
CANADA/UNITED STATES RECONCILIATION: CURRENT ACCOUNT STATISTICS, 1984, 1985: ADDITIONAL NOTES TABLE D.7.02

The reconciliation of the 1985 bilateral current account statistics of Canada and the United States as published by the two countries has recently been completed, together with revisions to the 1984 reconciliation. The reconciliation is done jointly by Statistics Canada and the United States Bureau of Economic Analysis.

The following notes are basically taken from the source publication.

On the basis of the conceptual framework established for the reconciliation exercise, the 1985 reconciliation shows a current account surplus for Canada (deficit for the United States) of U.S. \$7.5 billion from Canadian sources (U.S. \$7.6 billion from United States sources). As the 1985 data are still preliminary, these values may be revised in future years. The revised 1984 bilateral estimates show a Canadian surplus of U.S. \$6.6 billion and U.S. \$6.7 billion from Canadian and United States sources, respectively.

This reconciliation incorporates the results of the merchandise trade reconciliation agreed to by Statistics Canada and the U.S. Bureau of the Census. (See the preceding Table D.7.01 for this information.)

The conceptual framework adopted for the reconciliation requires major adjustments to be made to the published data of the two countries. It is important to note that this reconciliation is done within a mutually accepted framework established by statisticians. Accordingly, adjustments are made to take into account differences in published data due to differences in sources and in concepts — and the availability of supporting data to make necessary adjustments often affect the concepts used in the reconciliation. Hence the reconciled data should not be interpreted as the final word on what are the best conceptual measures of the current account payments, receipts and balances.

For purposes of reconciliation, the U.S. data on investment income shown in Table D.7.02 above excludes reinvested earnings of incorporated affiliates in order to be comparable with Canadian data. The current account statistics published by the U.S. in the Survey of Current Business would include reinvested earnings.

Other adjustments require the grossing of some transactions which are recorded on a net basis in the published series. Further adjustments are made to allow for differences in the conceptual treatment of certain transactions, and the comparative coverage of Canadian and U.S. data sources associated with particular items.

Revisions based on the reconciliation are incorporated, wherever possible, in the published series of Canada and the United States. It is not possible, however, to incorporate the individually reconciled series fully into the regularly published data because of conceptual differences between the methodologies established for the bilateral reconciliation and those used in the published balance of payments series of the two countries.
