492	83,086				
2S.12	Inland freight	2,254	0		0	0				
2S.13	Repairs	0	156		242	156				
2S.14	Refining	**	0		**	28				
2S.15	Commissions	0	125		0	0				
2S.16	Canadian re-exports	0	**		1,152	**				

Note: ** included in Merchandise (2S.11)

() bracketed values are negative

Table 3M. Canada/U.S. Transportation, NORTHBOUND, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
3M.1	Total Transportation - including inland freight	927	2,402	(1,475)	2,772	2,766	6	2,989	2,959	30
3M.11	- excluding inland freight	927	568	359	927	932	(5)	948	918	30
3M.111	Freight	506	503	3	506	503	3	506	489	17
3M.1111	Ocean	199	213	(14)	199	213	(14)	199	182	17
3M.11111	Foreign to foreign	115	124	(9)	115	124	(9)	115	124	(9)
3M.11112	Export	84	43	41	84	43	41	84	43	41
3M.11113	Other	0	46	(46)	0	46	(46)	0	15	(15)
3M.1112	Great Lakes	10	10	0	10	10	0	10	10	0
3M.1113	Air	20	7	13	20	7	13	20	7	13
3M.1114	Rail	17	0	17	17	0	17	17	17	0
3M.1115	Pipeline	260	273	(13)	260	273	(13)	260	273	(13)
3M.11151	Petroleum	139	159	(20)	139	159	(20)	139	159	(20)
3M.11152	Gas	121	114	7	121	114	7	121	114	7
3M.112	Port expenditures	361	36	325	361	244	117	267	244	23
3M.1121	Ocean	55	29	26	55	29	26	55	29	26
3M.1122	Great Lakes	4	7	(3)	4	7	(3)	4	7	(3)
3M.1123	Air	208	0	208	208	208	0	208	208	0
3M.1124	Rail	94	0	94	94	0	94	0	0	0
3M.113	Other	60	29	31	60	185	(125)	175	185	(10)
3M.1131	Freight car rentals	55	0	55	55	170	(115)	170	170	0
3M.1132	Vessel charter hire	0	10	(10)	0	10	(10)	0	10	(10)
3M.1133	Canal fees	0	19	(19)	0	0	0	0	0	0
3M.1134	Aircraft leasing	5	0	5	5	5	0	5	5	0
3M.12	Inland freight	0	1,834	(1,834)	1,845	1,834	11	2,041	2,041	0
3M.121	Coal		323			323				
3M.122	Inland rail		310			310				
3M.123	Trucks		1,182			1,182				
3M.124	Iron ore		19			19				

Note: () bracketed values are negative

Table 3S. Canada/U.S. Transportation, SOUTHBOUND, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
3S.1	Total Transportation - including inland freight	759	2,503	1,744	3,013	2,665	(348)	2,837	2,798	(39)
3S.11	- excluding inland freight	759	383	(376)	759	545	(214)	717	678	(39)
3S.111	Freight	250	188	(62)	250	188	(62)	258	261	3
3S.1111	Ocean	114	117	3	114	117	3	114	117	3
3S.1112	Great Lakes	51	59	8	51	59	8	59	59	0
3S.1113	Air	22	12	(10)	22	12	(10)	22	22	0
3S.1114	Rail	63	0	(63)	63	0	(63)	63	63	0
3S.112	Port expenditures	412	48	(364)	412	235	(177)	277	235	(42)
3S.1121	Ocean	168	42	(126)	168	42	(126)	84	42	(42)
3S.1122	Great Lakes	6	6	0	6	6	0	6	6	0
3S.1123	Air	145	0	(145)	145	187	42	187	187	0
3S.1124	Rail	93	0	(93)	93	0	(93)	0	0	0
3S.113	Other	97	147	50	97	122	25	182	182	0
3S.1131	Vessel charter hire	4	4	0	4	4	0	4	4	0
3S.1132	Freight car rentals	75	0	(75)	75	114	39	168	168	0
3S.1133	Aircraft leasing	18	0	(18)	18	1	(17)	10	10	0
3S.1134	Rail in transit, net	0	59	59	0	0	0	0	0	0
3S.1135	Petroleum in transit	0	0	0	0	0	0	0	0	0
3S.1136	Intransit coal	0	55	55	0	0	0	0	0	0
3S.1137	Intransit wheat	0	16	16	0	0	0	0	0	0
3S.1138	Intransit other	0	10	10	0	0	0	0	0	0
3S.1139	Canal fees	0	3	3	0	3	3	0	0	0
3S.12	Inland freight	0	2,120	2,120	2,254	2,120	(134)	2,120	2,120	0
3S.121	Newfoundland inland freight		7			7				
3S.122	Earnings of Canadian rails - inland freight		1,112			1,112				
3S.123	Trucks		929			929				
3S.124	Pipelines		72			72				

Note: () bracketed values are negative

Table 4W. Canada/U.S. Services, NORTHBOUND, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
4W.1	Total Services	4,205	6,232	(2,027)	3,818	3,983	(165)	4,109	4,016	93
4W.11	U.S. government miscellaneous services	33	22	11	33	41	(8)	33	41	(8)
4W.111	Post Office	22	22	0	22	22	0	22	22	0
4W.112	M.A.S.A.	0	0	0	0	0	0	0	0	0
4W.113	St. Lawrence Seaway	7	0	7	7	19	(12)	7	19	(12)
4W.114	State	1	0	1	1	0	1	1	0	1
4W.115	Other	3	0	3	3	0	3	3	0	3
	AFFILIATED services - Total		3,337							
	- U.S. affiliates / Canadian parent		617							
4W.12	- U.S. parent / Canadian affiliates	1,717	2,720	(1,003)	1,717	1,827	(110)	2,081	2,081	0
4W.121	Receipts of U.S. parents from Canadian affiliates	1,909	2,720	(811)	1,909	2,720	(811)	2,858	2,858	0
4W.1211	Royalties and license fees	710	666	44	710	666	44	710	710	0
4W.1212	Service charges	1,199	2,054	(855)	1,199	2,054	(855)	2,148	2,148	0
4W.122	Payments of U.S. parents to Canadian affiliates	192			192	893	(701)	777	777	0
4W.1221	Royalties and license fees	21			21	8	13	21	21	0
4W.1222	Service charges	171			171	885	(714)	756	756	0
4W.13	UNAFFILIATED service transactions	2,455	2,365	90	2,068	2,115	(47)	1,995	1,894	101
4W.131	Insurance	673	766	(93)	673	766	(93)	495	419	76
4W.1311	U.S. controlled firms		419			419				
4W.13111	Primary insurance, net		201			201				
4W.13112	Reinsurance, total, net		218			218				
4W.131121	Reinsurance, affiliates, net		102			102				
4W.131122	Reinsurance, non-affiliates, net		116			116				
4W.1312	Non-U.S. controlled firms		347			347				
4W.13121	Primary insurance, net		125			125				
4W.13122	Reinsurance, total, net		222			222				
4W.131221	Reinsurance, affiliates, net		38			38				
4W.131222	Reinsurance, non-affiliates, net		184			184				
4W.132	Other unaffiliated services	1,782	1,599	183	1,395	1,349	46	1,500	1,475	25
4W.1321	Financial services	187	219	(32)	187	219	(32)	187	219	(32)
4W.13211	Commodity brokers	28	15	13	28	15	13	28	15	13
4W.13212	Security brokers	123	130	(7)	123	130	(7)	123	130	(7)
4W.13213	Banks (from income)	36	58	(22)	36	58	(22)	36	58	(22)
4W.13214	Other	0	16	(16)	0	16	(16)	0	16	(16)

continued

Table 4M. Canada/U.S. Services, NORTHBOUND, 1988 - concluded

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
4N.1322	Royalties, consulting, management & professional services .	150	356	(206)	230	204	26	230	230	0
4N.13221	Royalties	113	174	(61)	87	96	(9)	87	87	
4N.13222	Accounting, auditing and bookkeeping	0	0	0	2	0	2	2	2	
4N.13223	Engineering, architecture and construction	0	0	0	37	0	37	37	37	
4N.13224	Industrial engineering	0	0	0	34	0	34	34	34	
4N.13225	Legal services	0	0	0	19	0	19	19	19	
4N.13226	Management, consulting and public relations	37	182	(145)	51	108	(57)	51	51	
4N.1323	Advertising	19	54	(35)	19	54	(35)	54	54	0
4N.1324	Computer services	141	40	101	141	40	101	76	76	0
4N.13241	Computer and data processing	123	40	83	123	40	83			
4N.13242	Data base and other information services	18	0	18	18	0	18			
4N.1325	Mailing, reproduction and commercial art	0	0	0	0	0	0	0	0	0
4N.1326	R & D, commercial testing and laboratory services	5	73	(68)	5	15	(10)	5	15	(10)
4N.1327	Sports and entertainment	80	166	(86)	97	156	(59)	156	156	0
4N.13271	Fees for performing arts and sports events	80	24	56	80	24	56			
4N.13272	Broadcasting	0	35	(35)	17	35	(18)			
4N.13273	Film and TV rentals	0	107	(107)	0	97	(97)			
4N.1328	Franchises	0	8	(8)	8	6	2	8	8	0
4N.1329	Installation, maintenance, and repair of equipment	136	0	136	27	0	27	27	0	27
4N.132A	Medical services	80	0	80	80	40	40	80	40	40
4N.132B	Education, training	189	57	132	189	57	132	189	189	0
4N.132B1	Education	188	57	131	188	57	131			
4N.132B2	Training	1	0	1	1	0	1			
4N.132C	Commuters	75	71	4	75	71	4	71	71	0
4N.132D	Canadian government expenditures	247	281	(34)	247	241	6	241	241	0
4N.132D1	Defense: Military pay allowance		19			19				
4N.132D2	Other		32			32				
4N.132D3	Federal government expenditures in the U.S.		96			96				
4N.132D4	Provincial government expenditures in the U.S.		134			94				
4N.132E	Expenditures of U.S. residents temporarily employed in Canada	0	0	0	0	0	0	0	0	0
4N.132F	Trade unions	90	86	4	90	86	4	86	86	0
4N.132G	Communications	277	6	271	0	0	0	0	0	0
4N.132H	Other	106	182	(76)	0	160	(160)	90	90	0
4N.14	Other	0	508	(508)	0	0	0	0	0	0
4N.141	Commissions on exports to Merchandise (Southbound)		125							
4N.142	Airlines to Transportation		208							
4N.143	Railways to Transportation		170							
4N.144	Aircraft leasing to Transportation		5							

