

Controlled Foreign Corporations, 1986

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For 1986, the 7,500 largest foreign corporations (controlled foreign corporations or CFC's) controlled by large U.S. multinational firms held \$740 billion in assets and generated business receipts and net after tax profits of \$590 billion and \$38 billion, respectively [1].

These CFC's were incorporated in over 100 different countries. However, twenty countries accounted for 82 percent of the 7,500 CFC's. See Figure A. Almost one-half of the 7,500 CFC's were incorporated in Europe. Only 13 percent were incorporated in Latin America.

Figure A.--Distribution of 7,500 Largest CFC's, by Selected Country of Incorporation, 1986

[Money amounts are in billions of dollars]

Selected country of incorporation	Number of CFC's	Business receipts
All countries.....	7,500	\$590
United Kingdom.....	1,058	97
Canada.....	840	103
West Germany.....	512	69
France.....	447	41
Netherlands.....	338	24
Italy.....	332	27
Australia.....	321	18
Bermuda.....	311	10
Brazil.....	279	21
Netherlands Antilles.....	250	7
Switzerland.....	225	22
Belgium.....	205	15
Japan.....	195	28
Spain.....	177	11
Panama.....	156	7
Mexico.....	150	7
Hong Kong.....	145	6
Liberia.....	89	2
South Africa.....	88	5
Ireland.....	81	3

Almost 45 percent of the CFC's were engaged in manufacturing activities while another 25 percent were engaged in finance, insurance or real estate activities. These latter CFC's held 44 percent of all assets and generated 21 percent of net earnings and profits after

taxes. Although manufacturing CFC's held only 36 percent of all assets, they generated 61 percent of business receipts and 53 percent of net earnings and profits after taxes.

This article is based on the 7,500 largest CFC's (as determined by asset size) owned by U.S. multinational corporations having \$500 million or more in assets [2]. Previous CFC statistics were based on all CFC's controlled by the large multinationals but it is estimated that these 7,500 CFC's account for more than 90 percent of the business activity of all CFC's controlled by large U.S. multinational corporations. See Figure B for a 1984 comparison.

Figure B.--CFC's with Assets of \$10 Million or More Compared to All CFC's Owned by Large U.S. Multinational Corporations, 1984

[Money amounts are in billions of dollars]

Item	All CFC's	CFC's with assets of \$10 million or more	Percentage of all CFC's
	(1)	(2)	(3)
Number of CFC's 1/.....	27,008	5,927	22%
Assets.....	\$595	\$562	94
Business receipts.....	625	573	92
Earnings and profits before taxes.....	49	46	94
Foreign taxes.....	20	18	93
Distributions.....	17	16	92
Subpart F Income.....	4	4	93

1/ Includes only those foreign corporations controlled by U.S. corporations with \$250 million or more in assets.

BACKGROUND

Prior to World War II, relatively few U.S. corporations had operations outside of the United States [3]. Those corporations that did look to other countries for expansion turned mostly to Europe and Canada as stable areas in

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which to operate. After World War II, U.S. corporations were encouraged politically, through programs like the Marshall Plan, and economically, through various concessions by foreign countries, to expand their operations overseas. The Marshall Plan provided economic aid to countries recovering from the impact of World War II. The Plan also encouraged U.S. businesses to participate in the economic recovery of Europe. Many foreign countries, in an attempt to attract U.S. operations and dollars, offered very favorable investment climates including low taxes, ease of incorporation, and various other concessions [4].

U.S. corporations began their move overseas, usually by establishing a foreign market for exported goods and through foreign investment. Once these were established, the U.S. corporation might form a branch operation by establishing a place of business in the foreign country or by creating or purchasing a subsidiary incorporated in the foreign country.

Public Law 86-780 was enacted in 1960 to obtain information on the foreign subsidiaries of U.S. corporations. This law required a U.S. corporation to furnish, as part of its income tax return, information on any foreign corporation it directly controlled (i.e., "tier-one" subsidiaries) and on any foreign corporations controlled by these directly controlled foreign corporations (i.e., "tier-two" subsidiaries). Control was defined as direct or indirect ownership of more than 50 percent of the combined voting power of all classes of stock, or more than 50 percent of the total value of all shares of stock by a single shareholder during the foreign corporation's taxable year.

These foreign activities of U.S. corporations were precipitated by many factors. Some companies went overseas to move their operations closer to resources, others looked for cheaper labor and other costs, and many were attracted by favorable tax considerations and investment incentives. Still others moved to be closer to their market. Since the unrepatriated earnings and profits of a foreign subsidiary were not subject to U.S. income tax, where the foreign taxes were lower than U.S. taxes, this was an impelling reason for U.S. corporations to form overseas subsidiaries that enjoyed legal status as a resident corporation in the foreign country. The earnings and profits of the CFC were protected from U.S. taxation until they were repatriated in the form of dividends to the U.S. parent. U.S. taxes could be avoided by delaying a distribution until such a time as it could be offset by a parent corporation's losses or excess foreign tax credits. U.S. taxes could also be lowered on repatriated earnings, for

example, through an ordinary taxable liquidation, sale, or exchange of assets of the CFC. In this case, the U.S. parent company would pay tax at the lower capital gains rate [5].

The Revenue Act of 1962 reduced this tax deferral by requiring the current taxation of certain unrepatriated profits of a foreign subsidiary through the addition of Subpart F to the Internal Revenue Code. The types of income that were then currently taxable by the United States were referred to as "Subpart F income" and included income from the insurance of U.S. risks, "passive" types of income in general, and income derived from certain types of sales and services [6]. In addition, the 1962 legislation restricted the conversion of tax-deferred accumulated earnings and profits into capital gains, thus preventing regular income from being taxed at the lower capital gains rate.

The 1962 Act also redefined the term Controlled Foreign Corporation. In general, after the act, a foreign corporation was considered controlled if more than 50 percent of the voting stock of the foreign corporation was owned by U.S. shareholders for 30 days or more of the foreign corporation's taxable year and a U.S. shareholder was defined as a U.S. person who had at least a 10 percent interest. All such foreign corporations' undistributed earnings and profits, to the extent such earnings and profits represented Subpart F income (see the "Explanation of Selected Terms" section at the end of this article), were subject to taxation through their U.S. shareholders. The 1962 legislation also expanded the filing requirements for CFC's to include all lower-tier foreign corporations controlled, through other foreign subsidiaries, by a U.S. corporation [7].

The Tax Reduction Act of 1975 expanded the definition of Subpart F income. An exception permitting tax deferral of a portion of Subpart F income reinvested in tax-defined "less-developed countries" was repealed for CFC's with accounting periods beginning in 1976 and thereafter. Also, before the 1975 Act, income was not treated as Subpart F if it accounted for 30 percent or less of a CFC's gross income. This percentage was reduced to 10 percent, limiting the amount of income that could avoid treatment under Subpart F. Finally, some types of shipping income received by foreign subsidiaries of U.S. corporations, which were previously excluded from Subpart F income, were now included. As a result of these and other actions, the tax deferral privileges of CFC's were reduced, but not entirely eliminated.

Several amendments to the Internal Revenue Code redefined Subpart F income [8]. For a full explanation of Subpart F, see "Explanation of Selected Terms."

CFC ACTIVITY BY COUNTRY OF INCORPORATION

For both 1984 and 1986, more than one-half of the large CFC's were incorporated in Europe and Canada [9]. The United Kingdom, West Germany and Canada were homes to almost one-third of the 7,500 CFC's. These same CFC's generated 46 percent of all business receipts, held 44 percent of assets, and paid 50 percent of foreign income taxes.

One-half of all Canadian CFC's were manufacturers and held 45 percent of assets, generated 74 percent of business receipts, and 67 percent of earnings and profits before taxes. West German CFC's tended to be manufacturers also. Manufacturing CFC's in West Germany held 56 percent of assets, and generated 73 percent of receipts and 75 percent of earnings and profits before taxes.

In the United Kingdom, percentages for manufacturing CFC's were somewhat lower than in Canada and West Germany. Manufacturing CFC's in the United Kingdom held 28 percent of assets, and earned 61 percent of receipts and 38 percent of earnings and profits before taxes.

In countries outside of Europe and Canada, where large numbers of CFC's were incorporated, manufacturing CFC's were less common. In Bermuda and the Netherlands Antilles, finance, insurance and real estate CFC's dominated. Finance-related CFC's accounted for 79 and 93 percent of all CFC's in Bermuda and the Netherlands Antilles, respectively.

In African countries there was a more even distribution of CFC's and their business activities among various industries than in other areas. Manufacturing CFC's accounted for 32 percent, transportation for 22 percent and wholesale and retail trade accounted for another 23 percent of African CFC's.

The 5,850 CFC's reporting profits paid \$19 billion of foreign income tax on \$63 billion of pre-tax earnings and profits resulting in an effective tax rate of 31 percent. The rate for a given country may have varied from the statutory tax rate because: (1) certain earnings and profits, and the associated foreign taxes paid, were applicable to income

from operations in countries other than the country in which the CFC was incorporated; (2) earnings and profits were computed according to U.S. tax law and do not necessarily equal the tax base upon which the foreign tax was imposed; (3) many countries taxed various types of income at different rates; and (4) many countries had progressive tax rates.

As shown in Figure C, Other Western Hemisphere countries had the lowest effective tax rate (8 percent) [10]. These countries had a high proportion of finance, insurance and real estate CFC's which, as an industrial group, had the lowest effective tax rate, 14 percent, for all countries. These rates are low because U.S. corporations tend to establish financial CFC's in favorable tax climates such as the Cayman Islands, Bermuda, Netherlands Antilles and others. Other countries with low effective tax rates were Saudi Arabia (1 percent), Liberia (2 percent), Ireland (4 percent), Singapore (5 percent), Panama (7 percent), and Switzerland (12 percent).

Figure C.--Effective Tax Rates of 7,500 Largest CFC's, by Country of Incorporation, 1986

[Money amounts are in millions of dollars]

Country or geographic area	Earnings and profits before taxes	Foreign income taxes	Effective tax rate
	(1)	(2)	(3)
All geographic areas.....	\$62,967	\$19,229	31%
Canada.....	9,296	3,470	37
Latin America.....	6,372	1,389	22
Brazil.....	2,911	856	29
Panama.....	1,550	105	7
Other Western Hemisphere.....	4,140	338	8
Bermuda.....	1,737	58	3
Netherlands Antilles.....	1,751	158	9
Europe.....	33,066	10,751	33
France.....	2,967	1,185	40
Ireland.....	555	24	4
Italy.....	2,942	1,055	36
Netherlands.....	2,692	435	16
Switzerland.....	2,391	281	12
United Kingdom.....	10,885	3,564	33
West Germany.....	5,851	2,647	45
Africa.....	1,394	361	26
Liberia.....	337	6	2
South Africa.....	357	96	27
Asia.....	6,331	2,245	35
Hong Kong.....	1,038	150	14
Japan.....	2,947	1,492	51
Saudi Arabia.....	19	*	1
Singapore.....	786	38	5
Oceania.....	1,856	563	30
Australia.....	1,689	498	29

*Less than \$500,000.

CFC ACTIVITY BY INDUSTRY

Larger CFC's were more likely to be involved in

manufacturing or financial activities than were smaller CFC's. For 1986, 45 percent of the 7,500 CFC's reported manufacturing as their main activity and 25 percent were primarily engaged in finance, insurance or real estate activities. See Figure D.

Since the 7,500 largest CFC's are defined based on asset size it is consistent that the majority of the CFC's are involved in business activities that historically require larger assets. Manufacturing and finance CFC's held 80 percent of all assets of the 7,500 largest CFC's in 1986, while in 1984 CFC's in these two industrial divisions held 75 percent of assets of all CFC's controlled by large U.S. multinational corporations.

Although manufacturing and finance CFC's held a majority of the 7,500 CFC's assets, they were, on average, not the most profitable CFC's. Profitability of CFC's (as measured by rate of return on assets) averaged 7.6 percent for 1986 [11]. The most profitable CFC's were involved in mining activities and had a return on assets of 13.3 percent. The least profitable CFC's were in finance, insurance and real estate with only a 2.9 percent return. These rankings are consistent with data from 1984 for all CFC's.

The rates of return on assets for large U.S. corporations varied greatly from those of large CFC's as illustrated in Figure E. Large U.S. multinational corporations that controlled the 7,500 CFC's had only a 1.7 percent combined return on assets. The most profitable U.S. corporations were those whose major business activity was agriculture, forestry and fishing, with a return on assets of 9.5 percent. CFC's involved in agriculture, forestry and fishing have become almost as profitable as their U.S. counterparts after experiencing large losses in 1982 and small profits in 1984. The large losses were incurred by Liberian CFC's operating rubber plantations to supply the motor vehicle industry. These CFC's are no longer operational or are relatively small and so are not included among the 7,500 CFC's. Thus, the CFC's in agriculture, forestry and fishing industries have become more profitable.

