

FDI context, and provided extensive empirical evidence on the linkage between FDI and corporate transactions. Pettway, Sicherman, and Spiess (1992) examined U.S./Japanese mergers and unit sales and found evidence of gains to both U.S. and Japanese firms involved in these transactions. Blumberg and Owers (1996) contrasted the impact for U.S. firms of divesting to foreign acquirers with the impact of divesting to domestic buyers. They found that the valuation consequences for U.S. firms of selling strategic business units (SBUs) to foreign acquirers varied substantially according to the domicile of the acquirer firm. This study follows in the line of investigation of Sicherman, Pettway and Spiess (1993) and Blumberg and Owers (1996) in a number of ways. We focus on Canadian/U.S. transactions, and use data bases from both financial systems and a "matched pairs" of transacting firms methodology. Finally, in addition to employing event study abnormal return measures, we also examine the monetary/dollar valuation impacts of U.S./Canadian sell-off restructuring.

Numerous studies have focused on the motives and valuation effects of primarily domestic sell-offs as a vehicle for corporate restructuring. Examples include Datta and Datta (1996), Lang, Poulsen, and Stultz (1995), Kaplan and Weisbach (1992), Kaplan (1989), Hite, Owers and Rogers (1987), Klein (1986), Jain (1985), Alexander, Benson and Kampmeyer (1984), and Rosenfeld (1984). These studies generally have found that sellers gain at the announcement of a sale. This finding is typically interpreted as supporting the view that asset sales are associated with the redeployment of assets to