Note: () bracketed values are negative

Table 4S. Canada/U.S. Services, SOUTHBOUND, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
4S.1	Total Services	2,230	3,898	1,668	1,709	1,832	123	1,649	1,624	(25)
4S.11	U.S. government miscellaneous services	114	114	0	114	114	0	114	114	0
4S.111	Post Office	78	78	0	78	78	0	78	78	0
4S.112	Other	36	36	0	36	36	0	36	36	0
	AFFILIATED services - Total		1,589							
	- U.S. parent / Canadian affiliates		893							
4S.12	- U.S. affiliates / Canadian parent	307	696	389	307	234	(73)	290	290	0
4S.121	Payments of U.S. affiliates to Canadian parents	738	696	(42)	738	632	(106)	700	700	0
4S.1211	Royalties and license fees	24	16	(8)	24	16	(8)	20	20	0
4S.1212	Rental charges (excl. TV and film rentals)	0	3	3	0	3	3	0	3	3
4S.1213	Other service charges	714	677	(37)	714	613	(101)	680	677	(3)
4S.122	Receipts of U.S. affiliates from Canadian parents	431			431	398	(33)	410	410	0
4S.1221	Royalties and license fees	24			24	30	6	25	25	0
4S.1222	Other charges	407			407	368	(39)	385	385	0
4S.13	UNAFFILIATED service transactions	1,809	1,497	(312)	1,288	1,484	196	1,245	1,220	(25)
4S.131	Insurance	552	413	(139)	552	413	(139)	215	215	0
4S.1311	U.S. controlled firms		208			208				
4S.13111	Primary insurance, net		13			13				
4S.13112	Reinsurance, total, net		195			195				
4S.131121	Reinsurance, affiliates, net		91			91				
4S.131122	Reinsurance, non-affiliates, net		104			104				
4S.1312	Non-U.S. controlled firms		205			205				
4S.13121	Primary insurance, net		35			35				
4S.13122	Reinsurance, total, net		170			170				
4S.131221	Reinsurance, affiliates, net		16			16				
4S.131222	Reinsurance, non-affiliates, net		154			154				
4S.132	Other unaffiliated services	1,257	1,084	(173)	736	1,071	335	1,030	1,005	(25)
4S.1321	Financial services	66	148	82	66	148	82	152	148	(4)
4S.13211	Security brokers	66	52	(14)	66	52	(14)	66	52	(14)
4S.13212	Banking services	0	86	86	0	86	86	86	86	0
4S.13213	Other	0	10	10	0	10	10	0	10	10

continued

Table 4S. Canada/U.S. Services, SOUTHBOUND, 1988 - concluded

07-Feb-91

SOUTHBOUND	Published data			Adjusted data - Common basis			Reconciled data		
	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions									
4S.1322 Communications	348	27	(321)	71	21	(50)	71	71	0
4S.1323 Royalties, consulting, management & professional services ..	225	120	(105)	122	113	(9)	122	122	0
4S.13231 Royalties	225	27	(198)	75	20	(55)	75	75	0
4S.13232 Accounting, auditing and bookkeeping	0	0	0	5	0	(5)	5	5	0
4S.13233 Engineering, architecture and construction	0	0	0	20	0	(20)	20	20	0
4S.13234 Industrial engineering	0	0	0	15	0	(15)	15	15	0
4S.13235 Legal services	0	0	0	0	0	0	0	0	0
4S.13236 Management, consulting and public relations	0	93	93	7	93	86	7	7	0
4S.1324 Advertising	8	12	4	8	12	4	12	12	0
4S.1325 Computer services	10	136	126	10	136	126	50	50	0
4S.13251 Computer and data processing	8			8					
4S.13252 Data base and other information services	2			2					
4S.1326 Mailing, reproduction and commercial art	3	0	(3)	3	0	(3)	3	3	0
4S.1327 R & D, commercial testing and laboratory services	11	28	17	11	28	17	11	28	17
4S.1328 Sports and entertainment	2	219	217	152	219	67	219	219	0
4S.13281 Fees for performing arts and sports events.....	2	203	201	2	203	201		203	
4S.13282 Broadcasting	0	16	16	150	16	(134)		16	
4S.13283 Film and TV rentals	0	0	0	0	0	0		0	
4S.1329 Installation, maintenance, and repair of equipment	285	0	(285)	43	0	(43)	43	0	(43)
4S.132A Education, training	14	19	5	14	19	5	14	19	5
4S.132A1 Education	6	19	13	6	19	13			
4S.132A2 Canadian students wages	8	0	(8)	8	0	(8)			
4S.132B Commuters' wages	127	120	(7)	127	120	(7)	120	120	0
4S.132C Canadian government revenues	0	55	55	0	55	55	55	55	0
4S.132C1 Federal government	0	19	19	0	19	19			
4S.132C2 Provincial government	0	36	36	0	36	36			
4S.132D Trade unions	102	98	(4)	102	98	(4)	98	98	0
4S.132E Other	56	102	46	7	102	95	60	60	0
4S.14 Other	0	698	698	0	0	0	0	0	0
4S.141 Commissions on imports to Merchandise (Northbound)		267							
4S.142 Airlines to Transportation		187							
4S.143 Railways to Transportation		114							
4S.144 Aircraft leasing to Transportation		1							
4S.145 U.S. government defense expenditures to Summary Table		101							
4S.146 Refining fees to Merchandise		28							

Note: () bracketed values are negative

Table 5W. Canada/U.S. Investment Income, NORTHBOUND, 1988

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
5W.1	Total Investment Income	14,588	13,202	1,386	12,072	12,853	(781)	13,070	13,090	(20)
5W.11	U.S. direct investment income - interest, dividends, and earnings of unincorporated affiliates	7,276	5,877	1,399	5,703	5,466	237	5,703	5,703	0
5W.111	Dividends	5,787	5,308	479	4,269	4,648	(379)	4,269	4,269	0
5W.112	Earnings of unincorporated affiliates	1,055	155	900	1,052	491	561	1,052	1,052	0
5W.1121	Insurance companies	282	65	217	282	267	15	282	282	0
5W.1122	Other	773	90	683	770	224	546	770	770	0
5W.113	Interest	434	414	20	382	327	55	382	382	0
5W.12	Other U.S. private income from Canada	7,281	7,325	(44)	6,338	7,387	(1,049)	7,336	7,387	(51)
5W.121	Dividends	740	841	(101)	740	765	(25)	765	765	0
5W.122	Interest	6,541	6,484	57	5,598	6,622	(1,024)	6,571	6,622	(51)
5W.1221	Interest on U.S. dollar bonds	3,762	3,393	369	3,762	3,220	542	3,220	3,220	0
5W.1222	Interest on bonds of foreign affiliates	0	0	0	0	0	0	0	0	0
5W.1223	Interest on non-U.S. dollar bonds	296	495	(199)	296	371	(75)	371	371	0
5W.1224	Interest on non-bank claims	359	2,227	(1,868)	631	2,102	(1,471)	2,071	2,102	(31)
5W.12241	U.S. non-banks' receipts from Canadian banks				184	1,367	(1,183)	1,367	1,367	0
5W.12242	Other receipts from Canadian non-banks				447	735	(288)	704	735	(31)
5W.1225	Interest on bank claims (includes bank service fees) ...	1,852	369	1,483	909	929	(20)	909	929	(20)
5W.12251	U.S. banks' receipts from Canadian banks				148	140	8	148	140	8
5W.12252	Other Canadian banks - U.S. \$ denominated claims				343	360	(17)	343	360	(17)
5W.12253	Other Canadian banks - Foreign currency claims				67	59	8	67	59	8
5W.12254	U.S. banks' receipts from Canadian non-banks				351	370	(19)	351	370	(19)
5W.1226	Interest on bank customers' claims	272	0	272	0	0	0	0	0	0
5W.13	U.S. government income from Canada	31	0	31	31	0	31	31	0	31
5W.131	Export-Import bank	31	0	31	31	0	31	31	0	31
5W.132	Other	0	0	0	0	0	0	0	0	0

Note: () bracketed values are negative

Table 5S. Canada/U.S. Investment Income, SOUTHBOUND, 1988

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
5S.1	Total Investment Income	5,305	4,074	(1,231)	4,896	4,477	(419)	5,225	4,974	(251)
5S.11	Canadian direct investment income - interest, dividends, and earnings of unincorporated affiliates	1,082	2,320	1,238	1,616	2,224	608	2,211	2,006	(205)
5S.111	Dividends	72	1,832	1,760	619	1,780	1,161	1,780	1,780	0
5S.112	Earnings of unincorporated affiliates	742	423	(319)	742	422	(320)	303	98	(205)
5S.1121	Insurance companies	575	(121)	(696)	575	(122)	(697)	136	(122)	(258)
5S.1122	Banks	191	515	324	191	515	324	191	191	0
5S.1123	Other	(24)	29	53	(24)	29	53	(24)	29	53
5S.113	Interest	268	65	(203)	255	22	(233)	128	128	0
5S.12	Other Canadian private income from U.S.	2,749	901	(1,848)	1,806	1,405	(401)	1,853	1,807	(46)
5S.121	Dividends	732	404	(328)	732	350	(382)	732	732	0
5S.122	Interest	2,017	497	(1,520)	1,074	1,055	(19)	1,121	1,075	(46)
5S.1221	Interest on investments and securities	233	130	(103)	233	130	(103)	182	182	0
5S.1222	Interest on bank liabilities	1,660	210	(1,450)	746	768	22	821	779	(42)
5S.12221	U.S. banks' payments to Canadian non-banks				412	412	0	412	412	0
5S.12222	U.S. banks' payments to Canadian banks				0	0	0	0	0	0
5S.12223	Other Canadian banks - U.S. \$ liabilities				334	281	(53)	334	292	(42)
5S.12224	Other Canadian banks - foreign currency liabilities ..				0	75	75	75	75	0
5S.1223	Interest on U.S. non-bank liabilities	95	157	62	95	157	62	118	114	(4)
5S.1224	Interest on custody liabilities	29	0	(29)	0	0	0	0	0	0
5S.13	Interest on U.S. government liabilities	1,474	853	(621)	1,474	848	(626)	1,161	1,161	0