Asian countries appear to be profitable arenas for operation as seen in Figure F. CFC's in Japan and Singapore had an average return of 14.1 and 11.3 percent respectively. These countries have a high concentration of manufacturing CFC's which are generally more profitable than average. Certain Western Hemisphere countries, such as the Netherlands Antilles, had a lower than average rate of return due mainly to the high percentage of financial CFC's located there.

CFC'S AND THE MERCHANDISE TRADE BALANCE

Transactions between the 7,500 CFC's and their U.S. parent groups (the U.S. corporation and its domestic

Figure D

Industrial Activity of All and 7,500 Largest CFC's, 1986

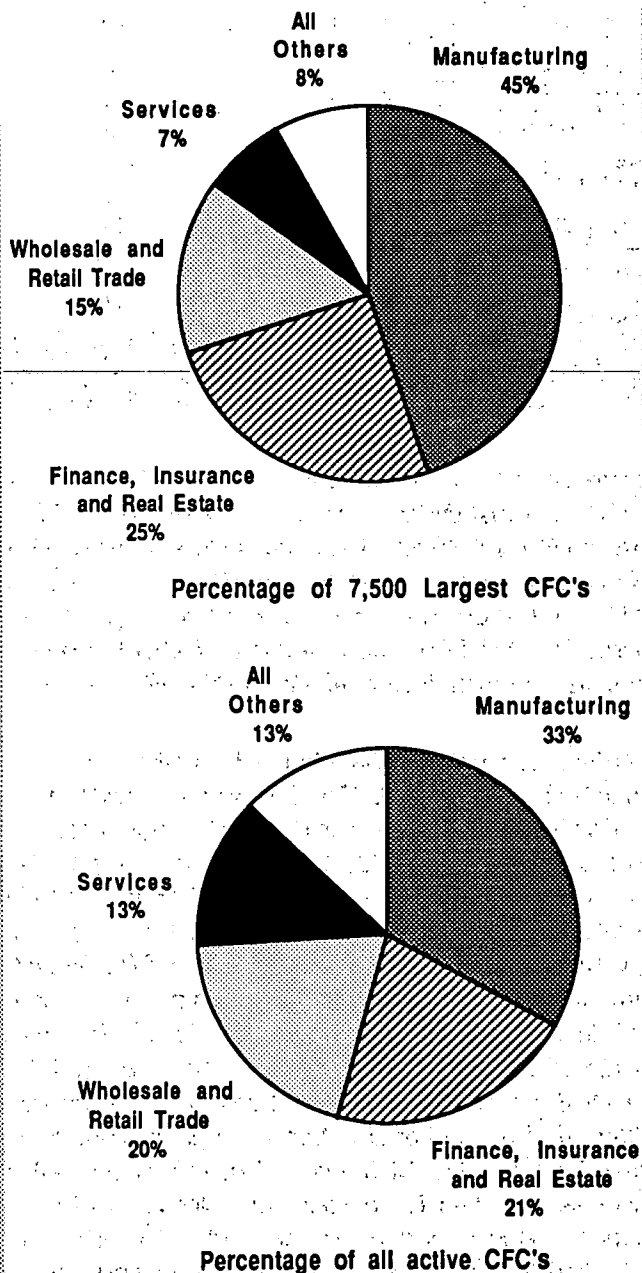


Figure E.--Relative Return on Assets of Large U.S. Multinational Corporations and Their CFC's, by Selected Industry, 1986 1/

Selected Industry	Return on assets 2/	
	U.S. corporations	CFC's
All industries 3/.....	1.7%	7.6%
Agriculture, forestry and fishing.....	9.5	8.1
Mining.....	-0.9	13.2
Metal mining.....	-0.8	8.1
Oil and gas extraction.....	-1.5	13.9
Construction.....	-0.9	8.4
Manufacturing.....	3.2	11.9
Food and kindred products.....	3.4	15.3
Apparel and other textile products.....	1.6	10.2
Paper and allied products.....	5.0	11.4
Printing and publishing.....	11.2	13.6
Chemicals and allied products.....	6.5	13.5
Petroleum (including integrated) and coal products.....	2.3	13.5
Rubber and miscellaneous plastic products.....	3.2	7.9
Stone, clay and glass products.....	6.6	11.5
Primary metal industries.....	0.3	-2.6
Fabricated metal products.....	2.9	9.9
Machinery, except electrical.....	4.1	16.7
Electrical and electronic equipment.....	3.1	10.1
Motor vehicles and equipment.....	1.5	6.3
Instruments and related products.....	0.8	9.4
Transportation and public utilities.....	1.5	6.1
Water transportation.....	-8.0	3.1
Wholesale and retail trade.....	2.4	11.4
Finance, insurance and real estate.....	0.7	2.9
Banking.....	0.4	1.3
Credit agencies other than banks.....	0.5	2.2
Insurance.....	1.4	3.7
Real estate.....	1.8	2.7
Holding and other investment companies except bank holding companies.....	-0.4	5.6
Services.....	1.8	6.6

Figure F.--Relative Return on Assets of 7,500 Largest CFC's, by Selected Country of Incorporation, 1986

Selected country of Incorporation	Return on assets 1/
U.S. corporations.....	1.7%
7,500 largest CFC's.....	7.6
Canada.....	7.8
Latin America.....	8.2
Brazil.....	12.5
Mexico.....	2.5
Panama.....	6.8
Other Western Hemisphere.....	4.0
Bahamas.....	5.7
Bermuda.....	5.5
Netherlands Antilles.....	3.0
Europe.....	7.9
France.....	8.7
Italy.....	9.1
Netherlands.....	8.6
Switzerland.....	8.0
United Kingdom.....	6.7
West Germany.....	8.5
Africa.....	8.6
South Africa.....	10.1
Asia.....	11.1
Hong Kong.....	5.7
Japan.....	14.1
Singapore.....	11.3
Oceania.....	5.8
Australia.....	5.7

1/ The CFC return on assets is the ratio of pre-tax earnings and profits to total assets. The U.S. return on assets is the ratio of net income (less deficit) before tax to total assets. See also footnote 11 at the end of this article.

resulted in a \$1.4 billion deficit. This deficit can be attributed to transactions with finance-related CFC's based in tax-haven countries. These nations are attractive conduits for the flow of capital from a third country into the United States because of low tax withholding rates on payments to foreign persons and low effective income tax rates on foreign entities operating within the countries.

Differences in the preparation of the statistics in Figure G should be recognized. The U.S. Bureau of the Census data credit U.S. imports to the country of origin while CFC sales are based on the CFC's country of incorporation. This could explain why Panamanian CFC's for example, reported \$651 million in sales to U.S. parent groups and only \$366 million is reflected in Census data for imports from Panama. In this instance, perhaps a shipping company incorporated in Panama carried cargo from a third country into the United States. CFC data would credit the sales to Panama while the Census data would report them under the country of origin. Also, Census data are for the Calendar Year 1986; CFC data, on the other hand, reflect business activities for parent corporations whose accounting periods ended between July 1986 and June 1987 and those CFC's which had accounting periods ending therein. However, most CFC activity did occur in 1986.

affiliates) resulted in a net surplus of \$14 billion for 1986, as shown in Figure G. CFC purchases of stock in trade (i.e., purchases of merchandise in the ordinary course of business) totalled \$61 billion while sales of stock in trade to the U.S. parent groups was \$47 billion. In contrast, the U.S. merchandise trade deficit (imports in excess of exports) was \$153 billion [12].

As the U.S. merchandise trade deficit with Japan grew to \$55 billion, U.S. parent groups still reported a \$1 billion trade surplus with their large Japanese CFC's. Large trade surpluses were reported by U.S. parent groups and their CFC's in Europe while large deficits between U.S. parent groups and their CFC's were reported with Other Western Hemisphere nations, namely Bermuda. The U.S. parent groups trade with their CFC's in this latter region

1/ U.S. parent corporations and CFC's were separately classified by the industry that generated the greatest portion of their total receipts.

2/ The CFC return on assets is the ratio of pre-tax earnings and profits to total assets. The U.S. return on assets is the ratio of net income (less deficit) before tax to total assets. See also footnote 11 at the end of this article.

3/ Includes CFC's whose nature of business was not allocable by industry.

Controlled Foreign Corporations, 1986

Figure G.--Purchases and Sales of Stock In Trade Between 7,500 Largest CFC's and Their Parent Groups and the U.S. Merchandise Trade Balance, by Selected Area and Country of Incorporation, 1986

[Money amounts are in millions of dollars]

Country or geographic area	U.S. parent group merchandise trade balance			U.S. merchandise trade balance 1/		
	CFC purchases from U.S. parent group (exports)	CFC sales to U.S. parent group (imports)	Surplus or deficit	Exports	Imports	Surplus or deficit
	(1)	(2)	(3)	(4)	(5)	(6)
All geographic areas.....	\$60,644	\$46,750	\$13,894	\$217,304	\$369,961	\$-152,657
Canada.....	22,731	23,666	-935	45,333	68,253	-22,920
Latin America.....	4,953	3,042	1,911	27,968	39,541	-11,573
Brazil.....	677	785	-108	3,885	6,813	-2,928
Mexico.....	3,124	1,038	2,086	12,392	17,302	-4,910
Panama.....	356	651	-295	711	366	345
Other Western Hemisphere.....	1,544	2,960	-1,416	3,110	2,408	702
Bahamas.....	563	173	390	761	442	319
Bermuda.....	968	2,659	-1,691	236	6	230
Netherlands Antilles.....	13	128	-115	398	471	-73
Europe.....	22,189	8,469	13,720	63,631	91,826	-28,195
France.....	2,377	984	1,393	7,216	10,129	-2,913
Italy.....	1,894	434	1,460	4,838	10,607	-5,769
Netherlands.....	1,847	407	1,440	7,848	4,066	3,782
Switzerland.....	2,594	662	1,932	2,977	5,253	-2,276
United Kingdom.....	4,389	3,771	618	11,418	15,396	-3,978
West Germany.....	6,333	955	5,378	10,561	25,124	-14,563
Africa.....	258	630	-372	5,978	10,348	-4,370
Liberia.....	4	373	-369	65	82	-17
South Africa.....	192	16	176	1,159	2,365	-1,206
Asia.....	6,666	6,169	497	64,532	153,869	-89,337
Hong Kong.....	1,201	600	601	3,030	8,891	-5,861
Japan.....	2,293	1,097	1,196	26,882	81,911	-55,029
South Korea.....	168	220	-52	6,355	12,729	-6,374
Taiwan.....	285	685	-400	5,524	19,791	-14,267
Oceania.....	1,529	153	1,376	6,659	3,717	2,942
Australia.....	1,249	133	1,116	5,551	2,632	2,919

1/ U.S. Department of Commerce, Bureau of the Census, Highlights of U.S. Export and Import Trade, FT 990 monthly.

RECENT CFC INCORPORATIONS

Almost one-third of the 7,500 CFC's were incorporated during the period from 1977 to 1987. See Figures H and I. These newest CFC's held 27 percent of all assets. Of these newer CFC's, 40 percent were in finance, insurance and real estate and these held 62 percent of the total assets of the newer CFC's. Almost 50 percent of all financial CFC's were incorporated after 1976, indicating an increasingly global economy where financing is sought world-wide. U.S. parent corporations expanded overseas to take advantage of foreign monies available for investment.

In the past, it was common for U.S. companies to set up financial subsidiaries in tax-haven countries in order to facilitate borrowing from foreign countries. Companies were set up to take advantage of a favorable tax climate in the haven country that may include secrecy, low or zero corporate tax rates, and no withholding tax on payments to foreigners. In an effort to increase direct foreign investment in the United States and to remove the advantage of borrowing through tax-haven countries, the United States

Figure H.--Number and Total Assets of 7,500 Largest CFC's, by Year of Incorporation, 1986

[Money amounts are in millions of dollars]

Year of Incorporation	Number of CFC's	1986 Total assets
All years 1/.....	7,500	\$740,396
1987.....	9	366
1986.....	190	13,862
1985.....	254	16,774
1984.....	223	18,265
1983.....	235	20,893
1982.....	243	30,261
1981.....	242	24,850
1980.....	254	18,976
1979.....	249	23,379
1978.....	205	14,028
1977.....	167	14,966
Pre-1977.....	5,061	533,290

1/ Includes CFC's whose year of incorporation is unknown or not stated.

exempted from withholding tax all interest payments on issues made after July 1984. This enabled U.S. corporations to more cheaply borrow foreign money from anywhere in the world [13].

