Transfer pricing objectives included the acceptability of the method to customs and tax authorities, and control over subsidiaries to meet profit goals.

Milburn (1976) surveyed twenty Canadian and thirteen U.S. public accounting partners about international transfer pricing issues. The choice of a transfer pricing method was an economic decision by the TNC, combining TNC organizational preferences with home and host countries' national interests. The arm's-length equivalent (market) price was the preferred method.

Fowler (1978) used published data for Canadian subsidiaries of U.S. TNCs in thirteen manufacturing and mining industries to examine profit maximization vis-a-vis low transfer prices. Due to the interaction of tariff and tax rates, "the impetus toward a high or low transfer price depends on the level of ownership in the subsidiary, the dividend payout ratios, the effective marginal tax rates...and the tariff on the goods transferred," supporting the contingency theory that "different levels of transfer price are optimal for different industries." (24)

Tang (1981) identified the major influences on Canadian TNC choice of a transfer pricing method as overall company profit, customs rates and regulations, and competition. Primary transfer pricing objectives were maximizing TNC profit and subsidiary performance evaluation. More recent Canadian studies could not be located.

Transfer pricing practices of Canadian oil companies (many of which are subsidiaries of U.S. parent TNCs) have been studied in