Note: () bracketed values are negative

Table 6N. Portfolio Income, NORTHBOUND, 1988
Millions of U.S. dollars

B.E.A.	Avg. Positions		Yields		Interest		Reconciled		S.C.
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	
U.S. banks' receipts from Cdn. banks: Home offices	14,394	9,404	7.6	8.2	1,091	773	1,091	773	U.S.\$
Other Cdn. banks - U.S.\$ denominated claims:	(4,505)				(343)				
Affiliates of U.S. banks	365	4,942	7.4	7.3	27	360	343	360	U.S. dollar deposits.
Deposits at unaffiliated banks	2,699		7.6		206				
Other claims on unaffiliated banks	1,441		7.6		110				
Other Cdn. banks - Foreign currency claims	771	703	8.7	8.4	67	59	67	59	Deposits in other currencies.
U.S. non-bank receipts from Cdn. banks:	(1,922)				(184)	(1,367)	1,367	1,367	
Deposits held directly	1,250	16,735	10.6	7.3	133	1,223			U.S. dollar deposits.
Bank customers' deposits	672		7.6		51				
Foreign currency deposits		1,686		8.6		144			Deposits in other currencies
U.S. banks' receipts from Cdn. non-banks:	(4,101)				(351)	(370)	351	370	
Long-term lending	2,239		8.5		190				Long-term bank loans.
Short-term lending	1,517		9.0		136	28			- Provincial governments
Acceptance financing	345		7.3		25	274			- Corporations
						68			Short-term bank loans.
Interest received on Cdn. bonds:					(4,058)	(3,591)	3,591	3,591	
Dollar bonds		36,735			3,762	3,220			U.S. dollar bonds.
Bonds of foreign affiliates					-				
Other bonds					296	371			Cdn. dollar bonds.
Other receipts from Cdn. non-banks:	(4,999)				(478)	(735)	735	735	
Ex-Im Bank					31				
Negotiable instruments in U.S. bank custody	2,912		7.6		221				
Other financial claims	1,200	2,467	11.3	9.3	135	229			Govt. of Canada paper.
Other commercial accounts	887	3,512	10.3	7.1	91	248			Commercial paper (excl. bank paper).
						258			Other liabilities.
TOTAL					6,572	7,255	7,545	7,255	TOTAL

Table 6S. Portfolio Income, SOUTHBOUND, 1988

Millions of U.S. dollars

B.E.A.	Avg. Positions		Yields		Interest		Reconciled		S.C.
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	
U.S. banks' payments to Cdn. non-banks:	(5,422)	5,395		7.6	(412)	412	412	412	
Payments to Cdn. monetary authorities	287		7.3		21				
Payments to other Cdn. non-banks	-		-		-				
U.S. bank time deposits	4,691		7.6		357				
U.S. bank CD's	132		7.6		10				
Other U.S. bank liabilities	71		8.4		6				
U.S. bank custody liabilities	241		7.5		18				
U.S. banks' payments to Cdn. banks:									
Home offices	12,635	8,586	7.4	7.4	943	633	943	633	
Other Cdn. banks-U.S.dollar denominated liabilities	(4,412)				(334)		334	292	
Affiliates of U.S. banks	134		7.5		10				
U.S. bank time deposits	2,799	3,612	7.6	7.8	213	281			Interest bearing U.S. dollar deposits.
U.S. bank CD's	48		8.3		4				
Other U.S. bank liabilities	1,280		7.5		96				
U.S. bank custody liabilities	151		7.3		11				Non-int.bearing U.S.\$ deposits of banks.
Demand deposits									
Other Cdn. banks - foreign currency liabilities		1,022		7.3		75	75	75	Claims in other currencies.
U.S. government liabilities:		11,939			1,474	(848)	1,161	1,161	
Treasury bills		4,375		6.3		275			
Treasury bonds		7,564		7.6		573			
Agency bonds									
Interest paid on investments and securities		1,331		9.8	233	130	182	182	
Payments on other U.S. non-bank liabilities:	(1,615)				(95)	(157)	118	114	
Financial liabilities	422	908	8.5	8.0	36	73			Cdn. banks' receipts from U.S.non-banks.
Trade payables									
Advance payments & other commercial liabilities	1,193		5.0		59	84			Other financial claims.
TOTAL					3,491	2,536	3,225	2,869	TOTAL

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STATEMENT IN. Canada/U.S. Current Account Adjustments from Published to Common Basis, NORTHBOUND, 1989
Major adjustments to arrive at common basis

NORTHBOUND	Published		Definition		Classification		Gross net		Other		Common basis	
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.
	- U.S. \$ millions -											
A. <u>Merchandise</u>												
1. Transfer inland freight to other transportation					- 1,987	- 288						
2. Commissions					+ 157							
3. Repairs					- 1,830	- 288					77,916	78,648
Total merchandise	79,746	78,936										
B. <u>Transportation</u>												
1. Inland freight												
1. Transfer inland freight from merchandise to other transportation					+ 1,979							
Other												
2. Transfer transactions of airlines, railways and leasing to other transportation						+ 425						
3. Canal fees to other services						- 16						
Total transportation	972	2,734			+ 1,979	+ 409					2,951	3,143
C. <u>Travel</u>	5,578	5,582									5,578	5,582
D. <u>Other services</u>												
Affiliated												
1. Services to U.S. parents							- 930					
2. Services of Cdn. parents							- 455					
3. Benchmark for unrecorded transactions									- 206			
Total affiliated	1,915	3,573					- 1,385		- 206		1,915	1,982
Unaffiliated												
4. Transfer transactions of airlines, railways and leasing to other transportation						- 425						
5. Elimination of commissions on merchandise						- 131						
6. Grossing/Netting of transactions							- 331	- 6				
7. Canal fees from transportation						+ 16						
8. Repairs					- 157							
9. Elimination of withholding taxes from services				- 254					- 2	- 25		
10. Other									- 2	- 25		
Total unaffiliated	2,760	3,189		- 254	- 157	- 540	- 331	- 6	- 2	- 25	2,270	2,364
Total other services	4,675	6,762		- 254	- 157	- 540	- 331	- 1,391	- 2	- 231	4,185	4,346
E. <u>Investment income</u>												
Direct investment												
1. Elimination of retained earnings			-3,481									
2. Elimination of dividends from branches treated as subsidiaries (net of profits)				+ 54								
3. Adjusting insurance company profits to accrual basis from cash basis				+ 311								
4. Grossing of direct investment interest income								- 44				
5. Elimination of withholding taxes				- 515								
6. Elimination of stock dividend						- 22						
7. Transfers from/to portfolio									- 75	- 6		
8. Other						- 22		- 44	- 75	- 6	3,328	3,946
Total direct investment	6,884	4,168	-3,481	- 150		- 22		- 44	- 75	- 6		
Other income												
1. Elimination of withholding taxes				- 263								
2. Elimination of stock dividends				- 2								
3. Grossing of foreign currency						+ 22		+ 1,657				
4. Transfers from/to direct												
5. Adjust bond interest to cash basis				- 124								
6. Double counting of transactions				- 168				- 599	- 1,155			
7. Netting of interbank									+ 2	+ 1		
8. Other									+ 2	+ 1		
Total other income	7,248	8,151		- 557		+ 22	- 599	+ 502	+ 2	+ 1	6,651	8,119
Total investment income	14,132	12,319	-3,481	- 707		0	- 599	+ 458	- 73	- 5	9,979	12,065
F. <u>Transfers</u>												
1. Grossing of U.S. transfers							+ 356					
2. Elimination of withholding taxes from transfers				- 122								
Total transfers	0	535		- 122			+ 356				356	413
G. <u>TOTAL - U.S. RECEIPTS</u>	105,103	106,868	-3,481	-1,083	- 8	- 419	- 574	- 933	- 75	- 236	100,965	104,197

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STATEMENT 1S. Canada/U.S. Current Account Adjustments from Published to Common Basis, SOUTHBOUND, 1989 (concluded)
Major adjustments to arrive at common basis