The effects of these changes are seen in the slowdown of incorporations in the Netherlands Antilles: Finance,

Figure I.--7,500 Largest CFC's: All Compared to Those Incorporated After 1976, by Selected Industry, 1986

[Money amounts are in millions of dollars]

Selected CFC industry	All CFC's		CFC's incorporated after 1976			
	Number	Total assets	Number	Total assets	Percentage of all CFC's	
					Number	Total assets
(1)	(2)	(3)	(4)	(5)	(6)	
All industries 1/.....	7,500	\$740,396	2,271	\$196,619	30%	27%
Agriculture, forestry, and fishing.....	25	597	6	188	24	31
Mining.....	217	27,005	81	9,919	37	37
Construction.....	95	3,903	24	650	25	17
Manufacturing.....	3,341	270,162	716	41,219	21	15
Transportation and public utilities.....	226	17,155	82	5,313	36	31
Wholesale and retail trade.....	1,156	76,134	262	9,254	23	12
Finance, insurance, and real estate.....	1,911	322,820	909	122,457	48	38
Services.....	519	22,386	190	7,755	37	35

1/ Includes CFC's whose nature of business was not allocable by industry.

insurance and real estate companies account for 93 percent of all Antillean CFC's. As shown in Figure J, 80 percent of Antillean CFC's were incorporated after 1976. However, 88 percent of these were incorporated between 1977 and 1983. There has been a sharp decrease in incorporations in the Netherlands Antilles since that time. This number may decrease even further due to the cancellation of the United States-Netherlands Antilles tax treaty in 1988 [14].

Europe and almost one-half of these large CFC's were manufacturing CFC's. In 1986, CFC's tended to be more profitable (based on return on assets) than their U.S. parent corporations. The CFC return on assets was 7.6 percent compared to a 1.7 rate for their parent corporations.

The 7,500 largest CFC's reported a surplus in trade with their U.S. parent groups of \$14 billion.

Almost one-third of the 7,500 largest CFC's were incorporated between 1977 and 1987, 40 percent of them in finance related industries.

SUMMARY

Large CFC's were incorporated mainly in Canada and

Figure J.--7,500 Largest CFC's: All Compared to Those Incorporated After 1976, by Selected Country of Incorporation, 1986

[Money amounts are in millions of dollars]

Selected country of incorporation	All CFC's		CFC's incorporated after 1976			
	Number	Total assets	Number	Total assets	Percentage of all CFC's	
					Number	Total assets
(1)	(2)	(3)	(4)	(5)	(6)	
All countries.....	7,500	\$740,396	2,271	\$196,619	30%	27%
United Kingdom.....	1,058	146,805	335	37,540	32	26
Canada.....	840	112,057	281	28,737	33	26
West Germany.....	512	64,479	106	5,482	21	9
France.....	447	30,325	81	4,033	18	13
Netherlands.....	338	28,515	111	8,260	33	29
Italy.....	332	31,187	91	5,073	27	16
Australia.....	321	24,645	64	4,301	20	17
Bermuda.....	311	25,680	147	8,082	47	31
Brazil.....	279	19,104	69	3,307	25	17
Netherlands Antilles.....	250	51,866	199	40,622	80	78
Switzerland.....	225	29,238	58	5,690	26	19
Belgium.....	205	17,675	54	3,936	26	22
Japan.....	195	19,762	69	4,202	35	21
Spain.....	177	12,636	42	3,955	24	31
Panama.....	156	20,881	44	2,776	28	13
Mexico.....	150	6,229	31	757	21	12
Hong Kong.....	145	16,135	58	5,319	40	33
Liberia.....	89	6,815	34	942	38	14
South Africa.....	88	2,882	7	164	8	6
Ireland.....	81	4,390	35	2,184	43	50

DATA SOURCES AND LIMITATIONS

The statistics in this article were derived from all U.S. corporation income tax returns with total assets of \$500 million or more and with accounting periods ended July 1986 through June 1987, and from attached Form(s) 5471 (Information Return with Respect to a Foreign Corporation).

The 7,500 largest CFC's were chosen based on size of assets. Historical data show that these largest CFC's represent over 90 percent of all financial information for all CFC's. However, caution should be used in comparing these statistics to past years' statistics since no small or inactive CFC's were included as in the past.

Also, large CFC's tend to be manufacturing and finance-related CFC's. Therefore, the 7,500 largest CFC's show a bias towards these industrial divisions when compared to all CFC's. These statistics based on the largest 7,500 CFC's are not perfectly representative of the entire population of CFC's and therefore, should be used with caution when making comparison with or estimates of the larger group.

Not all of the information regarding CFC transactions (e.g., transactions with unrelated parties) is available from Statistics of Income data. However, total business receipts, earnings and profits, foreign taxes and transactions between CFC's and related parties (U.S. parent corporations and their domestic and foreign subsidiaries) are reported as part of the parent corporation's U.S. income tax return and included in this article.

U.S. parent corporations were classified by the principal business activity reported on the corporation income tax return. Many returns were filed by diversified corporations, and therefore included significant receipts, profits, and other items related to activities other than the principal business activity.

Controlled Foreign Corporations were also classified by their principal business activity as reported on Form 5471. As such, certain receipts, profits, and transaction items may have been related to secondary business activities. It is not possible to measure the extent of these secondary operations.

When U.S. corporations filed consolidated Forms 5471 with aggregated data for several foreign companies, follow-up requests were made in cases where large money

amounts were reported in an attempt to obtain the CFC information on a disaggregated basis. More than 75 percent of these requests were successful. Where no information was received, the data were left consolidated under the industry and country in which it was originally reported. Less than one percent of the CFC's included in the file contain financial information for a consolidated group of CFC's.

The 1986 data are based on returns filed by U.S. corporations with \$500 million or more in total assets and with full-year accounting periods ending between July 1986 and June 1987. Generally, part-year returns were deleted from the sample to avoid double counting of financial data. According to IRS regulations, a U.S. corporation had to submit a Form 5471 for any Controlled Foreign Corporation with an accounting period ending with or within the U.S. parent's accounting period. Therefore, CFC accounting periods may have ended as early as August 1985 (and, thus, began in September 1984) or as late as June 1987. However, most CFC activity did occur in Calendar Year 1986.

EXPLANATION OF SELECTED TERMS

Business Receipts of Controlled Foreign Corporations.--Business receipts were, in general, gross receipts or gross sales less returns and allowances reported for CFC's on Forms 5471. In the finance, insurance, and real estate industries, business receipts were generally the total income or receipts of the CFC and may have included other types of income such as interest, rents, royalties and other investment income. This definition differs from that used for the business receipts statistics for domestic corporations which generally excludes investment income.

Current Earnings and Profits of Controlled Foreign Corporations.--This item represents the difference between the beginning and ending year balances of accumulated earnings and profits available for distribution to the stockholders. In this report, pre-tax current earnings and profits are shown. For Form 5471 purposes, the earnings and profits reported for a foreign corporation had to be calculated under U.S. accounting standards, as required by Internal Revenue regulations.

Distributions of Controlled Foreign Corporations.--The distributions of CFC's consisted mostly of dividends, capital gain distributions, and distributions paid out of capital (including capital stock, paid-in capital, and capital

surplus) were generally not included. However, liquidating dividends may have been included in some instances.

Foreign Income Taxes Paid by Controlled Foreign Corporations.--These were foreign income, war profits, and excess profits taxes paid or accrued by CFC's to foreign countries or U.S. possessions (including Puerto Rico). Also included were taxes imposed by other countries (including the United States) in cases in which the CFC had business operations in countries other than the one in which it was incorporated.

Related Persons of Controlled Foreign Corporations.--Five categories of related persons of CFC's were shown on Schedule M of Forms 5471 for the purpose of reporting related party transactions. They were the U.S. corporation filing the return, a domestic corporation controlled by the U.S. corporation filing the return, a foreign corporation controlled by the U.S. corporation filing the return, a 10-percent-or-more U.S. shareholder of the CFC (other than the controlling shareholder), and a 10-percent-or-more U.S. shareholder of the U.S. corporation filing the return.

Sales (and Purchases) of Stock in Trade.--These were sales (and purchases) of merchandise in the ordinary course of trade or business.

Subpart F Income.--Subpart F provisions of the Internal Revenue Service Code (section 952) allowed the United States to tax U.S. shareholders on certain types of CFC income that, although undistributed to them, were deemed to have been distributed and were thereby taxable currently, generally at the same rate(s) as dividends. Subpart F income included the following for 1986: income derived from the insurance of U.S. risks; international boycott participation income; illegal bribes, kickbacks, or other payments to a government official; and "foreign base company income" (i.e., income from a foreign personal holding company and certain types of sales, service, shipping and oil-related income from a foreign base company). Also includable as income from CFC's were amounts of previously excluded Subpart F income meeting certain criteria, and increases in foreign corporations' earnings invested in U.S. property.

Transactions of Controlled Foreign Corporations.--Controlled Foreign Corporation transactions were reported on Forms 5471 for five categories of related persons (described previously under "Related Persons of Controlled Foreign Corporations") which dealt with the CFC's.

The transactions shown include receipts and payments for such items as stock in trade, dividends, rents and royalties, commissions, services rendered, interest, insurance premiums, and property rights.

U.S. Affiliated Groups.--The U.S. parent corporation and all of its wholly-owned domestic subsidiaries included in the filing of a consolidated U.S. income tax return (Form 1120).

NOTES AND REFERENCES

- [1] U.S. giant corporations are those with \$500 million or more in assets. Only foreign corporations controlled by these "giant" corporations were included in this study. Subsequent use of the terms "large U.S. multinationals" or "U.S. giant corporations" refers to this group of corporations. Historically, more than two-thirds of all U.S.-controlled foreign corporations have been controlled by U.S. giant corporations. More significantly, both the assets and business receipts of CFC's controlled by these large U.S. corporations have accounted for more than 90 percent of the total assets and business receipts of all CFC's. See statistics on Controlled Foreign Corporations for 1980 in the *Statistics of Income Bulletin*, Summer 1984, Volume 3, Number 4.
- [2] In an effort to gather more accurate and timely data, the scope of the Foreign Corporation Information Return (Form 5471) study was reduced to a full data edit of only the 7,500 largest active CFC's (as determined by asset size) controlled by U.S. corporations with \$500 million or more in assets. [A limited number of data items from all other Forms 5471 filed by these giant corporations were edited but are not used here unless indicated.]
- [3] Heller, Kenneth, *The Impact of U.S. Taxation on the Financing and Earnings Remittance Decisions of U.S.-based Multinational Firms with Controlled Foreign Corporations*, Arno Press, 1980, pp. 2-3.
- [4] Heller, *Op. cit.*, pp. 3-4.
- [5] Heller, *Op. cit.*, pp. 95-97.
- [6] Passive types of income include such receipts as interest, dividends and certain types of rents and royalties.

- [7] Control by a U.S. corporation was extended to lower-tier foreign corporations through a chain of control. Thus, a U.S. corporation could own more than 50 percent of a foreign corporation (first-tier) which, in turn, could own more than 50 percent of a second-tier foreign corporation, which, in turn, could own more than 50 percent of a third-tier foreign corporation, and so forth. A Form 5471 had to be filed for each of these foreign corporations.
- [8] More recently, the Tax Reform Act of 1986 made several changes to the way Subpart F income is computed including, new rules for the de minimus inclusion of Subpart F income, a new definition of controlled foreign corporation and limitations on Subpart F income. Generally, these changes apply to taxable years of foreign corporations beginning after December 31, 1986.
- [9] Statistics of Income studies on Controlled Foreign Corporations are done only every other year.
- [10] For Statistics of Income purposes, countries that fall under the Other Western Hemisphere category include the Bahamas, Bermuda, Netherlands Antilles, Leeward Islands, Windward Islands, Antigua, Barbuda, French West Indies, Falkland Islands and Greenland.
- [11] For purposes of this analysis, a CFC's return on assets is defined as the ratio of earnings and profits before taxes to total assets. Net income (before taxes), i.e., net income computed under provisions of the Internal Revenue Code, is used in place of earnings and profits for purposes of computing the U.S. parent corporations' return on assets because earnings and profits, as such, is not reported by the parent. To the extent that the concept of earnings and profits differs from that of net income, the comparison of a CFC's return on assets to the U.S. parent corporation's return on assets is inaccurate. The rate of return on assets of any group, i.e. parent corporations, CFC's, industrial division, or country, is determined using the total income and total assets of the group rather than averaging the returns of each component.
- [12] U.S. Department of Commerce, Bureau of the Census, *Highlights of U.S. Export and Import Trade*, FT 990, monthly. Data from this source are based on the 1986 calendar year, while CFC data are based on accounting periods of U.S. parent corporations ended July 1986 through June 1987 and accounting periods of CFC's ending with, or within, the U.S. parent corporation's accounting period.
- [13] For a more detailed explanation of this tax law change and its effects, see Lewis, Margaret P., "Foreign Recipients of U.S. Income, and Tax Withheld, 1986," *Statistics of Income Bulletin*, Winter 1988-89, Volume 8, Number 3.
- [14] For more recent data on payments to the Netherlands Antilles, see Bradford, John J., "Foreign Recipients of U.S. Income, 1988," *Statistics of Income Bulletin*, Winter 1990-1991, Volume 10, Number 3, p. 23.

