U.S. affiliates tended to be more balanced than trade between U.S. and European affiliates. U.S. parent sales to Canadian affiliates and affiliates' sales to parents in 1989 were both approximately $32 billion (Table 3.3.4).[51] Moreover, it has been noted by McFetridge (1991) that trade between Canadian and U.S. affiliates has become more balanced over time, whereas European firms based in the U.S. have become more import-dependent.[52]

Table 3.3.4
Parent/Affiliate Trade, 1989
(in millions of $U.S.)[53]

	(A) Sales from parent to affiliates	(B) Sales from affiliates to parent	(A/B) Sales Ratio
U.S. firms in Japan	6,044	1,959	3.09
Japanese firms in U.S.	68,454	17,817	3.84
U.S. firms in Europe	26,995	13,027	2.07
European firms in U.S.	39,537	10,027	3.94
U.S. firms in Canada	**32,060**	**32,461**	**0.99**
Canadian firms in U.S.	7,235	1,428	5.07
U.S. firms in other	20,459	24,927	0.82
Other firms in U.S.	12,774	3,524	3.62

[51]However, if trade were calculated on a value-added basis, the story could be quite different. Exports to U.S. parents, particularly in the large automotive industry, can have a high U.S. origin content and this could make the balance tip substantially in the U.S. parents' favour.

[52]D. McFetrige, *Trade Liberalization and the Multinationals*, Economic Council of Canada, 1991, p. 51.

[53]Source: OECD, *Intra-Firm Trade Study*, Table 6 and para. 36.