SOUTHBOUND	Published		Definition		Classification		Gross/net		Other		Common basis	
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.
- U.S. \$ millions -												
A. Merchandise												
1. Transfer inland freight to other transportation					- 2,120							
2. Transfer of refining and processing from services						+ 23						
3. Commissions						- 131						
4. Repairs					+ 280							
5. Canadian re-exports			+ 50									
Total merchandise	89,408	89,591	+ 50		- 1,840	- 108					87,618	89,483
B. Transportation												
Inland freight												
1. Transfer inland freight from merchandise to other transportation					+ 2,120							
Other												
2. Transfer transactions of airlines, railways and leasing from services to other transportation						+ 332						
3. Intransit freight									- 145			
Total transportation	655	2,511			+ 2,120	+ 332			- 145		2,775	2,698
C. Travel	3,614	3,612									3,614	3,612
D. Other services												
Affiliated												
1. Services for U.S. parents							- 930					
2. Services for Cdn. parents							- 455					
3. Benchmark for unrecorded transactions									- 73			
Total affiliated	313	1,725					- 1,385		- 73		313	267
Unaffiliated												
4. Transfer transactions of airlines, railways and leasing to other transportation						- 332						
5. Transfer of refining and processing to merchandise						- 23						
6. Elimination of commissions on merchandise						- 288						
7. Grossing of transactions							- 331	- 6				
8. Repairs					- 280							
9. Elimination of withholding taxes from services				- 7								
10. Other									- 1			
Total unaffiliated	2,047	2,367		- 7	- 280	- 643	- 331	- 6	- 1		1,435	1,711
Total other services	2,360	4,092		- 7	- 280	- 643	- 331	- 1,391	- 1	- 73	1,748	1,978
E. Investment income												
Direct investment												
1. Elimination of retained earnings			- 127									
2. Elimination of withholding taxes				- 43								
3. Adjusting insurance company profits to accrual basis from cash basis				+ 466								
4. Grossing of direct investment interest income								- 44				
5. Earnings of banks' subs.									- 23	+ 3		
6. Other									- 23	+ 3		
Total direct investment	894	985	- 127	+ 423				- 44	- 23	+ 3	744	1,367
Other income												
1. Elimination of withholding taxes				- 73								
2. Elimination of stock dividends				- 9								
3. Grossing of foreign currency banking transactions								+ 1,658				
4. Transfer to direct							- 599	- 1,155				
5. Netting of interbank									- 1			
6. Other									- 1			
Total other income	4,305	2,072		- 82			- 599	+ 503	- 1		3,705	2,493
Total investment income	5,199	3,057	- 127	+ 341			- 599	+ 459	- 24	+ 3	4,449	3,860
F. Transfers												
1. Grossing of U.S. data							+ 356					
2. Elimination of withholding taxes - transfers				- 1,030								
Total transfers	354	1,637		- 1,030			+ 356				710	607
G. TOTAL - CANADIAN RECEIPTS	101,590	104,500	- 77	- 696	0	- 419	- 574	- 932	- 25	- 215	100,914	102,238

STATEMENT 2. Canada/U.S. Current Account Adjustments from Common Basis to Reconciled Data, 1989

	Common basis			Recon. adjusts.		Reconciled data	
	U.S.	Cda.	Differences	U.S.	Cda.	U.S.	Cda.
NORTHBOUND	- U.S. \$ millions -						
A. Merchandise BOP	77,916	78,648	- 732	+ 611	- 121	78,527	78,527
B. Transportation : Inland	1,979	2,167	- 188		- 188	1,979	1,979
Other	972	976	- 4	+ 14	- 22	986	954
Total transportation	2,951	3,143	- 192	+ 14	- 210	2,965	2,933
C. Travel (incl. passenger fares)	5,578	5,582	- 4			5,578	5,582
D. Other services							
. Affiliated	1,915	1,982	- 67	+ 511	+ 444	2,426	2,426
of which auto	325	936	- 511	+ 511		936	936
. Unaffiliated	2,270	2,364	- 94	- 19	- 84	2,251	2,280
U.S. government	46	52	- 6			46	52
Military	174	0	+ 174		+ 174	174	174
Other	2,050	2,312	- 262	- 19	- 258	2,031	2,054
Total other services	4,185	4,346	- 161	+ 492	+ 360	4,677	4,706
E. Investment income : Direct	3,328	3,946	- 618	+ 726	+ 108	4,054	4,054
(Excluding reinvested earnings) : Portfolio	6,651	8,119	- 1,468	+ 1,396	+ 39	8,047	8,158
Total: Investment income	9,979	12,065	- 2,086	+ 2,122	+ 147	12,101	12,212
F. Transfers (excluding withholding taxes)	356	413	- 57	+ 57		413	413
G. Total: Current Receipts (U.S.)	100,965	104,197	- 3,232	+ 3,296	+ 176	104,261	104,373
SOUTHBOUND							
A. Merchandise BOP	87,618	89,483	- 1,865	+ 536	- 1,329	88,154	88,154
B. Transportation : Inland	2,120	2,120	0			2,120	2,120
Other	655	578	+ 77	+ 71	+ 116	726	694
Total transportation	2,775	2,698	+ 77	+ 71	+ 116	2,846	2,814
C. Travel (including passenger fares)	3,614	3,612	+ 2			3,614	3,612
D. Other services							
. Affiliated	313	267	+ 46	- 13	+ 33	300	300
. Unaffiliated	1,435	1,711	- 276	+ 14	- 289	1,449	1,422
U.S. government	140	137	+ 3			140	137
Defense expenditures	229	87	+ 142		+ 142	229	229
Other	1,066	1,487	- 421	+ 14	- 431	1,080	1,056
Total other services	1,748	1,978	- 230	+ 1	- 256	1,749	1,722
E. Investment income : Direct	744	1,367	- 623	+ 120	- 352	864	1,016
(Excluding reinvested earnings) of which: banks	68	591	- 523		- 523	68	68
: Portfolio	3,705	2,493	+ 1,212	- 302	+ 801	3,403	3,294
Total: Investment income	4,449	3,860	+ 589	- 182	+ 449	4,267	4,309
F. Transfers (excluding withholding taxes)	710	607	+ 103		+ 103	710	710
G. Total: Current Payments (U.S.)	100,914	102,238	- 1,324	+ 426	- 917	101,340	101,321
BALANCES*							
Merchandise BOP	- 9,702	- 10,835	+ 1,133	+ 75	+ 1,208	- 9,627	- 9,627
Services	+ 4,577	+ 4,783	- 206	+ 434	+ 290	+ 5,011	+ 5,075
Investment income	+ 5,530	+ 8,205	- 2,675	+ 2,304	- 302	+ 7,834	+ 7,903
Transfers (excluding withholding taxes)	- 354	- 194	- 160	+ 57	- 103	- 297	- 297
Total: Current Account	+ 51	+ 1,959	- 1,908	+ 2,870	+ 1,093	+ 2,921	+ 3,052

* Using signs from a U.S. point of view.

STATEMENT 3. Canada/U.S. Current Account Adjustments from Published to Reconciled Data, 1989

			Published value	Defini- tion	Classi- fication	Gross/ net	Other	Common basis	Cover- age and error	Recon- ciled data
NORTHBOUND			- U.S. \$ billions -							
Merchandise BOP	U.S. X		79.7		- 1.8			77.9	+ 0.6	78.5
	Cda. M		78.9		- 0.3			78.6	- 0.1	78.5
Non-merchandise	U.S. X		25.4	- 3.5	+ 1.8	- 0.6	- 0.1	23.0	+ 2.7	25.7
	Cda. M		27.9	- 1.1	- 0.1	- 0.9	- 0.2	25.6	+ 0.3	25.8
Transportation	U.S. X		1.0		+ 2.0			3.0		3.0
	Cda. M		2.7		+ 0.4			3.1	- 0.2	2.9
Travel	U.S. X		5.6					5.6		5.6
	Cda. M		5.6					5.6		5.6
Other services	U.S. X		4.7		- 0.2	- 0.3		4.2	+ 0.5	4.7
	Cda. M		6.8	- 0.3	- 0.5	- 1.4	- 0.2	4.3	+ 0.4	4.7
Investment income	U.S. X		14.1	- 3.5		- 0.6	- 0.1	10.0	+ 2.1	12.1
	Cda. M		12.3	- 0.7		+ 0.5		12.1	+ 0.1	12.2
Transfers	U.S. X		0			+ 0.4		0.4		0.4
	Cda. M		0.5	- 0.1				0.4		0.4
Current account	U.S. X		105.1	- 3.5		- 0.6	- 0.1	101.0	+ 3.3	104.3
	Cda. M		106.9	- 1.1	- 0.4	- 0.9	- 0.2	104.2	+ 0.2	104.4
SOUTHBOUND										
Merchandise BOP	U.S. M		39.4	+ 0.1	- 1.8			87.6	+ 0.5	88.2
	Cda. X		89.6		- 0.1			89.5	- 1.3	88.2
Non-merchandise	U.S. M		12.2	- 0.1	+ 1.8	- 0.6		13.3	- 0.1	13.2
	Cda. X		14.9	- 0.7	- 0.3	- 0.9	- 0.2	12.8	+ 0.4	13.2
Transportation	U.S. M		0.7		+ 2.1			2.8	+ 0.1	2.8
	Cda. X		2.5		+ 0.3		- 0.1	2.7	+ 0.1	2.8
Travel	U.S. M		3.6					3.6		3.6
	Cda. X		3.6					3.6		3.6
Other services	U.S. M		2.4		- 0.3	- 0.3		1.7		1.7
	Cda. X		4.1		- 0.6	- 1.4	- 0.1	2.0	- 0.3	1.7
Investment income	U.S. M		5.2	- 0.1		- 0.6		4.4	- 0.2	4.3
	Cda. X		3.1	+ 0.3		+ 0.5		3.9	+ 0.4	4.3
Transfers	U.S. M		0.4			+ 0.4		0.7		0.7
	Cda. X		1.6	- 1.0				0.6	+ 0.1	0.7
Current account	U.S. M		101.6	- 0.1		- 0.6		100.9	+ 0.4	101.3
	Cda. X		104.5	- 0.7	- 0.4	- 0.9	- 0.2	102.2	- 0.9	101.3
BALANCES*										
Merchandise	U.S.sources: net X		- 9.7	+ 0.1				- 9.7		- 9.6
	Cda sources: net M		- 10.7		- 0.2			- 10.8	+ 1.2	- 9.6
Non-merchandise	U.S.sources: net X		+ 13.2	- 3.4			- 0.1	+ 9.8	+ 2.8	+ 12.5
	Cda sources: net M		+ 13.0	- 0.4	+ 0.2			+ 12.8	- 0.1	+ 12.7
Services	U.S.sources: net X		+ 4.6					+ 4.6	+ 0.4	+ 5.0
	Cda sources: net M		+ 4.9	- 0.3	+ 0.2			+ 4.8	+ 0.3	+ 5.1
Investment income	U.S.sources: net X		+ 8.9	- 3.4			- 0.1	+ 5.5	+ 2.3	+ 7.8
	Cda sources: net M		+ 9.3	- 1.0				+ 8.2	- 0.3	+ 7.9
Transfers	U.S.sources: net X		- 0.4					- 0.4	+ 0.1	- 0.3
	Cda sources: net M		- 1.1	+ 0.9				- 0.2	- 0.1	- 0.3
Current account	U.S.sources: net X		+ 3.5	- 3.4		0	- 0.1	+ 0.1	+ 2.9	+ 2.9
	Cda sources: net M		+ 2.4	- 0.4	0	0		+ 2.0	+ 1.1	+ 3.1

* Using signs from a U.S. BOP point of view.