Controlled Foreign Corporations, 1986

Table 1.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Controlled Foreign Corporation
 [Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All industries (U.S. parent).....	714	7,500	740,395,679	589,884,940	56,590,619	62,966,595	19,229,025	19,034,715	21,730,762	4,223,316
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	11	25	597,029	560,406	48,313	59,979	15,805	15,029	16,250	15,500
Mining.....	76	217	27,005,021	14,791,221	3,558,046	4,257,223	2,062,963	2,011,736	1,879,584	141,476
Construction.....	24	95	3,903,366	4,398,397	327,143	422,999	122,354	117,962	229,429	58,427
Manufacturing.....	389	3,341	270,161,948	357,502,549	32,025,748	35,123,788	12,197,983	12,094,770	10,766,142	1,018,525
Transportation and public utilities.....	77	226	17,155,030	7,098,494	1,049,350	1,346,130	259,119	259,133	511,034	141,716
Wholesale and retail trade.....	230	1,156	76,133,502	151,984,251	8,642,700	9,308,210	2,692,528	2,705,759	3,970,485	391,691
Finance, insurance and real estate.....	452	1,911	322,820,276	41,286,203	9,465,673	10,595,976	1,462,304	1,427,045	3,820,279	2,321,621
Services.....	165	519	22,386,413	12,217,752	1,478,715	1,849,198	410,941	398,413	535,745	134,360
Mining (U.S. parent).....	26	118	6,545,122	3,472,424	850,714	1,036,677	500,499	483,043	553,954	107,026
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	21	58	3,995,367	2,294,040	772,292	899,969	478,929	467,178	404,421	74,480
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	5	15	432,325	473,084	42,632	47,247	15,788	15,699	13,538	--
Transportation and public utilities.....	4	8	308,180	175,239	15,607	17,869	440	440	--	1,540
Wholesale and retail trade.....	**	**	**	**	**	**	**	**	**	**
Finance, insurance and real estate.....	10	20	1,209,138	110,790	51,688	54,089	2,669	2,821	8,995	30,391
Services.....	**	**	**	**	**	**	**	**	**	**
Oil and gas extraction (U.S. parent).....	17	87	5,213,453	2,909,780	769,976	933,851	487,356	471,253	530,984	75,221
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	16	51	3,424,663	2,206,330	746,761	859,560	475,747	465,260	395,988	56,688
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	**	**	**	**	**	**	**	**	**	**
Transportation and public utilities.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	**	**	**	**	**	**	**	**	**	**
Finance, insurance and real estate.....	6	14	984,542	78,829	35,989	37,983	2,530	2,682	3,943	17,918
Services.....	**	**	**	**	**	**	**	**	**	**
Construction (U.S. parent).....	11	61	2,714,072	2,166,376	181,484	219,067	50,275	39,800	91,461	28,163
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	**	**	**	**	**	**	**	**	**	**
Mining.....	**	**	**	**	**	**	**	**	**	**
Construction.....	7	19	570,676	579,461	28,423	45,318	18,253	21,762	27,956	5,420
Manufacturing.....	**	**	**	**	**	**	**	**	**	**
Transportation and public utilities.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	**	**	**	**	**	**	**	**	**	**
Finance, insurance and real estate.....	5	13	676,949	123,025	59,557	63,041	13,364	13,364	18,210	15,476
Services.....	4	11	688,767	824,333	52,545	52,545	8,594	8,594	11,001	3,190
Manufacturing (U.S. parent).....	391	5,519	480,905,679	498,581,337	48,577,456	53,532,633	16,916,946	16,776,485	19,419,131	3,254,710
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	7	17	369,629	440,656	15,467	26,973	7,020	6,244	16,250	15,500
Mining.....	37	124	20,389,502	11,123,683	2,648,111	3,168,866	1,552,183	1,509,369	1,458,275	45,677
Construction.....	10	50	2,544,413	3,289,899	323,429	352,166	103,131	100,653	65,270	37,597
Manufacturing.....	351	3,169	262,466,299	348,007,492	31,606,358	34,572,839	12,058,701	11,970,809	10,647,148	1,016,332
Transportation and public utilities.....	37	97	9,919,425	4,891,673	605,023	831,756	107,139	106,599	369,792	138,842
Wholesale and retail trade.....	174	965	58,528,003	109,757,662	7,355,777	7,876,675	2,338,510	2,352,728	3,594,360	339,992
Finance, insurance and real estate.....	236	856	113,509,209	14,244,918	5,222,706	5,680,065	554,844	546,253	2,926,001	1,542,029
Services.....	86	236	13,058,795	6,800,764	797,946	1,020,419	190,389	178,803	340,222	118,742

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 1.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Controlled Foreign Corporation--Continued
 [Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and selected industry of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing--Continued										
Food and kindred products (U.S. parent).....	28	465	27,896,849	30,572,937	3,158,393	3,348,388	1,026,919	1,012,356	1,157,341	169,057
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	3	7	149,359	291,008	9,732	12,465	3,638	3,553	16,250	15,500
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	27	286	15,371,689	23,781,245	2,431,099	2,533,230	865,191	851,260	905,771	85,820
Transportation and public utilities.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	15	65	2,840,980	5,056,920	269,521	308,526	89,269	88,053	89,127	29,914
Finance, insurance and real estate.....	22	81	8,483,886	917,401	380,220	421,621	45,368	46,035	108,854	33,656
Services.....	5	21	834,575	441,359	56,270	58,914	18,448	18,448	33,738	4,168
Chemicals and allied products (U.S. parent).....	66	1,219	83,333,756	69,913,558	8,981,140	9,630,212	2,947,215	2,946,716	3,567,805	885,057
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	**	**	**	**	**	**	**	**	**	**
Mining.....	7	12	2,086,685	1,176,645	443,483	493,859	351,202	347,962	369,594	926
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	64	841	48,297,090	54,200,522	6,485,207	6,965,378	2,233,424	2,239,478	1,881,514	324,118
Transportation and public utilities.....	6	10	879,988	490,745	82,247	89,886	28,206	27,847	46,138	7,855
Wholesale and retail trade.....	39	191	6,556,373	11,812,590	829,167	867,749	229,157	235,018	394,793	118,726
Finance, insurance and real estate.....	38	139	24,059,322	2,015,133	1,044,128	1,106,347	80,762	79,626	835,042	389,460
Services.....	12	17	1,207,122	99,514	93,665	94,978	19,741	12,753	40,723	41,972
Petroleum (including integrated) and coal products (U.S. parent).....	24	478	104,965,557	122,047,928	12,336,432	13,365,794	4,308,326	4,239,572	5,971,961	1,086,261
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	17	72	17,523,428	9,401,919	2,183,004	2,607,914	1,186,552	1,149,632	944,407	32,936
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	17	112	30,370,167	46,702,102	3,847,719	4,037,572	1,595,488	1,555,672	1,538,129	322,336
Transportation and public utilities.....	11	46	7,303,645	3,124,837	402,372	582,414	62,538	62,751	290,423	121,969
Wholesale and retail trade.....	16	156	27,040,733	59,175,726	4,488,061	4,596,797	1,434,391	1,442,955	2,525,731	110,613
Finance, insurance and real estate.....	22	82	20,334,627	2,597,028	1,215,403	1,339,605	37,498	36,703	600,885	477,886
Services.....	4	7	1,970,722	61,912	142,708	144,327	-22,775	-22,775	60,506	508
Primary metal industries (U.S. parent).....	23	208	11,490,847	11,366,312	391,450	821,587	168,758	172,463	190,393	100,219
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	3	4	52,747	31,590	4,834	6,792	13	13	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	20	100	5,852,812	9,420,450	96,020	493,154	134,999	135,316	69,904	8,390
Transportation and public utilities.....	6	10	290,856	74,888	9,366	11,579	316	384	--	4,387
Wholesale and retail trade.....	5	11	274,190	454,965	44,166	46,470	1,900	1,927	--	10,295
Finance, insurance and real estate.....	16	63	4,333,010	781,131	192,470	216,930	16,100	19,729	110,680	72,579
Services.....	4	20	687,232	603,289	44,594	46,661	15,431	15,095	9,810	4,568
Machinery, except electrical (U.S. parent).....	45	725	69,531,377	58,664,442	8,821,770	9,625,964	3,600,264	3,523,516	3,747,000	198,933
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	**	**	**	**	**	**	**	**	**	**
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	42	376	47,609,508	45,493,415	7,754,492	8,255,465	3,346,854	3,275,458	2,815,926	22,001
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	23	163	8,424,155	10,239,063	530,537	647,131	120,968	126,299	274,264	33,055
Finance, insurance and real estate.....	29	113	9,291,507	1,082,990	402,038	513,808	61,528	52,160	493,691	118,744
Services.....	17	46	3,694,587	1,499,626	127,346	171,544	59,135	60,297	21,100	18,152

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 1.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Controlled Foreign Corporation--Continued
 [Money amounts are in thousands of dollars]

Selected Industry of U.S. corporation filing the return and selected industry of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing--Continued										
Electrical and electronic equipment (U.S. parent).....	44	713	48,874,023	46,842,782	4,112,571	4,713,012	1,037,296	1,023,698	1,143,683	269,031
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	3	7	193,144	134,277	13,506	25,533	2,106	1,880	7,500	10,323
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	39	429	27,664,379	37,581,886	2,931,711	3,355,268	842,697	833,989	665,453	81,623
Transportation and public utilities.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	23	89	2,352,517	4,363,693	167,995	216,588	67,967	66,166	47,001	2,409
Finance, insurance and real estate.....	19	129	16,016,994	2,552,607	768,434	801,994	75,740	73,440	361,845	149,737
Services.....	10	40	1,140,301	858,407	106,460	138,768	26,987	26,739	30,418	14,844
Motor vehicles and equipment (U.S. parent).....	14	268	63,075,679	81,901,610	3,279,031	3,854,659	1,294,430	1,364,034	1,437,032	186,616
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	14	132	40,121,793	73,242,296	2,553,259	2,992,605	1,072,720	1,141,336	1,336,236	17,118
Transportation and public utilities.....	3	5	117,686	35,231	4,643	4,643	1,803	1,803	158	--
Wholesale and retail trade.....	6	42	2,187,567	5,398,349	142,911	169,386	48,325	50,776	39,266	--
Finance, insurance and real estate.....	10	72	19,370,502	2,821,007	572,617	604,092	149,220	147,756	55,677	150,708
Services.....	**	**	**	**	**	**	**	**	**	**
Instruments and related products (U.S. parent).....	15	259	14,311,977	17,838,795	1,727,606	1,815,486	552,105	552,305	145,103	77,587
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	14	143	9,350,595	10,638,086	1,322,638	1,353,246	413,821	416,245	75,829	37,094
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	8	85	3,553,918	6,262,121	344,118	377,113	129,823	131,856	49,503	27,218
Finance, insurance and real estate.....	7	16	866,537	84,555	65,780	68,257	1,554	866	11,169	12,305
Services.....	**	**	**	**	**	**	**	**	**	**
Transportation and public utilities (U.S. parent).....	66	381	24,873,374	9,964,847	1,110,436	1,398,410	301,793	305,100	421,004	248,194
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	**	**	**	**	**	**	**	**	**	**
Mining.....	12	21	2,089,274	478,820	104,087	145,803	22,494	25,833	2,688	21,319
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	12	78	4,130,312	4,353,876	149,279	227,161	45,774	44,971	72,573	1,992
Transportation and public utilities.....	24	89	5,700,450	1,032,672	372,568	431,747	140,360	140,914	139,948	493
Wholesale and retail trade.....	7	37	973,878	1,987,814	138,006	144,389	47,870	48,220	47,180	4,385
Finance, insurance and real estate.....	42	98	9,984,642	999,082	327,542	379,202	26,355	26,071	154,178	213,562
Services.....	18	48	1,714,007	919,208	22,127	66,752	18,934	19,010	4,437	6,443

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 1.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Controlled Foreign Corporation--Continued
 (Money amounts are in thousands of dollars)

