

BILATERAL TRADE (cont'd)

The largest reconciliation adjustment was the addition of \$4.9 billion (13.9%) to U.S. exports, representing non-receipt of export documents. In 1979, the non-response adjustment was \$4.5 billion or 13.6% of U.S. published exports. The equivalent adjustment for Canadian exports was \$1.2 billion, 2.8% of published Canadian exports, nearly double the 1979 value of \$614 million (1.6%). Other significant adjustments include a \$834 million reduction of U.S. imports to remove transportation charges, a \$635 million addition to U.S. imports representing merchandise trade transactions not in published U.S. statistics, and a \$710 million reduction of Canadian imports for goods priced above transaction value.

The U.S. measure of the Canadian surplus is consistently higher than the reconciled balance, while the Canadian measure is consistently lower. This occurs because of the underestimation of export statistics, largely because of non-filing of export documents and the overestimation of import statistics by recording higher than transaction values and including transportation costs. (However, in 1979 and 1980, U.S. imports have been understated because of the increased value of Canadian exports of electricity which is not defined as an import by the U.S.).

Year	U.S. Reconciled	U.S. Published	Canadian Reconciled	Canadian Published
1970	1.4	2.0	1.4	2.0
1971	1.4	2.3	1.4	2.3
1972	1.5	2.5	1.5	2.5
1973	1.2	2.6	1.2	2.6
1974	0.9	2.3	0.9	2.3
1975	-1.3	0.4	-1.3	0.4
1976	0.7	2.1	0.7	2.1
1977	1.8	3.6	1.8	3.6
1978	2.7	8.2	2.7	8.2
1979	0.8	2.0	0.8	2.0
1980	1.3	6.1	1.3	6.1

From Statistics Canada Daily. Wednesday, December 9, 1981.