STATEMENT 4. Canada/U.S. Non-merchandise Adjustments from Published to Reconciled Data, 1989

	<u>NORTHBOUND</u>		<u>SOUTHBOUND</u>		<u>NET</u>	
	U.S. receipts	Cda. payments	U.S. payments	Cda. receipts	U.S. surplus	Cda. deficit
	- U.S. \$ billions -					
Published values	25.4	27.9	12.2	14.9	+ 13.2	+ 13.0
Definition	- 3.5	- 1.1	- 0.1	- 0.7	- 3.4	- 0.4
Classification	+ 1.8	- 0.1	+ 1.8	- 0.3	0	+ 0.2
Gross/Net	- 0.6	- 0.9	- 0.6	- 0.9	0	0
Other	- 0.1	- 0.2	0	- 0.2	- 0.1	0
Common basis	23.0	25.6	13.3	12.8	+ 9.8	+ 12.8
Coverage and errors	+ 2.7	+ 0.3	- 0.1	+ 0.4	+ 2.8	- 0.1
Reconciled	25.7	25.8	13.2	13.2	+ 12.5	+ 12.7

Table 1M. Summary, Canada/U.S. Current Account, NORTHBOUND, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
1M.11	Goods and services	105,103	106,333	(1,230)	100,609	103,784	(3,175)	103,848	103,960	(112)
1M.111	Merchandise and transportation	80,718	81,670	(952)	80,867	81,791	(924)	81,492	81,460	32
1M.1111	Merchandise, adjusted to exclude military and inland freight(Table 7M)...	77,759	78,936	(1,177)	77,916	78,648	(732)	78,527	78,527	0
1M.1112	Inland freight(Table 8M)...	1,987	2,167	(180)	1,979	2,167	(188)	1,979	1,979	0
1M.1113	Other transportation(Table 8M)...	972	567	405	972	976	(4)	986	954	32
1M.112	Other goods and services	24,385	24,663	(278)	19,742	21,993	(2,251)	22,356	22,500	(144)
1M.1121	Transfers under U.S. military agency sales contracts	174	0	174	174	0	174	174	174	0
1M.1122	Travel	4,856	4,860	(4)	4,856	4,860	(4)	4,856	4,860	(4)
1M.1123	Passenger fares	722	722	0	722	722	0	722	722	0
1M.1124	Royalties & license fees(Table 9M)...	934	897	37	899	807	92	899	910	(11)
1M.1125	Other private services(Table 9M)...	3,521	5,829	(2,308)	3,066	3,487	(421)	3,558	3,570	(12)
1M.1126	U.S. government miscellaneous services(Table 9M)...	46	36	10	46	52	(6)	46	52	(6)
1M.1127	U.S. direct income investment(Table 10M)...	6,884	4,168	2,716	3,328	3,946	(618)	4,054	4,054	0
1M.1128	Other U.S. private income(Table 10M)...	7,221	8,151	(930)	6,624	8,119	(1,495)	8,020	8,158	(138)
1M.1129	U.S. government income(Table 10M)...	27	0	27	27	0	27	27	0	27
1M.12	Personal remittances	0	535	(535)	356	413	(57)	413	413	0
1M.1	CURRENT ACCOUNT - NORTHBOUND	105,103	106,868	(1,765)	100,965	104,197	(3,232)	104,261	104,373	(112)

Note: () bracketed values are negative

Table 1S. Summary, Canada/U.S. Current Account, SOUTHBOUND, 1989

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
1S.11	Goods and services	101,236	102,863	1,627	100,204	101,631	1,427	100,630	100,611	(19)
1S.111	Merchandise and transportation	90,063	92,102	2,039	90,393	92,181	1,788	91,000	90,968	(32)
1S.1111	Merchandise, adjusted to exclude military and inland freight(Table 7s)...	87,288	89,591	2,303	87,618	89,483	1,865	88,154	88,154	0
1S.1112	Inland freight(Table 8s)...	2,120	2,120	0	2,120	2,120	0	2,120	2,120	0
1S.1113	Other transportation(Table 8s)...	655	391	(264)	655	578	(77)	726	694	(32)
1S.112	Other goods and services	11,173	10,761	(412)	9,811	9,450	(361)	9,630	9,643	13
1S.1121	Direct defense expenditures	229	***		229	87	(142)	229	229	0
1S.1122	Travel	3,390	3,387	(3)	3,390	3,387	(3)	3,390	3,387	(3)
1S.1123	Passenger fares	224	225	1	224	225	1	224	225	1
1S.1124	Royalties & license fees(Table 9s)...	64	48	(16)	34	7	(27)	57	(7)	(64)
1S.1125	Other private services(Table 9s)...	1,927	3,907	1,980	1,345	1,747	402	1,323	1,363	40
1S.1126	U.S. government miscellaneous services(Table 9s)...	140	137	(3)	140	137	(3)	140	137	(3)
1S.1127	Canadian direct investment income(Table 10s)...	894	985	91	744	1,367	623	864	1,015	151
1S.1128	Other Canadian private income(Table 10s)...	2,708	1,101	(1,607)	2,108	1,530	(578)	2,123	2,014	(109)
1S.1129	U.S. government payments(Table 10s)...	1,597	971	(626)	1,597	963	(634)	1,280	1,280	0
1S.12	Personal remittances	354	1,637	1,283	710	607	(103)	710	710	0
1S.1	CURRENT ACCOUNT - SOUTHBOUND	101,590	104,500	2,910	100,914	102,238	1,324	101,340	101,321	(19)

Note: *** included in Other private services
() bracketed values are negative

Table 1Net. Summary, Canada/U.S. Current Account, NET NORTHBOUND modified, 1989

07-Feb-91

NET NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1Net.11	Merchandise	(9,662)	(10,655)	993	(9,702)	(10,835)	1,133	(9,627)	(9,627)	0
1Net.12	Non-merchandise	13,175	13,023	152	9,753	12,794	(3,041)	12,548	12,679	(131)
1Net.121	Total Services	4,596	4,863	(267)	4,577	4,783	(206)	5,011	5,073	(62)
1Net.1211	Travel and passenger fares	1,964	1,970	(6)	1,964	1,970	(6)	1,964	1,970	(6)
1Net.12111	Travel	1,466	1,473	(7)	1,466	1,473	(7)	1,466	1,473	(7)
1Net.12112	Passenger fares	498	497	1	498	497	1	498	497	1
1Net.1212	Total Transportation	317	223	94	176	445	(269)	119	119	0
1Net.12121	Inland freight	0	47	(47)	(141)	47	(188)	(141)	(141)	0
1Net.12122	Other transportation	317	176	141	317	398	(81)	260	260	0
1Net.1213	Total Other Services	2,315	2,670	(355)	2,437	2,368	69	2,928	2,984	(56)
1Net.12131	Affiliated Services	1,602	1,848	(246)	1,602	1,715	(113)	2,126	2,126	0
1Net.12132	Non-affiliated Services	713	822	(109)	835	653	182	802	858	(56)
1Net.12132	U.S. government miscellaneous services	(94)	(101)	7	(94)	(85)	(9)	(94)	(85)	(9)
1Net.12132	U.S. military/defence	(55)	0	(55)	(55)	(87)	32	(55)	(55)	0
1Net.12132	Other non-affiliated	862	923	(61)	984	825	159	951	998	(47)
1Net.122	Total Investment Income	8,933	9,262	(329)	5,530	8,205	(2,675)	7,834	7,903	(69)
1Net.1221	Direct investment income	5,990	3,183	2,807	2,584	2,579	5	3,190	3,039	151
1Net.1222	Other investment income	2,943	6,079	(3,136)	2,946	5,626	(2,680)	4,644	4,864	(220)
1Net.12221	Interest	3,450	6,044	(2,594)	3,453	5,563	(2,110)	5,005	5,225	(220)
1Net.12222	Dividends	(507)	35	(542)	(507)	63	(570)	(361)	(361)	0
1Net.123	Personal remittances	(354)	(1,102)	748	(354)	(194)	(160)	(297)	(297)	0
1Net.1	CURRENT ACCOUNT - NET NORTHBOUND	3,513	2,368	1,145	51	1,959	(1,908)	2,921	3,052	(131)

Note: () bracketed values are negative

Table 1M. Summary, Canada/U.S. Current Account, NORTHBOUND modified, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1W.11	Merchandise	79,746	78,936	810	77,916	78,648	(732)	78,527	78,527	0
1W.12	Non-merchandise	25,357	27,932	(2,575)	23,049	25,549	(2,500)	25,734	25,846	(112)
1W.121	Total Services	11,225	15,078	(3,853)	12,714	13,071	(357)	13,220	13,221	(1)
1W.1211	Travel and passenger fares	5,578	5,582	(4)	5,578	5,582	(4)	5,578	5,582	(4)
1W.12111	Travel	4,856	4,860	(4)	4,856	4,860	(4)	4,856	4,860	(4)
1W.12112	Passenger fares	722	722	0	722	722	0	722	722	0
1W.1212	Total Transportation	972	2,734	(1,762)	2,951	3,143	(192)	2,965	2,933	32
1W.12121	Inland freight	0	2,167	(2,167)	1,979	2,167	(188)	1,979	1,979	0
1W.12122	Other transportation	972	567	405	972	976	(4)	986	954	32
1W.1213	Total Other Services	4,675	6,762	(2,087)	4,185	4,346	(161)	4,677	4,706	(29)
1W.12131	Affiliated Services	1,915	3,573	(1,658)	1,915	1,982	(67)	2,426	2,426	0
1W.12132	Non-affiliated Services	2,760	3,189	(429)	2,270	2,364	(94)	2,251	2,280	(29)
1W.121321	U.S. government miscellaneous services	46	36	10	46	52	(6)	46	52	(6)
1W.121322	U.S. military	174	0	174	174	0	174	174	174	0
1W.121323	Other non-affiliated	2,540	3,153	(613)	2,050	2,312	(262)	2,031	2,054	(23)
1W.122	Total Investment Income	14,132	12,319	1,813	9,979	12,065	(2,086)	12,101	12,212	(111)
1W.1221	Direct investment income	6,884	4,168	2,716	3,328	3,946	(618)	4,054	4,054	0
1W.1222	Other investment income	7,248	8,151	(903)	6,651	8,119	(1,468)	8,047	8,158	(111)
1W.12221	Interest	6,910	7,621	(711)	6,313	7,635	(1,322)	7,563	7,674	(111)
1W.12222	Dividends	338	530	(192)	338	484	(146)	484	484	0
1W.123	Personal remittances	0	535	(535)	356	413	(57)	413	413	0
1W.1	CURRENT ACCOUNT - NORTHBOUND	105,103	106,868	(1,765)	100,965	104,197	(3,232)	104,261	104,373	(112)