Selected Industry of U.S. corporation filing the return and selected Industry of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Wholesale and retail trade (U.S. parent).....	61	333	38,306,449	46,138,962	1,669,317	1,949,026	435,009	426,855	489,011	170,747
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	**	**	**	**	**	**	**	**	**	**
Mining.....	**	**	**	**	**	**	**	**	**	**
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	13	46	1,970,944	3,361,062	101,528	125,482	46,651	46,841	15,779	--
Transportation and public utilities.....	5	10	327,083	766,755	-272	7,183	3,008	3,008	--	--
Wholesale and retail trade.....	38	139	15,774,837	38,179,278	1,055,071	1,185,398	273,422	271,885	324,220	42,824
Finance, insurance and real estate.....	27	98	19,151,023	2,381,394	431,139	525,975	80,095	73,405	138,259	126,065
Services.....	12	32	844,883	613,362	79,432	89,211	27,256	27,139	10,754	1,857
Finance, insurance and real estate (U.S. parent).....	119	871	179,847,139	25,555,032	3,603,201	4,142,392	866,010	843,291	578,365	362,347
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	3	12	444,581	454,198	111,745	115,193	22,030	22,035	--	--
Transportation and public utilities.....	3	3	86,607	2,104	991	1,016	-37	-37	--	111
Wholesale and retail trade.....	4	5	411,264	1,613,114	59,270	62,437	23,966	23,966	--	--
Finance, insurance and real estate.....	118	803	176,735,216	23,122,709	3,325,115	3,839,553	777,181	754,614	542,869	359,621
Services.....	13	44	2,035,107	267,253	101,629	119,237	42,564	42,407	26,292	--
Banking (U.S. parent).....	41	444	114,681,555	11,785,996	1,752,667	1,972,616	489,544	485,777	218,286	197,270
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	--	--	--	--	--	--	--	--	--	--
Transportation and public utilities.....	3	3	86,607	2,104	991	1,016	-37	-37	--	111
Wholesale and retail trade.....	--	--	--	--	--	--	--	--	--	--
Finance, insurance and real estate.....	41	418	113,154,525	11,769,634	1,671,341	1,882,853	458,899	455,243	203,626	197,159
Services.....	6	23	1,440,423	14,259	80,335	88,746	30,681	30,570	14,660	--
Insurance (U.S. parent).....	39	176	23,506,769	4,497,431	394,687	557,106	68,321	67,863	158,573	53,791
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	--	--	--	--	--	--	--	--	--	--
Manufacturing.....	**	**	**	**	**	**	**	**	**	**
Transportation and public utilities.....	--	--	--	--	--	--	--	--	--	--
Wholesale and retail trade.....	**	**	**	**	**	**	**	**	**	**
Finance, insurance and real estate.....	39	167	23,329,245	4,400,876	389,747	545,639	68,321	67,858	147,948	53,791
Services.....	3	4	74,562	65,576	5,288	7,901	--	--	10,625	--
Services (U.S. parent).....	38	193	6,506,722	3,442,382	534,595	619,133	142,617	143,970	175,254	51,399
Industry of Controlled Foreign Corporations										
Agriculture, forestry and fishing.....	--	--	--	--	--	--	--	--	--	--
Mining.....	--	--	--	--	--	--	--	--	--	--
Construction.....	3	4	68,295	645	2,271	2,271	--	--	--	12,794
Manufacturing.....	3	5	79,719	64,232	-2,033	1,533	543	-351	--	--
Transportation and public utilities.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	3	3	174,494	123,800	23,162	23,687	-4,212	4,212	--	--
Finance, insurance and real estate.....	14	23	1,554,099	304,285	47,924	54,051	7,796	10,517	31,768	34,478
Services.....	30	145	3,978,610	2,751,733	429,401	500,257	122,336	121,861	143,039	4,127

** Data deleted to avoid disclosure of information for specific corporations.

Note: Detail may not add to total because of rounding, and because agriculture, forestry, and fishing is not shown for the U.S. parent corporations.

Table 2.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Selected Transactions of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of Controlled Foreign Corporation
 [Money amounts are in thousands of dollars]

Selected Industry of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations							
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign income taxes (net)	Actual distributions in current year	Subpart F income	Selected receipts by foreign corporations from:
									All related persons
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
All Industries, total.....	714	7,500	740,395,679	589,884,940	56,590,619	19,034,715	21,730,762	4,223,316	122,306,380
Agriculture, forestry and fishing.....	11	25	597,029	560,406	48,313	15,029	16,250	15,500	210,124
Mining.....	76	217	27,005,021	14,791,221	3,558,046	2,011,736	1,879,584	141,476	2,980,952
Construction.....	24	95	3,903,366	4,398,397	327,143	117,962	229,429	58,427	444,154
Manufacturing.....	389	3,341	270,161,948	357,502,549	32,025,748	12,094,770	10,766,142	1,018,525	84,527,850
Food and kindred products.....	47	311	17,185,364	26,470,998	2,627,818	936,441	1,024,557	107,847	3,162,292
Chemicals and allied products.....	102	882	51,072,534	55,665,989	6,899,543	2,110,799	1,866,665	240,731	10,609,785
Petroleum (Including integrated) and coal products.....	16	65	29,355,602	47,129,756	3,956,133	1,796,729	1,495,544	343,415	4,881,681
Fabricated metal products.....	70	198	6,816,474	8,839,174	674,193	248,188	256,527	2,592	936,644
Machinery, except electrical.....	81	376	45,549,803	39,879,010	7,596,140	3,130,022	2,817,613	57,184	17,958,353
Electrical and electronic equipment.....	77	472	32,460,602	45,116,200	3,290,764	963,562	799,157	137,315	10,724,537
Motor vehicles and equipment.....	32	183	42,379,654	76,686,833	2,667,141	1,221,866	1,240,967	17,118	25,338,879
Transportation and public utilities	77	226	17,155,030	7,098,494	1,049,350	259,133	511,034	141,716	2,243,454
Water transportation.....	43	124	7,723,082	2,944,164	237,147	5,356	134,089	126,490	2,004,928
Wholesale and retail trade.....	230	1,156	76,133,502	151,984,251	8,642,700	2,705,759	3,970,485	391,691	17,522,992
Wholesale trade.....	196	980	64,226,156	128,391,269	7,809,692	2,351,031	3,590,384	362,113	16,431,908
Finance, insurance and real estate....	452	1,911	322,820,276	41,286,203	9,465,673	1,427,045	3,820,279	2,321,621	11,670,001
Banking.....	48	253	90,773,446	8,526,009	1,223,140	282,024	115,865	60,982	1,076,725
Credit agencies other than banks...	147	460	88,244,909	10,591,737	1,941,087	479,283	686,930	771,684	2,886,233
Insurance.....	180	332	39,003,026	9,737,589	1,460,814	120,131	555,964	355,918	2,056,528
Holding and other investment companies, except bank holding companies.....	263	629	75,477,434	8,417,323	4,231,159	341,996	2,342,811	1,087,261	4,919,798
Services.....	165	519	22,386,413	12,217,752	1,478,715	398,413	535,745	134,360	2,694,383
Business services.....	98	253	10,535,242	4,270,406	576,533	150,290	270,533	66,151	1,832,132

Selected Industry of 7,500 Largest Controlled Foreign Corporations	7,500 Largest Controlled Foreign Corporations--Continued								
	Selected receipts by foreign corporations from:--Continued								
	U.S. corporation filing return and its domestic subsidiaries				Any foreign corporation controlled by U.S. corporation filing return				Selected payments by foreign corporations to:
	Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received	Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received	All related persons
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
All Industries, total.....	60,110,117	46,749,756	4,115,133	5,787,938	61,523,955	46,913,101	3,862,593	4,514,627	150,042,967
Agriculture, forestry and fishing.....	20,028	16,919	3,003	8	190,095	173,799	136	16,160	63,965
Mining.....	1,590,109	1,441,187	25,045	99,791	1,390,616	824,075	63,079	98,693	3,181,927
Construction.....	172,590	101,360	61,583	9,645	270,440	135,607	92,210	35,231	640,209
Manufacturing.....	41,025,339	37,349,841	2,699,375	510,406	43,202,639	37,662,402	2,132,310	1,727,731	101,434,535
Food and kindred products.....	718,880	676,165	14,842	23,553	2,443,412	2,277,669	46,690	56,288	3,607,880
Chemicals and allied products.....	1,680,192	1,395,542	150,778	81,458	8,912,884	7,238,853	190,240	1,054,383	12,885,003
Petroleum (Including integrated) and coal products.....	2,797,544	2,628,098	128,985	37,608	2,084,133	1,224,788	192,500	192,796	9,769,534
Fabricated metal products.....	180,379	162,398	4,877	7,758	756,266	720,157	7,230	20,567	1,005,602
Machinery, except electrical.....	6,194,273	4,510,097	1,423,352	102,668	11,750,684	10,852,881	671,028	45,593	21,901,444
Electrical and electronic equipment.....	5,282,748	4,677,936	405,012	50,872	5,441,644	4,918,721	317,975	88,583	10,226,379
Motor vehicles and equipment.....	19,866,401	19,432,492	267,097	152,652	5,265,269	4,444,371	597,234	147,090	30,973,342
Transportation and public utilities	1,373,428	350,970	322,852	374,294	628,040	294,173	51,438	214,354	1,101,122
Water transportation.....	288,902	288,902	296,397	361,057	492,606	207,400	24,023	204,903	561,830
Wholesale and retail trade.....	8,131,170	7,222,095	283,239	62,133	9,330,616	6,904,881	491,847	410,544	31,166,260
Wholesale trade.....	7,813,912	6,958,897	271,871	58,521	8,561,083	6,352,492	386,187	331,124	29,101,073
Finance, insurance and real estate....	6,843,257	94,352	149,575	4,591,596	4,777,554	329,587	303,429	1,735,876	9,533,026
Banking.....	788,376	-	37,129	685,105	277,678	-	6,825	262,588	1,510,037
Credit agencies other than banks...	1,900,497	6,960	5,395	1,845,028	972,301	143,588	157,378	548,388	2,586,216
Insurance.....	1,638,328	-	5,720	38,044	417,851	411	7,748	50,590	831,487
Holding and other investment companies, except bank holding companies.....	2,071,042	67,832	15,944	1,861,361	2,824,021	124,977	122,040	784,390	3,739,603
Services.....	949,659	168,943	570,462	139,617	1,726,019	587,603	723,389	275,330	2,910,435
Business services.....	747,427	100,765	508,697	95,851	1,066,000	139,142	598,504	202,059	1,261,114

Footnotes at end of table

Controlled Foreign Corporations, 1986

Table 2.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Selected Transactions of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of Controlled Foreign Corporation--Continued

[Money amounts are in thousands of dollars]

Selected Industry of 7,500 Largest Controlled Foreign Corporations	7,500 Largest Controlled Foreign Corporations--Continued									
	Selected payments by foreign corporations to:--Continued									
	U.S. corporation filing return and its domestic subsidiaries					Any foreign corporation controlled by U.S. corporation filing return				
	Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid	Interest, rents, and royalties paid	Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid	Interest, rents, and royalties paid
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All industries, total.....	92,450,687	60,644,292	4,187,446	15,490,666	10,394,797	56,122,819	40,885,436	4,331,497	5,602,344	3,793,785
Agriculture, forestry and fishing.....	59,460	29,971	451	15,793	6,066	4,505	2,495	188	253	1,511
Mining.....	2,242,820	482,519	82,025	1,347,192	244,378	938,987	172,064	78,281	522,431	138,871
Construction.....	340,383	86,072	34,516	195,512	17,548	270,636	106,650	81,455	28,379	51,424
Manufacturing.....	65,205,035	44,902,791	3,456,801	8,379,853	7,179,352	35,221,588	28,061,896	3,197,319	1,933,479	1,209,636
Food and kindred products.....	1,525,544	546,599	90,782	605,875	226,905	2,082,335	1,594,768	67,461	273,575	110,202
Chemicals and allied products.....	6,937,022	4,229,711	278,645	1,382,346	926,786	5,917,495	4,479,228	456,804	448,118	275,222
Petroleum (including integrated) and coal products.....	6,388,540	5,090,758	95,278	1,144,438	55,525	2,534,908	1,774,349	253,950	254,285	208,043
Fabricated metal products.....	656,302	323,126	25,201	225,983	69,726	349,159	274,090	10,907	23,263	35,604
Machinery, except electrical.....	10,797,283	5,030,477	427,729	2,512,518	2,726,024	11,066,025	9,693,307	858,064	291,813	123,054
Electrical and electronic equipment, Motor vehicles and equipment.....	6,476,810	4,904,062	354,949	487,072	339,923	3,749,569	3,050,561	116,319	294,647	137,990
Motor vehicles and equipment.....	26,200,235	20,714,252	1,946,256	1,132,811	2,225,240	4,741,818	3,146,377	1,283,920	93,763	187,584
Transportation and public utilities	367,741	136,355	36,187	141,202	32,447	708,330	120,415	81,862	286,186	199,542
Water transportation.....	186,192	84,564	10,420	67,109	20,263	352,594	59,135	41,714	66,979	182,014
Wholesale and retail trade.....	17,354,919	14,377,551	242,225	2,209,786	365,454	13,441,172	10,703,428	323,024	1,718,859	459,020
Wholesale trade.....	16,094,130	13,454,720	235,208	2,027,390	254,626	12,658,832	10,217,918	315,092	1,536,844	363,821
Finance, insurance and real estate....	5,637,734	220,310	186,930	2,852,959	2,272,756	3,860,014	837,164	267,267	934,424	1,471,604
Banking.....	1,134,013	—	39,849	100,716	979,573	344,673	—	6,257	10,161	320,278
Credit agencies other than banks...	1,198,053	—	34,323	475,400	682,163	1,387,568	305,010	104,984	210,635	624,045
Insurance.....	570,593	3,109	40,200	439,902	10,976	260,894	—	49,643	116,048	14,183
Holding and other investment companies, except bank holding companies.....	2,329,513	64,814	11,401	1,799,199	451,573	1,406,757	375,205	10,759	524,255	406,543
Services.....	1,232,315	407,978	146,267	346,556	271,114	1,676,380	881,325	302,100	178,332	260,971
Business services.....	597,478	278,468	66,633	150,661	70,334	661,906	201,760	173,458	114,074	137,739

Note: Detail may not add to total because of rounding.

