

Fortune 500, Business Week 1000, or the Directory of Corporate Affiliates, have at least one Canadian subsidiary, and are in relevant industries. Initial and follow-up mailings were sent to the Canadian sample of 126 TNCs with U.S. subsidiaries, and to the U.S. sample of 261 TNCs with Canadian subsidiaries. One hundred sixty-seven TNCs responded from the combined sample of 387, for an overall response rate of 43%. Of the 71 Canadian surveys returned (56% response rate), 28 transferred tangible goods, 2 transferred only intangible property, and 41 did not use transfer pricing in conjunction with their U.S. subsidiaries. Of the 106 U.S. surveys returned (41% response rate), 62 transferred tangible goods, 1 transferred only intangible property, 38 did not use transfer pricing with their Canadian subsidiaries, and 5 cited company policy in not answering surveys. There were no significant differences in size or industry between early and late respondents, or between nonrespondents and respondents, by country.

Transfer pricing methods of Canadian and U.S. TNCs reported in this study are compared with prior studies in Table 2. One major difference between this and prior studies is that the current samples of Canadian and U.S. TNCs are limited to those with Canadian/U.S. cross-border subsidiaries in order to isolate specific Canada-U.S. interactions, while prior samples included all Canadian and U.S. TNCs, regardless of subsidiary location.

*** Insert Table 2 Here ***

Non-parametric statistics are used in the initial analysis because of the categorical and/or ordinal nature of many of the