

averaging 12.9% of the published value.)

* A definition of trade adjustment for U.S. exports of \$835 million, up from the 1984 level of \$462 million. Major changes to the adjustment in 1985 were inclusion of \$640 million in electrical machinery, created by different reporting methods for computer parts, and discontinuation of the Eastern off-shore swap oil adjustment which was \$324 million in 1984.

* A \$469 million reduction of Canadian imports of transportation equipment, caused by a revision to valuation in automotive products. This adjustment will be incorporated into the 1985 published values at the time of the December 1986 final data release.

SOUTHWARD TRADE:

* As in northward trade, the major reconciliation adjustment was the residual adjustment for non-receipt of Canadian export documents which totalled \$3,116 million. This represented 3.3% of the Canadian published value, compared with 3.3% in 1984; since 1980 non-receipt, as a percentage of Canadian published value has averaged 3.1% annually.

* An addition of \$1,337 million to U.S. imports for trade definition, mainly to account for U.S. imports of electricity from Canada.

* A reduction of \$930 million in U.S. imports to adjust for processing revisions, and Canadian re-exports of U.S. origin goods.

NOTE TO USERS:

Canada and United States trade statistics are reconciled to arrive at the best measure of bilateral trade between the two countries, accepted by Statistics Canada and U.S. Bureau of the Census. The reconciliation process is conducted quarterly by commodity groupings and summed to annual totals.

In this release by Statistics Canada which coincides with that by the U.S. Bureau of the Census, the values are expressed in Canadian dollars and the trade balance is presented from the Canadian standpoint (surplus/deficit).

METHODOLOGY CHANGE:

Effective January 1985, Canada moved from measuring imports at fair market value to transaction value to reflect valuation methods based on the General Agreement on Tariffs and Trade (GATT) Valuation Code System. In the first quarter of 1985, the Canadian import valuation was phased out, resulting in a reduction of \$102 million in 1985, down from the reduction of \$1,890 million in 1984.

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