Controlled Foreign Corporations, 1986

Table 3.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Selected Transactions of 7,500 Largest Controlled Foreign Corporations, by Selected Country of Incorporation of Controlled Foreign Corporation
[Money amounts are in thousands of dollars]

Selected country of incorporation of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations						
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign income taxes (net)	Actual distributions in current year	Subpart F income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All geographic areas, total.....	714	7,500	740,395,679	589,884,940	56,590,619	19,034,715	21,730,762	4,223,316
Canada.....	432	840	112,056,545	103,143,181	8,793,748	3,419,265	3,411,443	170,847
Latin America, total.....	289	959	62,768,032	45,957,256	5,121,667	1,388,833	2,286,426	535,888
Mexico.....	97	150	6,229,438	6,667,206	152,932	124,603	139,066	11,614
Central America, total.....	95	194	21,611,538	8,447,431	1,517,506	147,154	845,314	402,013
Costa Rica.....	8	12	212,170	298,179	21,431	7,102	2,607	--
El Salvador.....	4	4	66,352	168,824	18,834	6,168	6,450	--
Guatemala.....	10	10	148,700	154,288	5,804	5,613	7,418	5
Honduras.....	5	9	255,988	371,302	36,301	14,332	13,727	--
Panama.....	86	156	20,881,082	7,401,268	1,419,962	103,213	815,114	402,008
Caribbean countries, total.....	66	85	6,545,285	1,222,215	402,131	46,785	40,430	65,876
Cayman Islands (British).....	52	69	5,750,474	981,767	328,959	32,452	14,714	53,363
Dominican Republic.....	4	4	250,471	110,637	37,454	6,179	19,565	--
South America, total.....	190	530	28,381,771	29,620,404	3,049,099	1,070,291	1,261,615	56,385
Argentina.....	59	79	4,219,492	3,808,174	243,847	49,646	108,572	12,804
Bolivia.....	--	--	--	--	--	--	--	--
Brazil.....	157	279	19,104,216	21,047,487	2,388,146	860,282	981,442	41,708
Chile.....	23	35	1,487,954	1,030,428	94,004	13,826	46,145	413
Colombia.....	35	39	1,084,648	1,715,863	159,693	66,301	53,559	12
Ecuador.....	9	9	258,915	88,868	20,045	3,801	7,198	--
Peru.....	10	11	193,362	196,523	40,493	19,509	9,942	--
Uruguay.....	7	8	220,606	85,167	2,119	1,409	4,765	--
Venezuela.....	56	69	1,782,997	1,645,730	101,946	55,464	49,992	1,448
Other Western Hemisphere, total.....	329	623	85,135,354	24,219,911	3,366,919	336,392	1,862,388	1,792,742
Bahamas.....	39	59	7,400,370	7,173,147	423,881	121,487	307,889	69,053
Bermuda.....	202	311	25,679,727	10,300,485	1,408,581	54,269	761,854	510,069
Netherlands Antilles.....	186	250	51,886,232	6,745,540	1,552,260	160,637	792,646	1,213,621
Europe, total.....	490	3,696	383,735,353	328,082,275	30,411,912	10,608,741	11,374,996	1,444,519
European Economic Community, total.....	480	3,277	343,827,575	293,002,486	26,854,921	9,840,846	9,892,212	728,040
Belgium.....	128	205	17,675,089	15,293,609	1,498,992	521,992	436,424	203,430
Denmark.....	41	50	2,088,266	2,804,282	330,293	137,153	143,041	4
France (including Andorra).....	236	447	30,325,388	41,244,103	2,632,199	1,154,536	760,910	3,221
Greece.....	18	18	383,227	1,082,558	115,400	23,031	1,355	15
Ireland.....	59	81	4,389,585	2,583,429	516,208	24,015	188,757	11,211
Italy (including San Marino).....	181	332	31,187,410	26,799,899	2,833,505	1,056,900	581,115	11,108
Luxembourg.....	23	29	4,648,678	1,077,087	100,828	47,864	45,813	4,427
Netherlands.....	188	338	28,515,126	23,648,159	2,441,280	404,975	513,341	70,937
Portugal.....	26	30	695,551	1,275,205	134,802	32,284	31,490	19
Spain.....	124	177	12,636,103	11,287,678	945,225	311,363	376,638	2,818
United Kingdom.....	381	1,058	146,804,566	97,260,938	9,798,051	3,496,719	4,905,081	238,214
West Germany.....	244	512	64,478,587	68,645,539	5,508,139	2,630,013	1,908,247	182,636
Other West European countries, total.....	177	418	39,758,165	35,072,394	3,556,202	767,896	1,482,785	716,479
Austria.....	37	48	3,534,008	3,616,766	347,267	77,603	210,467	52,480
Finland.....	22	24	1,280,341	1,650,227	153,933	56,497	72,820	1
Liechtenstein.....	5	6	257,283	108,241	49,499	6,286	74,339	20,963
Norway.....	33	39	2,062,359	3,167,047	262,610	112,663	51,166	2,861
Sweden.....	57	69	3,086,842	3,922,891	381,429	216,254	119,332	15,948
Switzerland.....	135	225	29,238,465	21,754,231	2,325,876	285,423	933,387	624,226
Turkey.....	5	5	259,318	767,115	26,547	12,855	10,508	--
Africa, total.....	124	251	12,872,138	10,594,605	1,104,119	373,877	405,383	45,701
Egypt.....	8	8	151,443	231,543	22,856	7,460	8,922	--
Kenya.....	6	8	192,681	247,376	57,168	22,880	18,118	--
Liberia.....	46	89	6,815,184	2,052,434	163,842	6,196	41,936	45,343
Morocco.....	4	4	85,901	72,597	10,679	4,866	1,618	--
Nigeria.....	11	12	1,494,724	1,705,998	441,349	171,492	149,812	--
South Africa (including Namibia).....	70	88	2,882,167	4,572,014	291,814	103,101	151,727	24
Zaire.....	5	6	129,042	166,121	21,375	9,936	6,497	--
Zimbabwe.....	6	10	291,229	387,664	52,720	16,813	17,315	334
Asia, total.....	228	671	51,810,343	52,443,853	5,751,421	2,246,048	1,804,528	181,278
Hong Kong.....	97	145	16,135,149	6,086,086	920,778	150,334	406,895	90,521
India.....	11	12	472,592	651,801	69,937	31,484	6,429	15
Indonesia.....	13	16	742,012	2,735,798	505,394	286,661	6,300	--
Israel.....	9	16	511,856	252,038	14,927	9,420	7,596	--
Japan.....	129	195	19,762,444	27,987,988	2,779,352	1,484,065	989,180	9,135
Malaysia.....	25	37	1,627,324	2,729,729	182,590	65,896	38,226	8,777
Philippines.....	30	34	1,261,361	1,741,794	141,773	65,555	56,693	8,563
Saudi Arabia.....	9	11	1,081,039	165,051	-47,299	6,121	42,156	100
Singapore.....	56	80	5,917,988	4,988,852	670,897	36,088	100,494	59,648
South Korea.....	22	24	661,004	675,096	61,995	22,703	51,626	4
Taiwan.....	45	52	2,028,061	2,153,244	213,502	26,645	53,662	8
Thailand.....	27	31	1,201,673	2,012,266	169,361	49,820	40,343	17
Oceania, total.....	199	374	26,785,963	19,849,060	1,556,018	550,144	440,587	49,204
Australia.....	195	321	24,644,794	17,964,722	1,411,112	485,091	396,144	49,120
New Zealand.....	34	48	2,051,992	1,787,700	149,713	63,265	39,324	13
Puerto Rico and U.S. Possessions, total.....	53	86	5,231,952	5,594,799	484,815	111,414	145,010	3,137
Puerto Rico.....	42	70	3,839,540	1,144,514	194,741	53,901	28,499	725
U.S. Virgin Islands.....	8	10	1,088,326	3,094,879	116,081	25,940	23,578	2,412

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 3.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Selected Transactions of 7,500 Largest Controlled Foreign Corporations, by Selected Country of Incorporation of Controlled Foreign Corporation--Continued
(Money amounts are in thousands of dollars)