Note: () bracketed values are negative

Table 1S. Summary, Canada/U.S. Current Account, SOUTHBOUND modified, 1989

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
1S.11	Merchandise	89,408	89,591	(183)	87,618	89,483	(1,865)	88,154	88,154	0
1S.12	Non-merchandise	12,182	14,909	(2,727)	13,296	12,755	541	13,186	13,167	19
1S.121	Total Services	6,629	10,215	(3,586)	8,137	8,288	(151)	8,209	8,148	61
1S.1211	Travel and passenger fares	3,614	3,612	2	3,614	3,612	2	3,614	3,612	2
1S.12111	Travel	3,390	3,387	3	3,390	3,387	3	3,390	3,387	3
1S.12112	Passenger fares	224	225	(1)	224	225	(1)	224	225	(1)
1S.1212	Total Transportation	655	2,511	(1,856)	2,775	2,698	77	2,846	2,814	32
1S.12121	Inland freight	0	2,120	(2,120)	2,120	2,120	0	2,120	2,120	0
1S.12122	Other transportation	655	391	264	655	578	77	726	694	32
1S.1213	Total Other Services	2,360	4,092	(1,732)	1,748	1,978	(230)	1,749	1,722	27
1S.12131	Affiliated Services	313	1,725	(1,412)	313	267	46	300	300	0
1S.12132	Non-affiliated Services	2,047	2,367	(320)	1,435	1,711	(276)	1,449	1,422	27
1S.121321	U.S. government miscellaneous services	140	137	3	140	137	3	140	137	3
1S.121322	U.S. defence	229	0	229	229	87	142	229	229	0
1S.121323	Other non-affiliated	1,678	2,230	(552)	1,066	1,487	(421)	1,080	1,056	24
1S.122	Total Investment Income	5,199	3,057	2,142	4,449	3,860	589	4,267	4,309	(42)
1S.1221	Direct investment income	894	985	(91)	744	1,367	(623)	864	1,015	(151)
1S.1222	Other investment income	4,305	2,072	2,233	3,705	2,493	1,212	3,403	3,294	109
1S.12221	Interest	3,460	1,577	1,883	2,860	2,072	788	2,558	2,449	109
1S.12222	Dividends	845	495	350	845	421	424	845	845	0
1S.123	Personal remittances	354	1,637	(1,283)	710	607	103	710	710	0
1S.1	CURRENT ACCOUNT - SOUTHBOUND	101,590	104,500	(2,910)	100,914	102,238	(1,324)	101,340	101,321	19

Notes: () bracketed values are negative

Table 2M. Canada/U.S. Merchandise Trade, NORTHBOUND, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
2M.1	Total Merchandise Trade	79,746	78,936	810	77,916	78,648	(732)	78,527	78,527	0
2M.11	of which: Merchandise	77,759	78,530		77,759	78,530				
2M.12	Inland freight	1,987	0		0	0				
2M.13	Repairs	0	118		157	118				
2M.14	Commissions	0	288		0	0				

Table 25. Canada/U.S. Merchandise Trade, SOUTHBOUND, 1989

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
2S.1	Total Merchandise Trade	89,408	89,591	(183)	87,618	89,483	(1,865)	88,154	88,154	0
2S.11	of which: Merchandise	87,288	89,281		87,288	89,281				
2S.12	Inland freight	2,120	0		0	0				
2S.13	Repairs	0	179		280	179				
2S.14	Refining	**	0		**	23				
2S.15	Commissions	0	131		0	0				
2S.16	Canadian re-exports	0	**		50	**				

Note: ** included in Merchandise (2S.11)

() bracketed values are negative

Table 3W. Canada/U.S. Transportation, NORTHBOUND, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
3W.1	Total Transportation - including inland freight	972	2,734	(1,762)	2,951	3,143	(192)	2,965	2,933	32
3W.11	- excluding inland freight	972	567	405	972	976	(4)	986	954	32
3W.111	Freight	496	493	3	496	493	3	495	470	25
3W.1111	Ocean	144	223	(79)	144	223	(79)	197	187	10
3W.11111	Foreign to foreign	72	132	(60)	72	132	(60)	125	125	0
3W.11112	Export	72	47	25	72	47	25	72	47	25
3W.11113	Other	0	44	(44)	0	44	(44)	0	15	(15)
3W.1112	Great Lakes	6	11	(5)	6	11	(5)	6	6	0
3W.1113	Air	74	11	63	74	11	63	20	11	9
3W.1114	Rail	18	0	18	18	0	18	18	18	0
3W.1115	Pipeline	254	248	6	254	248	6	254	248	6
3W.11151	Petroleum	147	142	5	147	142	5	147	142	5
3W.11152	Gas	107	106	1	107	106	1	107	106	1
3W.112	Port expenditures	408	39	369	408	273	135	299	273	26
3W.1121	Ocean	60	35	25	60	35	25	60	35	25
3W.1122	Great Lakes	19	4	15	19	4	15	5	4	1
3W.1123	Air	234	0	234	234	0	234	234	0	0
3W.1124	Rail	95	0	95	95	0	95	0	0	0
3W.113	Other	68	35	33	68	210	(142)	192	211	(19)
3W.1131	Freight car rentals	62	0	62	62	186	(124)	186	186	0
3W.1132	Vessel charter hire	0	19	(19)	0	19	(19)	0	19	(19)
3W.1133	Canal fees	0	16	(16)	0	0	0	0	0	0
3W.1134	Aircraft leasing	6	0	6	6	5	1	6	6	0
3W.12	Inland freight	0	2,167	(2,167)	1,979	2,167	(188)	1,979	1,979	0
3W.121	Coal		274			274				
3W.122	Inland rail		255			255				
3W.123	Trucks		1,617			1,617				
3W.124	Iron ore		21			21				

Note: () bracketed values are negative

Table 3S. Canada/U.S. Transportation, SOUTHBOUND, 1989

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
3S.1	Total Transportation - including inland freight	655	2,511	1,856	2,775	2,698	(77)	2,846	2,814	(32)
3S.11	- excluding inland freight	655	391	(264)	655	578	(77)	726	694	(32)
3S.111	Freight	248	195	(53)	248	195	(53)	265	274	9
3S.1111	Ocean	104	113	9	104	113	9	104	113	9
3S.1112	Great Lakes	52	69	17	52	69	17	69	69	0
3S.1113	Air	26	13	(13)	26	13	(13)	26	26	0
3S.1114	Rail	66	0	(66)	66	0	(66)	66	66	0
3S.112	Port expenditures	283	47	(236)	283	251	(32)	286	249	(37)
3S.1121	Ocean	78	41	(37)	78	41	(37)	78	41	(37)
3S.1122	Great Lakes	4	6	2	4	6	2	4	4	0
3S.1123	Air	140	0	(140)	140	204	64	204	204	0
3S.1124	Rail	61	0	(61)	61	0	(61)	0	0	0
3S.113	Other	124	149	25	124	132	8	175	171	(4)
3S.1131	Vessel charter hire	4	0	(4)	4	0	(4)	4	0	(4)
3S.1132	Freight car rentals	99	0	(99)	99	126	27	160	160	0
3S.1133	Aircraft leasing	21	0	(21)	21	2	(19)	11	11	0
3S.1134	Rail in transit, net	0	63	63	0	0	0	0	0	0
3S.1135	Petroleum in transit	0	0	0	0	0	0	0	0	0
3S.1136	Intransit coal	0	52	52	0	0	0	0	0	0
3S.1137	Intransit wheat	0	19	19	0	0	0	0	0	0
3S.1138	Intransit other	0	11	11	0	0	0	0	0	0
3S.1139	Canal fees	0	4	4	0	4	4	0	0	0
3S.12	Inland freight	0	2,120	2,120	2,120	2,120	0	2,120	2,120	0
3S.121	Newfoundland inland freight		8			8				
3S.122	Earnings of Canadian rails - inland freight		1,123			1,123				
3S.123	Trucks		908			908				
3S.124	Pipelines		81			81				