Selected country of incorporation of 7,500 Largest Controlled Foreign Corporations	7,500 Largest Controlled Foreign Corporations--Continued								
	Selected receipts by foreign corporations from:								
	All related persons	U.S. corporation filing return and its domestic subsidiaries				Any foreign corporation controlled by U.S. corporation filing return			
		Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received	Total	Sales of stock in trade	Compensation received for certain services	Interest, rents, and royalties received
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
All geographic areas, total.....	122,306,380	60,110,117	46,749,756	4,115,133	5,787,938	61,523,955	46,913,101	3,862,593	4,514,627
Canada.....	28,356,810	24,181,676	23,666,434	232,507	132,810	3,927,645	2,034,695	452,202	516,634
Latin America, total.....	7,474,594	3,792,102	3,042,329	143,253	465,781	3,648,566	2,532,209	81,910	434,166
Mexico.....	1,289,230	1,137,353	1,037,557	65,640	13,130	151,342	107,679	6,767	25,062
Central America, total.....	2,603,072	1,252,101	774,895	50,606	396,965	1,339,315	717,808	20,330	244,061
Costa Rica.....	156,832	14,887	14,419	364	--	141,946	141,494	--	--
El Salvador.....	3,416	--	--	--	--	3,416	3,415	--	1
Guatemala.....	68,507	56,756	56,398	317	--	11,751	11,260	424	67
Honduras.....	77,831	53,080	53,080	--	--	24,751	24,002	--	23
Panama.....	2,296,300	1,127,378	650,997	49,925	396,965	1,157,265	537,452	19,907	243,968
Caribbean countries, total.....	432,054	253,527	173,362	12,758	33,938	157,299	109,815	1,605	36,452
Cayman Islands (British).....	405,038	252,536	172,917	12,758	33,393	131,274	88,326	1,605	31,916
Dominican Republic.....	--	--	--	--	--	--	--	--	--
South America, total.....	3,150,238	1,149,121	1,056,514	14,248	21,747	2,000,609	1,596,906	53,207	128,592
Argentina.....	623,657	240,022	216,514	3,540	1,945	383,632	320,727	10,067	10,065
Bolivia.....	--	--	--	--	--	--	--	--	--
Brazil.....	2,330,897	827,631	785,451	6,174	15,385	1,502,762	1,209,697	38,320	103,527
Chile.....	64,251	19,299	18,685	36	9	44,952	24,550	163	2,492
Colombia.....	45,309	30,575	26,119	652	1,299	14,734	6,882	2,596	2,178
Ecuador.....	3,182	2,979	563	--	125	203	--	24	66
Peru.....	5,286	2,968	562	1,960	--	2,318	248	1,923	145
Uruguay.....	4,174	235	66	--	118	3,938	3,750	--	188
Venezuela.....	59,926	25,412	8,553	1,885	2,867	34,514	17,495	114	9,931
Other Western Hemisphere, total.....	9,608,875	8,214,166	2,959,564	38,091	3,657,951	1,360,278	437,075	76,123	410,632
Bahamas.....	454,287	233,104	173,167	7,052	30,652	221,184	60,863	10,727	68,353
Bermuda.....	5,056,354	4,237,078	2,658,703	30,948	64,399	819,260	327,403	18,479	138,292
Netherlands Antilles.....	4,098,233	3,743,984	127,695	91	3,562,901	319,835	48,809	46,917	203,987
Europe, total.....	58,564,986	12,931,567	8,468,759	2,429,261	1,270,723	45,575,115	36,061,462	2,931,363	2,744,630
European Economic Community, total.....	53,021,252	11,381,770	7,355,208	2,203,833	1,175,757	41,588,255	33,130,625	2,500,876	2,493,837
Belgium.....	3,306,392	618,400	425,568	118,291	56,100	2,679,914	2,282,188	175,356	135,588
Denmark.....	240,035	90,226	74,736	11,040	3,987	149,809	94,175	14,545	14,855
France (including Andorra).....	7,686,420	1,676,611	983,854	606,209	59,287	6,003,430	5,301,659	415,745	67,790
Greece.....	23,855	2,447	3	938	--	21,408	20,074	1,206	101
Ireland.....	747,317	134,476	117,917	13,463	998	612,841	535,254	12,256	10,827
Italy (including San Marino).....	3,593,936	569,299	433,986	73,532	8,007	3,024,416	1,999,249	119,378	859,051
Luxembourg.....	564,584	233,587	35,385	90,391	106,729	330,997	276,649	6,130	42,275
Netherlands.....	5,733,946	649,516	407,395	42,380	188,041	5,080,825	4,308,231	223,533	331,021
Portugal.....	102,851	12,748	11,534	902	--	90,103	88,565	1,153	153
Spain.....	1,179,682	163,501	138,473	13,406	10,071	1,016,181	919,796	15,071	57,309
United Kingdom.....	16,728,760	5,581,195	3,771,159	724,726	591,626	11,131,824	7,092,611	980,974	754,347
West Germany.....	13,113,473	1,649,765	955,199	508,556	150,911	11,446,505	10,212,175	535,529	220,520
Other West European countries, total.....	5,543,662	1,549,726	1,113,551	225,428	94,895	3,986,660	2,930,837	430,487	250,793
Austria.....	220,913	61,279	12,285	45,908	2,843	159,521	70,690	24,224	3,949
Finland.....	23,373	4,773	458	2,538	1,765	18,600	11,158	4,193	1,578
Liechtenstein.....	87,740	654	36	--	--	87,086	18,336	9	7,115
Norway.....	290,591	236,908	211,433	9,152	12,454	53,683	38,607	5,481	4,528
Sweden.....	745,661	260,493	227,004	28,080	1,728	481,323	448,572	12,369	2,088
Switzerland.....	4,147,607	962,189	662,247	139,732	76,104	3,182,299	2,339,913	383,738	231,314
Turkey.....	24,048	23,328	--	4	--	720	375	71	1
Africa, total.....	2,550,287	1,238,970	630,346	259,766	23,856	1,059,887	840,131	16,680	127,168
Egypt.....	189	189	--	87	--	--	--	--	--
Kenya.....	23,371	13,272	13,239	33	--	10,098	6,779	236	167
Liberia.....	1,795,874	976,087	373,117	257,456	22,576	577,802	378,055	10,389	123,239
Morocco.....	1,381	--	--	--	--	1,381	1,381	--	--
Nigeria.....	142,356	137,453	136,247	--	299	4,903	4,903	--	--
South Africa (including Namibia).....	479,758	19,220	16,138	1,663	371	460,441	448,932	5,578	2,847
Zaire.....	1,263	1,198	757	--	441	65	2	63	--
Zimbabwe.....	4,734	--	--	--	--	4,734	--	53	911
Asia, total.....	12,123,198	7,509,266	6,169,320	808,668	208,082	4,567,268	4,080,552	129,750	127,632
Hong Kong.....	1,591,046	897,531	600,006	47,805	143,194	656,595	444,202	29,246	50,743
India.....	13,352	8,067	7,709	--	5	5,286	3,932	450	301
Indonesia.....	32,770	921	2	183	714	31,849	19,032	7,624	5,178
Israel.....	107,901	99,312	39,388	6,408	--	8,590	2,944	2,088	2,509
Japan.....	3,479,723	1,734,408	1,097,220	554,690	48,754	1,736,138	1,610,662	37,213	51,062
Malaysia.....	1,596,809	1,093,603	981,255	24,302	391	503,207	463,006	27,653	3,016
Philippines.....	384,061	148,926	137,264	8,884	2,165	235,135	228,941	2,936	814
Saudi Arabia.....	23,879	16,256	849	15,310	11	7,623	58	2,320	--
Singapore.....	2,867,695	2,301,658	2,224,171	63,087	11,539	565,615	538,428	14,696	8,805
South Korea.....	345,945	259,174	219,526	38,452	--	86,770	80,177	584	--
Taiwan.....	963,654	738,398	684,747	17,235	10	225,255	202,359	2,000	1,906
Thailand.....	642,871	162,038	130,170	30,352	1,300	480,687	480,008	455	190
Oceania, total.....	1,341,802	362,884	152,645	163,814	9,579	978,853	527,128	169,308	152,774
Australia.....	1,289,982	339,768	133,271	160,808	9,264	950,149	512,363	168,407	148,830
New Zealand.....	47,508	20,083	16,651	3,006	6	27,425	13,700	687	3,944
Puerto Rico and U.S. Possessions, total.....	2,285,829	1,879,486	1,660,359	39,773	19,155	406,343	399,850	5,257	990
Puerto Rico.....	102,599	96,026	26,343	39,773	18,617	6,573	159	5,178	990
U.S. Virgin Islands.....	2,046,635	1,666,165	1,634,016	--	240	380,470	380,391	79	--

Footnotes at end of table.

Controlled Foreign Corporations, 1986

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Table 3.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Selected Transactions of 7,500 Largest Controlled Foreign Corporations, by Selected Country of Incorporation of Controlled Foreign Corporation--Continued
 (Money amounts are in thousands of dollars)

Selected country of incorporation of 7,500 Largest Controlled Foreign Corporations	7,500 Largest Controlled Foreign Corporations--Continued										
	Selected payments by foreign corporations to:										
	All related persons	U.S. corporation filing return and its domestic subsidiaries					Any foreign corporation controlled by U.S. corporation filing return				
		Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid	Interest, rents, and royalties paid	Total	Purchases of stock in trade	Compensation paid for certain services	Dividends paid	Interest, rents, and royalties paid
(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
All geographic areas, total.....	150,042,967	92,450,687	60,644,292	4,187,446	15,490,666	10,394,797	56,122,819	40,885,436	4,331,497	5,602,344	3,793,855
Canada.....	31,993,664	27,696,460	22,731,347	1,465,860	2,384,697	701,081	4,166,930	1,969,197	446,373	844,556	522,866
Latin America, total.....	12,996,965	10,276,286	4,953,030	648,560	1,734,636	2,645,878	2,556,058	1,487,977	91,627	513,127	365,338
Mexico.....	6,257,082	6,073,598	3,123,632	549,062	122,194	2,219,514	182,348	123,415	5,599	16,005	27,476
Central America, total.....	2,196,945	1,323,505	438,963	57,548	576,969	190,425	721,288	249,581	48,928	265,198	119,000
Costa Rica.....	83,411	28,244	21,407	1,645	1,751	2,220	55,167	49,781	2,817	687	1,824
El Salvador.....	9,034	974	--	426	--	548	8,060	352	696	6,450	--
Guatemala.....	19,661	15,758	6,727	834	5,994	2,130	3,903	2,379	194	1,279	51
Honduras.....	88,973	66,105	54,448	504	10,767	213	22,869	22,198	433	125	112
Panama.....	1,995,632	1,212,191	356,147	54,139	558,457	185,314	631,289	174,871	44,787	256,657	117,012
Caribbean countries, total.....	311,310	251,107	123,877	9,044	13,289	61,049	53,452	7,963	4,678	25,030	11,376
Cayman Islands (British).....	225,569	191,673	106,424	8,005	8,869	60,274	29,153	4,967	4,678	5,845	11,339
Dominican Republic.....	27,333	8,148	--	369	380	623	19,185	--	--	19,185	--
South America, total.....	4,231,628	2,628,075	1,266,558	32,906	1,022,184	174,891	1,598,970	1,107,018	32,422	206,895	207,487
Argentina.....	485,315	361,421	220,587	11,043	81,298	37,950	123,295	63,512	8,180	25,370	22,873
Bolivia.....	--	--	--	--	--	--	--	--	--	--	--
Brazil.....	2,882,655	1,640,504	677,136	4,163	795,235	104,362	1,238,985	903,724	15,024	167,322	128,316
Chile.....	163,320	90,556	37,264	1,401	40,568	8,723	72,764	21,176	362	4,457	45,743
Colombia.....	187,279	121,216	54,761	9,184	46,032	3,255	66,062	60,070	1,888	655	1,318
Ecuador.....	23,399	18,121	8,628	599	6,572	755	5,267	4,319	18	302	92
Peru.....	35,660	29,677	11,666	3,708	9,767	1,865	5,983	4,667	461	107	--
Uruguay.....	14,620	13,547	5,928	951	4,650	1,596	1,072	952	107	--	14
Venezuela.....	435,963	353,032	250,588	1,856	38,062	16,585	82,124	45,266	6,383	8,790	9,046
Other Western Hemisphere, total.....	4,651,044	3,703,302	1,544,465	35,942	1,608,234	454,157	944,334	342,195	65,457	246,526	262,170
Bahamas.....	1,190,023	918,817	563,263	20,960	264,532	69,216	271,206	91,401	39,731	38,153	97,985
Bermuda.....	2,081,612	1,752,584	968,225	10,680	596,910	119,815	325,620	83,621	18,634	164,912	34,982
Netherlands Antilles.....	1,379,409	1,031,902	12,977	4,301	746,972	265,126	347,507	167,173	7,093	43,461	129,202
Europe, total.....	80,214,812	37,751,522	22,189,297	1,647,738	7,648,578	5,574,738	41,527,285	31,586,861	3,390,702	3,611,192	2,154,970
European Economic Community, total.....	70,545,491	32,507,912	18,598,766	1,529,267	6,610,090	5,103,058	37,104,500	28,179,941	3,148,009	3,173,790	1,920,852
Belgium.....	4,519,466	1,846,859	1,122,709	102,179	358,356	249,041	2,113,509	1,685,571	166,542	75,224	114,725
Denmark.....	855,590	271,819	38,205	17,942	121,798	91,457	583,771	539,863	16,535	15,967	6,573
France (including Andorra).....	9,771,964	3,986,409	2,377,032	168,423	618,923	754,303	5,758,447	4,992,580	435,145	111,443	156,262
Greece.....	47,291	18,882	11,742	1,972	1,217	3,226	28,409	24,399	1,340	139	454
Ireland.....	657,773	415,900	171,532	19,970	120,969	47,941	241,873	113,215	24,604	67,061	12,145
Italy (including San Marino).....	6,589,343	2,915,780	1,893,840	91,976	497,918	408,773	3,671,716	3,283,486	183,711	78,491	65,983
Luxembourg.....	337,486	177,802	44,626	23,952	44,799	31,893	159,683	92,609	48,079	1,014	12,853
Netherlands.....	7,231,386	2,910,036	1,847,013	88,463	314,525	484,945	4,006,202	3,138,845	188,442	188,400	350,425
Portugal.....	249,130	108,657	56,105	5,641	14,851	29,631	140,473	119,011	3,144	16,050	850
Spain.....	2,470,713	851,382	314,029	43,760	281,483	188,317	1,619,331	1,336,517	131,377	88,273	17,601
United Kingdom.....	21,355,530	9,858,066	4,388,631	529,869	2,907,939	1,864,234	11,480,194	7,632,994	846,188	1,979,159	829,448
West Germany.....	16,459,819	9,146,320	6,333,301	435,118	1,327,311	949,298	7,300,892	5,220,852	1,102,902	552,570	353,533
Other West European countries, total.....	9,669,321	5,243,610	3,590,531	118,491	1,038,488	471,680	4,422,785	3,406,920	242,692	437,403	234,118
Austria.....	921,623	317,284	140,210	16,768	101,289	56,961	603,016	444,060	41,591	108,611	6,719
Finland.....	401,049	122,623	13,505	5,408	64,322	39,143	278,426	256,311	12,749	7,739	1,619
Liechtenstein.....	111,007	44,186	17,206	26	26,485	441	66,822	15,098	427	47,854	2,823
Norway.....	1,086,169	591,386	491,053	14,119	33,974	50,227	494,782	448,998	21,175	16,973	6,409
Sweden.....	1,553,714	540,328	333,550	22,809	83,846	96,023	1,013,386	898,899	46,373	35,469	13,693
Switzerland.....	5,424,577	3,604,514	2,594,334	58,432	710,103	225,670	11,818,459	1,197,155	120,103	220,755	202,696
Turkey.....	158,292	11,983	675	389	7,703	3,216	146,310	146,149	--	1	159
Africa, total.....	1,712,713	754,141	258,370	34,035	337,291	72,180	935,504	717,248	44,072	51,971	105,522
Egypt.....	25,934	16,262	6,615	780	8,672	196	9,671	8,657	--	250	764
Kenya.....	72,291	27,805	14,604	781	12,105	315	44,486	38,002	3	6,013	468
Liberia.....	267,348	58,903	3,821	4,161	29,660	13,864	185,376	60,796	14,642	12,142	94,060
Morocco.....	11,037	2,869	956	689	902	46	8,167	6,442	--	716	319
Nigeria.....	160,005	153,067	9,843	3,790	139,023	284	6,939	3,311	233	3,377	17
South Africa (including Namibia).....	1,039,428	396,859	191,919	18,883	128,492	55,035	642,569	579,836	27,513	20,109	8,676
Zaire.....	20,685	12,298	7,263	519	4,041	85	8,387	7,122	74	955	--
Zimbabwe.....	23,425	7,433	78	56	7,298	--	15,992	2,376	94	7,450	1,164
Asia, total.....	13,820,125	9,205,362	6,666,423	203,617	1,456,735	677,728	4,407,939	3,796,608	117,782	230,419	135,145
Hong Kong.....	2,806,352	1,611,018	1,201,043	19,264	180,597	201,529	1,138,263	862,308	24,388	156,812	52,035
India.....	13,172	9,720	3,864	93	4,711	810	3,452	2,321	--	1,110	20
Indonesia.....	32,378	25,116	12,347	3,657	5,944	2,082	7,262	6,805	72	--	385
Israel.....	60,754	51,684	16,040	3,220	3,362	29,036	9,070	2,366	4,429	--	2,275
Japan.....	5,122,654	3,659,076	2,292,980	92,173	944,206	303,301	1,332,085	1,209,448	35,233	27,462	55,992
Malaysia.....	1,245,750	846,998	772,310	7,000	19,168	8,255	398,683	369,198	3,939	11,388	1,129
Philippines.....	482,889	418,921	340,932	9,505	48,258	11,066	63,968	54,805	1,324	5,261	1,412
Saudi Arabia.....	52,467	27,159	4,946	1,019	18,899	1,333	25,308	3,157	1,862	17,663	2,229
Singapore.....	2,096,748	1,305,448	1,095,736	17,135	93,365	59,338	774,615	713,677	8,191	7,110	11,882
South Korea.....	414,376	282,209	168,288	18,398	50,164	25,284	132,168	106,406	25,511	--	19
Taiwan.....	550,131	416,939	284,877	20,432	44,972	22,205	133,192	102,026	8,041	2,770	1,543
Thailand.....	902,042	522,365	453,770	10,044	39,773	9,714	378,173	354,510	4,061	253	5,435
Oceania, total.....	3,599,995	2,088,801	1,528,919	129,181	196,630	219,182	1,505,935	967,529	172,863	94,552	244,792
Australia.....	3,115,063	1,752,424	1,248,588	119,481	175,668	195,106	1,357,936	855,791	166,054	71,667	240,020
New Zealand.....	429,587	287,637	232,201	9,091	20,962	24,076	141,393	110,751	6,289	17,785	4,772
Puerto Rico and U.S. Possessions, total.....	1,053,649	974,814	772,442	22,494	123,866	49,851	78,835	17,822	2,620	10,000	2,983
Puerto Rico.....	292,490	258,744	177,031	9,919	18,499	48,169	33,746	17,822	2,620	10,000	2,983
U.S. Virgin Islands.....	544,052	531,026	513,707	4,372	12,434	356	13,026	--			