Note: () bracketed values are negative

Table 4W. Canada/U.S. Services, NORTHBOUND, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
4W.1	Total Services	4,501	6,762	(2,261)	4,011	4,346	(335)	4,503	4,532	(29)
4W.11	U.S. government miscellaneous services	46	36	10	46	52	(6)	46	52	(6)
4W.111	Post Office	36	36	0	36	36	0	36	36	0
4W.112	N.A.S.A.	1	0	1	1	0	1	1	0	1
4W.113	St. Lawrence Seaway	6	0	6	6	16	(10)	6	16	(10)
4W.114	State	1	0	1	1	0	1	1	0	1
4W.115	Other	2	0	2	2	0	2	2	0	2
	AFFILIATED services - Total		3,573							
	- U.S. affiliates / Canadian parent		661							
4W.12	- U.S. parent / Canadian affiliates	1,915	2,912	(997)	1,915	1,982	(67)	2,426	2,426	0
4W.121	Receipts of U.S. parents from Canadian affiliates	2,159	2,912	(753)	2,159	2,912	(753)	3,291	3,291	0
4W.1211	Royalties and license fees	825	713	112	825	713	112	825	825	0
4W.1212	Service charges	1,334	2,199	(865)	1,334	2,199	(865)	2,466	2,466	0
4W.122	Payments of U.S. parents to Canadian affiliates	244			244	930	(686)	865	865	0
4W.1221	Royalties and license fees	18			18	9	9	18	18	0
4W.1222	Service charges	226			226	921	(695)	847	847	0
4W.13	UNAFFILIATED service transactions	2,540	2,597	(57)	2,050	2,312	(262)	2,031	2,054	(23)
4W.131	Insurance	640	826	(186)	640	826	(186)	437	446	(9)
4W.1311	U.S. controlled firms		452			452				
4W.13111	Primary insurance, net		215			215				
4W.13112	Reinsurance, total, net		237			237				
4W.131121	Reinsurance, affiliates, net		111			111				
4W.131122	Reinsurance, non-affiliates, net		126			126				
4W.1312	Non-U.S. controlled firms		374			374				
4W.13121	Primary insurance, net		133			133				
4W.13122	Reinsurance, total, net		241			241				
4W.131221	Reinsurance, affiliates, net		41			41				
4W.131222	Reinsurance, non-affiliates, net		200			200				
4W.132	Other unaffiliated services	1,900	1,771	129	1,410	1,486	(76)	1,594	1,608	(14)
4W.1321	Financial services	215	308	(93)	215	282	(67)	215	282	(67)
4W.13211	Commodity brokers	33	18	15	33	18	15	33	18	15
4W.13212	Security brokers	147	179	(32)	147	179	(32)	147	179	(32)
4W.13213	Banks (from income)	35	66	(31)	35	66	(31)	35	66	(31)
4W.13214	Other	0	45	(45)	0	19	(19)	0	19	(19)

continued

Table 4W. Canada/U.S. Services, NORTHBOUND, 1989 - concluded

07-Feb-91

NORTHBOUND	Published data			Adjusted data - Common basis			Reconciled data		
	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions									
4W.1322 Royalties, consulting, management & professional services ..	181	377	(196)	209	218	(9)	209	218	(9)
4W.13221 Royalties	127	184	(57)	92	103	(11)	92	103	(11)
4W.13222 Accounting, auditing and bookkeeping	0	0	0	3	0	3	3	0	3
4W.13223 Engineering, architecture and construction	0	0	0	55	0	55	55	0	55
4W.13224 Industrial engineering	0	0	0	11	0	11	11	0	11
4W.13225 Legal services	0	0	0	19	0	19	19	0	19
4W.13226 Management, consulting and public relations	54	193	(139)	29	115	(86)	29	115	(86)
4W.1323 Advertising	20	58	(38)	20	58	(38)	58	58	0
4W.1324 Computer services	85	43	42	85	43	42	85	85	0
4W.13241 Computer and data processing	69	43	26	69	43	26			
4W.13242 Data base and other information services	16	0	16	16	0	16			
4W.1325 Mailing, reproduction and commercial art	0	0	0	0	0	0	0	0	0
4W.1326 R & D, commercial testing and laboratory services	9	76	(67)	9	16	(7)	9	16	(7)
4W.1327 Sports and entertainment	85	181	(96)	110	171	(61)	171	171	0
4W.13271 Fees for performing arts and sports events	85	26	59	85	26	59		26	
4W.13272 Broadcasting	0	39	(39)	25	39	(14)		39	
4W.13273 Film and TV rentals	0	116	(116)	0	106	(106)		106	
4W.1328 Franchises	0	9	(9)	10	.7	3	10	10	0
4W.1329 Installation, maintenance, and repair of equipment	183	0	183	26	0	26	26	0	26
4W.132A Medical services	87	0	87	87	44	43	87	44	43
4W.132B Education, training	210	62	148	210	62	148	210	210	0
4W.132B1 Education	205	62	143	205	62	143			
4W.132B2 Training	5	0	5	5	0	5			
4W.132C Commuters	78	78	0	78	78	0	78	78	0
4W.132D Canadian government expenditures	257	296	(39)	257	252	5	252	252	0
4W.132D1 Defense: Military pay allowance		21			21				
4W.132D2 Other		35			35				
4W.132D3 Federal government expenditures in the U.S.		94			94				
4W.132D4 Provincial government expenditures in the U.S.		146			102				
4W.132E Expenditures of U.S. residents temporarily employed in Canada	0	0	0	0	0	0	0	0	0
4W.132F Trade unions	94	94	0	94	94	0	94	94	0
4W.132G Communications	331	6	325	0	0	0	0	0	0
4W.132H Other	65	183	(118)	0	161	(161)	90	90	0
4W.14 Other	0	556	(556)	0	0	0	0	0	0
4W.141 Commissions on exports to Merchandise (Southbound)		131							
4W.142 Airlines to Transportation		234							
4W.143 Railways to Transportation		186							
4W.144 Aircraft leasing to Transportation		5							

Note: () bracketed values are negative

Table 4S. Canada/U.S. Services, SOUTHBOUND, 1989

07-Feb-91

SOUTHBOUND	Published data			Adjusted data - Common basis			Reconciled data		
	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions									
4S.1 Total Services	2,131	4,092	1,961	1,519	1,891	372	1,520	1,493	(27)
4S.11 U.S. government miscellaneous services	140	137	(3)	140	137	(3)	140	137	(3)
4S.111 Post Office	98	98	0	98	98	0	98	98	0
4S.112 Other	42	39	(3)	42	39	(3)	42	39	(3)
AFFILIATED services - Total		1,725							
- U.S. parent / Canadian affiliates		930							
4S.12 - U.S. affiliates / Canadian parent	313	795	482	313	267	(46)	300	300	0
4S.121 Payments of U.S. affiliates to Canadian parents	944	795	(149)	944	722	(222)	850	850	0
4S.1211 Royalties and license fees	23	18	(5)	23	18	(5)	20	20	0
4S.1212 Rental charges (excl. TV and film rentals)	0	4	4	0	4	4	0	4	4
4S.1213 Other service charges	921	773	(148)	921	700	(221)	830	826	(4)
4S.122 Receipts of U.S. affiliates from Canadian parents	631			631	455	(176)	550	550	0
4S.1221 Royalties and license fees	76			76	34	(42)	50	50	0
4S.1222 Other charges	555			555	421	(134)	500	500	0
4S.13 UNAFFILIATED service transactions	1,678	1,500	(178)	1,066	1,487	421	1,080	1,056	(24)
4S.131 Insurance	403	452	49	403	452	49	150	150	0
4S.1311 U.S. controlled firms		227			227				
4S.13111 Primary insurance, net		14			14				
4S.13112 Reinsurance, total, net		213			213				
4S.131121 Reinsurance, affiliates, net		100			100				
4S.131122 Reinsurance, non-affiliates, net		113			113				
4S.1312 Non-U.S. controlled firms		225			225				
4S.13121 Primary insurance, net		40			40				
4S.13122 Reinsurance, total, net		185			185				
4S.131221 Reinsurance, affiliates, net		17			17				
4S.131222 Reinsurance, non-affiliates, net		168			168				
4S.132 Other unaffiliated services	1,275	1,048	(227)	663	1,035	372	930	906	(24)
4S.1321 Financial services	100	168	68	100	168	68	192	168	(24)
4S.13211 Security broker	100	64	(36)	100	64	(36)	100	64	(36)
4S.13212 Banking services	0	92	92	0	92	92	92	92	0
4S.13213 Other	0	12	12	0	12	12	0	12	12

continued

Table 4S. Canada/U.S. Services, SOUTHBOUND, 1989 - concluded

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
4S.1322	Communications	405	31	(374)	74	25	(49)	74	74	0
4S.1323	Royalties, consulting, management & professional services ..	117	135	18	114	128	14	114	128	14
4S.13231	Royalties	117	30	(87)	87	23	(64)	87	23	(64)
4S.13232	Accounting, auditing and bookkeeping	0	0	0	0	0	0	0	0	0
4S.13233	Engineering, architecture and construction	0	0	0	10	0	(10)	10	0	(10)
4S.13234	Industrial engineering	0	0	0	7	0	(7)	7	0	(7)
4S.13235	Legal services	0	0	0	2	0	(2)	2	0	(2)
4S.13236	Management, consulting and public relations	0	105	105	8	105	97	8	105	97
4S.1324	Advertising	10	13	3	10	13	3	13	13	0
4S.1325	Computer services	13	156	143	13	156	143	55	55	0
4S.13251	Computer and data processing	10	156	146	10	156	146			
4S.13252	Data base and other information services	3	0	(3)	3	0	(3)			
4S.1326	Mailing, reproduction and commercial art	3	0	(3)	3	0	(3)	3	3	0
4S.1327	R & D, commercial testing and laboratory services	8	32	24	8	32	24	8	32	24
4S.1328	Sports and entertainment	3	27	24	33	27	(6)	33	33	0
4S.13281	Fees for performing arts and sports events	3	10	7	3	10	7	3		
4S.13282	Broadcasting	0	17	17	30	17	(13)	30		
4S.13283	Film and TV rentals	0	0	0	0	0	0	0		
4S.1329	Installation, maintenance, and repair of equipment	323	0	(323)	43	0	(43)	43	0	(43)
4S.132A	Education, training	16	21	5	16	21	5	16	21	5
4S.132A1	Education	6	21	15	6	21	15	6	21	15
4S.132A2	Canadian students wages	10	0	(10)	10	0	(10)	10	0	(10)
4S.132B	Commuters' wages	131	131	0	131	131	0	131	131	0
4S.132C	Canadian government revenues	0	61	61	0	61	61	61	61	0
4S.132C1	Federal government	0	21	21	0	21	21	21	21	0
4S.132C2	Provincial government	0	40	40	0	40	40	40	40	0
4S.132D	Trade unions	106	107	1	106	107	1	107	107	0
4S.132E	Other	40	166	126	12	166	154	80	80	0
4S.14	Other	0	730	730	0	0	0	0	0	0
4S.141	Commissions on imports to Merchandise (Northbound)		288							
4S.142	Airlines to Transportation		204							
4S.143	Railways to Transportation		126							
4S.144	Aircraft leasing to Transportation		2							
4S.145	U.S. government defense expenditures to Summary Table		87							
4S.146	Refining fees to Merchandise		23							

Note: () bracketed values are negative

Table 5N. Canada/U.S. Investment Income, NORTHBOUND, 1989

07-Feb-91

NORTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence	U.S. receipts	Canada payments	Differ- ence
U.S. \$ millions										
5N.1	Total Investment Income	14,132	12,319	1,813	9,979	12,065	(2,086)	12,101	12,212	(111)
5N.11	U.S. direct investment income - interest, dividends, and earnings of unincorporated affiliates	6,884	4,168	2,716	3,328	3,946	(618)	4,054	4,054	0
5N.111	Dividends	5,908	3,506	2,402	2,427	2,910	(483)	2,910	2,910	0
5N.112	Earnings of unincorporated affiliates	406	163	243	399	642	(243)	642	642	0
5N.1121	Insurance companies	100	71	29	100	382	(282)	382	382	0
5N.1122	Other	306	92	214	299	260	39	260	260	0
5N.113	Interest	570	499	71	502	394	108	502	502	0
5N.12	Other U.S. private income from Canada	7,221	8,151	(930)	6,624	8,119	(1,495)	8,020	8,158	(138)
5N.121	Dividends	338	530	(192)	338	484	(146)	484	484	0
5N.122	Interest	6,883	7,621	(738)	6,286	7,635	(1,349)	7,536	7,674	(138)
5N.1221	Interest on U.S. dollar bonds	3,812	3,374	438	3,812	3,244	568	3,244	3,244	0
5N.1222	Interest on bonds of foreign affiliates	0	0	0	0	0	0	0	0	0
5N.1223	Interest on non-U.S. dollar bonds	691	841	(150)	691	665	26	665	665	0
5N.1224	Interest on non-bank claims	382	2,794	(2,412)	741	2,612	(1,871)	2,585	2,612	(27)
5N.12241	U.S. non-banks' receipts from Canadian banks				206	1,554	(1,348)	1,554	1,554	0
5N.12242	Other receipts from Canadian non-banks				535	1,058	(523)	1,031	1,058	(27)
5N.1225	Interest on bank claims (includes bank service fees) ...	1,639	612	1,027	1,042	1,114	(72)	1,042	1,153	(111)
5N.12251	U.S. banks' receipts from Canadian banks				131	67	64	131	106	25
5N.12252	Other Canadian banks - U.S. \$ denominated claims				370	393	(23)	370	393	(23)
5N.12253	Other Canadian banks - Foreign currency claims				67	40	27	67	40	27
5N.12254	U.S. banks' receipts from Canadian non-banks				474	614	(140)	474	614	(140)
5N.1226	Interest on bank customers' claims	359	0	359	0	0	0	0	0	0
5N.13	U.S. government income from Canada	27	0	27	27	0	27	27	0	27
5N.131	Export-Import bank	27	0	27	27	0	27	27	0	27
5N.132	Other	0	0	0	0	0	0	0	0	0

Note: () bracketed values are negative

Table 5S. Canada/U.S. Investment Income, SOUTHBOUND, 1989

07-Feb-91

SOUTHBOUND		Published data			Adjusted data - Common basis			Reconciled data		
		U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence	U.S. payments	Canada receipts	Differ- ence
U.S. \$ millions										
5S.1	Total Investment Income	5,199	3,057	(2,142)	4,449	3,860	(589)	4,267	4,309	42
5S.11	Canadian direct investment income - interest, dividends, and earnings of unincorporated affiliates	894	985	91	744	1,367	623	864	1,015	151
5S.111	Dividends	339	412	73	212	383	171	383	383	0
5S.112	Earnings of unincorporated affiliates	131	489	358	131	955	824	281	432	151
5S.1121	Insurance companies	146	(132)	(278)	146	334	188	146	334	188
5S.1122	Banks	68	591	523	68	591	523	68	68	0
5S.1123	Other	(83)	30	113	(83)	30	113	67	30	(37)
5S.113	Interest	424	84	(340)	401	29	(372)	200	200	0
5S.12	Other Canadian private income from U.S.	2,708	1,101	(1,607)	2,108	1,530	(578)	2,123	2,014	(109)
5S.121	Dividends	845	495	(350)	845	421	(424)	845	845	0
5S.122	Interest	1,863	606	(1,257)	1,263	1,109	(154)	1,278	1,169	(109)
5S.1221	Interest on investments and securities	274	153	(121)	274	153	(121)	214	214	0
5S.1222	Interest on bank liabilities	1,371	267	(1,104)	862	770	(92)	918	838	(80)
5S.12221	U.S. banks' payments to Canadian non-banks				475	439	(36)	475	439	(36)
5S.12222	U.S. banks' payments to Canadian banks				0	0	0	0	0	0
5S.12223	Other Canadian banks - U.S. \$ liabilities				387	275	(112)	387	343	(44)
5S.12224	Other Canadian banks - foreign currency liabilities ..				0	56	56	56	56	0
5S.1223	Interest on U.S. non-bank liabilities	127	186	59	127	186	59	146	117	(29)
5S.1224	Interest on custody liabilities	91	0	(91)	0	0	0	0	0	0
5S.13	Interest on U.S. government liabilities	1,597	971	(626)	1,597	963	(634)	1,280	1,280	0

Note: () bracketed values are negative

Table 6N. Portfolio Income, NORTHBOUND, 1989

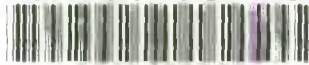
Millions of U.S. dollars

B.E.A.	Avg. Positions		Yields		Interest		Reconciled		S.C.
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	
U.S. banks' receipts from Cdn. banks:									
Home offices	7,876	7,286	9.3	16.8	730	1,222	730	954	U.S.\$
Other Cdn. banks:	(4,122)				(370)		370	393	
Affiliates of U.S. banks	433	4,739	9.0	8.3	39	393			U.S. dollar deposits.
Deposits at unaffiliated banks	2,567		9.2		237				
Other claims on unaffiliated banks	1,022		9.2		94				
Other Cdn. banks - Foreign currency claims	604	356	11.1	11.2	67	40	67	40	Deposits in other currencies.
U.S. non-bank receipts from Cdn. banks:	(1,930)				(206)	(1,554)	1,554	1,554	
Deposits held directly	1,016	16,498	11.9	8.3	121	1,367			U.S. dollar deposits.
Bank customers' deposits	914		9.3		85				
Foreign currency deposits		1,905		9.8		187			Deposits in other currencies
U.S. banks' receipts from Cdn. non-banks:	(4,583)				(474)	(614)	474	614	
Long-term lending	2,374		10.3		245				Long-term bank loans.
Short-term lending	1,991		10.6		210	25			- Provincial government
Acceptance financing	218		8.7		19	512			- Corporations
						77			Short-term bank loans.
Interest received on Cdn. bonds:					(4,503)	(3,909)	3,909	3,909	
Dollar bonds		39,250			3,812	3,244			U.S. dollar bonds.
Bonds of foreign affiliates									
Other bonds					691	665			Cdn. dollar bonds.
Other receipts from Cdn. non-banks:	(5,255)				(562)	(1,058)	1,058	1,058	
Ex-Im Bank					27				
Negotiable instruments in U.S. bank custody	2,956		9.3		274				
Other financial claims	1,190	3,918	11.6	11.7	138	459			Govt. of Canada paper.
Other commercial accounts	1,109	3,694	11.1	9.0	123	333			Commercial paper (excl. bank paper).
						266			Other liabilities.
TOTAL					6,912	8,790	8,162	8,522	TOTAL

Table 6S. Portfolio Income, SOUTHBOUND, 1989
Millions of U.S. dollars

B.F.A.	Avg. Positions		Yields		Interest		Reconciled		S.C.
	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	U.S.	Cda.	
U.S. banks' payments to Cdn. non-banks:	(5,161)	4,880		9.0	(475)	439	475	439	
Payments to Cdn. monetary authorities	357		9.2		33				
Payments to other Cdn. non-banks									
U.S. bank time deposits	4,016		9.2		371				
U.S. bank CD's	59		9.2		5				
Other U.S. bank liabilities	153		9.1		14				
U.S. bank custody liabilities	576		9.0		52				
U.S. banks' payments to Cdn. banks:									
Home offices	6,531	7,095	9.2	16.3	599	1,155	599	848	
Other Cdn. banks-U.S.dollar denominated liabilities	(4,831)				(387)		387	343	
Affiliates of U.S. banks	185		9.2		17				
U.S. bank time deposits	2,866	3,270	7.3	8.4	208	275			Interest bearing U.S. dollar deposits.
U.S. bank CD's	58		9.1		5				
Other U.S. bank liabilities	1,294		9.1		118				
U.S. bank custody liabilities	428		9.1		39				Non-int.bearing U.S.\$ deposits of banks.
Demand deposits									
Other Cdn. banks - Foreign currency liabilities		512		10.9		56	56	56	Claims in other currencies.
U.S. government liabilities:		11,818			1,597	(963)	1,280	1,280	
Treasury bills		2,959		6.9		205			
Treasury bonds		8,859		8.5		758			
Agency bonds									
Interest paid on investments and securities		1,610		9.5	274	153	214	214	
Payments on other U.S. non-bank liabilities:	(1,835)				(127)	(186)	146	117	
Financial liabilities	623	1,031	9.5	6.9	59	71			Cdn. banks' receipts from U.S.non-banks.
Trade payables									
Advance payments & other commercial liabilities	1,212		5.6		68	115			Other financial claims.
TOTAL					3,459	3,227	3,157	3,297	TOTAL

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