Controlled Foreign Corporations, 1986

Table 4.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation
 [Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and size of total assets of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All Industries, total.....	714	7,500	740,395,679	589,884,940	56,590,619	62,966,595	19,229,025	19,034,715	21,730,762	4,223,316
Under \$10,000,000.....	352	887	7,793,298	10,200,320	651,887	926,652	259,899	256,002	344,725	91,067
\$10,000,000 under \$25,000,000.....	549	2,738	44,045,998	52,633,902	3,939,958	5,294,679	1,535,949	1,489,371	1,873,635	309,055
\$25,000,000 under \$50,000,000.....	438	1,500	52,969,572	57,438,364	4,967,773	5,921,927	1,731,094	1,700,101	1,812,836	360,469
\$50,000,000 under \$100,000,000.....	348	1,031	72,729,298	72,135,123	6,539,315	7,450,341	2,046,042	1,997,114	2,686,558	501,575
\$100,000,000 or more.....	304	1,344	562,857,514	397,477,232	40,491,685	43,372,997	13,656,040	13,592,129	15,013,007	2,961,150
Mining.....	26	118	6,545,122	3,472,424	850,714	1,036,677	500,499	483,043	553,954	107,026
Under \$10,000,000.....	8	9	77,156	63,805	4,303	6,348	172	76	22,076	3,542
\$10,000,000 under \$25,000,000.....	16	51	791,745	514,239	27,768	80,071	17,489	15,242	90,675	4,110
\$25,000,000 under \$50,000,000.....	13	24	797,098	401,292	-27,976	42,085	10,134	-2,428	10,511	2,038
\$50,000,000 under \$100,000,000.....	10	17	1,279,346	656,324	57,372	79,094	10,537	10,426	44,018	23,822
\$100,000,000 or more.....	10	17	3,599,776	1,836,763	789,247	829,079	462,167	459,728	386,675	73,514
Construction.....	11	61	2,714,072	2,166,376	181,484	219,067	50,275	39,800	91,461	28,163
Under \$10,000,000.....	7	13	114,447	96,323	3,201	6,419	1,699	562	352	5,835
\$10,000,000 under \$25,000,000.....	8	21	330,669	244,005	18,412	29,719	5,859	4,404	7,043	3,727
\$25,000,000 under \$50,000,000.....	6	14	492,380	201,868	76,426	81,181	23,949	29,891	46,694	3,875
\$50,000,000 under \$100,000,000.....	5	8	523,878	577,654	42,279	44,112	9,798	9,798	17,185	6,532
\$100,000,000 or more.....	**	**	**	**	**	**	**	**	**	**
Manufacturing.....	391	5,519	480,905,879	498,581,337	48,577,456	53,532,633	16,916,946	16,776,485	19,419,131	3,254,710
Under \$10,000,000.....	245	687	6,023,750	8,819,757	559,630	776,123	227,964	225,890	307,374	77,223
\$10,000,000 under \$25,000,000.....	347	2,081	33,535,226	43,372,983	3,475,338	4,477,030	1,313,289	1,273,636	1,572,469	246,235
\$25,000,000 under \$50,000,000.....	290	1,112	39,020,932	47,003,253	4,198,030	4,890,789	1,479,458	1,454,476	1,608,626	295,672
\$50,000,000 under \$100,000,000.....	216	754	52,853,245	62,111,346	5,957,140	6,583,457	1,874,344	1,829,397	2,365,082	408,418
\$100,000,000 or more.....	186	885	349,472,725	337,273,998	34,387,318	36,805,233	12,021,891	11,993,085	13,565,581	2,227,161
Food and kindred products.....	28	465	27,896,849	30,572,937	3,158,393	3,348,388	1,026,919	1,012,356	1,157,341	169,057
Under \$10,000,000.....	18	55	476,724	815,567	41,692	56,104	14,229	14,005	28,006	16,723
\$10,000,000 under \$25,000,000.....	24	174	2,811,289	4,121,915	266,942	317,182	97,817	88,549	102,888	7,667
\$25,000,000 under \$50,000,000.....	19	103	3,610,387	5,505,375	328,870	381,199	118,231	114,182	119,056	9,318
\$50,000,000 under \$100,000,000.....	20	67	4,632,882	5,489,571	668,058	680,273	222,752	222,771	253,810	12,429
\$100,000,000 or more.....	17	66	16,365,567	14,640,508	1,852,831	1,913,631	573,890	572,849	653,582	122,920
Chemicals and allied products.....	66	1,219	83,333,756	69,913,558	8,981,140	9,630,212	2,947,215	2,946,716	3,567,805	885,057
Under \$10,000,000.....	51	164	1,440,907	1,948,440	179,314	240,275	68,590	69,421	144,747	32,686
\$10,000,000 under \$25,000,000.....	59	502	8,076,884	9,492,814	1,056,853	1,268,476	376,806	371,879	489,419	79,303
\$25,000,000 under \$50,000,000.....	53	223	7,694,747	10,160,342	1,016,689	1,114,417	371,507	373,475	407,329	81,261
\$50,000,000 under \$100,000,000.....	40	166	11,857,119	11,553,170	1,452,378	1,575,194	459,245	461,558	478,248	98,651
\$100,000,000 or more.....	37	164	54,264,099	36,758,792	5,275,905	5,431,850	1,671,067	1,670,383	2,048,061	593,156
Petroleum (including integrated) and coal products.....	24	478	104,965,557	122,047,928	12,336,432	13,365,794	4,308,326	4,239,572	5,971,961	1,086,261
Under \$10,000,000.....	10	27	239,937	404,258	29,030	33,180	12,472	12,473	3,023	187
\$10,000,000 under \$25,000,000.....	21	145	2,366,218	4,182,901	169,923	340,970	100,410	97,510	142,415	45,480
\$25,000,000 under \$50,000,000.....	19	89	3,142,811	4,086,309	481,179	543,221	121,865	127,016	261,320	71,580
\$50,000,000 under \$100,000,000.....	16	67	4,713,216	8,217,164	592,152	697,741	198,695	198,803	688,200	111,951
\$100,000,000 or more.....	19	150	94,503,374	105,157,297	11,064,148	11,750,682	3,874,883	3,803,769	4,877,001	857,063
Fabricated metal products.....	21	200	6,250,780	6,727,735	798,808	848,042	264,700	258,937	350,807	7,589
Under \$10,000,000.....	11	31	269,264	287,718	29,205	32,581	9,209	7,037	6,519	-
\$10,000,000 under \$25,000,000.....	21	88	1,422,443	1,763,340	242,118	253,221	72,326	67,980	131,706	580
\$25,000,000 under \$50,000,000.....	17	49	1,713,721	1,613,202	182,858	196,134	69,709	70,378	68,182	5,540
\$50,000,000 under \$100,000,000.....	11	24	1,635,574	1,829,104	202,312	223,793	65,172	65,259	46,542	1,312
\$100,000,000 or more.....	5	8	1,209,578	1,234,372	142,314	142,314	48,283	48,283	97,857	157

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 4.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation--Continued
[Money amounts are in thousands of dollars]

Selected Industry of U.S. corporation filing the return and size of total assets of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Manufacturing--Continued										
Machinery, except electrical.....	45	725	69,531,377	58,664,442	8,821,770	9,625,964	3,600,264	3,523,516	3,747,000	198,933
Under \$10,000,000.....	33	87	763,702	967,028	50,845	76,234	21,030	22,452	26,978	5,842
\$10,000,000 under \$25,000,000.....	43	261	4,193,162	4,825,489	337,297	491,292	151,144	148,309	197,650	29,971
\$25,000,000 under \$50,000,000.....	39	141	4,985,212	4,843,420	341,914	474,729	150,365	144,184	288,964	33,229
\$50,000,000 under \$100,000,000.....	32	103	7,301,774	6,559,976	569,435	728,834	199,939	160,244	224,425	33,740
\$100,000,000 or more.....	22	133	52,287,527	41,468,529	7,522,279	7,854,875	3,077,785	3,048,328	3,008,984	96,151
Electrical and electronic equipment.....	44	713	48,874,023	46,842,782	4,112,571	4,713,012	1,037,296	1,023,698	1,143,883	269,031
Under \$10,000,000.....	26	96	838,766	1,207,404	45,593	96,399	34,867	33,635	25,808	8,631
\$10,000,000 under \$25,000,000.....	39	281	4,451,867	5,727,146	479,871	586,740	137,824	135,111	234,405	36,456
\$25,000,000 under \$50,000,000.....	30	148	5,118,197	6,061,365	388,825	540,963	151,138	143,870	144,444	18,560
\$50,000,000 under \$100,000,000.....	26	89	6,262,734	7,201,875	812,548	881,459	178,632	175,431	244,356	38,575
\$100,000,000 or more.....	19	99	32,202,458	26,644,992	2,385,734	2,607,451	534,835	535,651	494,671	166,809
Motor vehicles and equipment.....	14	268	63,075,879	81,901,610	3,279,031	3,854,659	1,294,430	1,364,034	1,437,032	186,616
Under \$10,000,000.....	6	18	154,762	237,468	-538	14,307	4,158	2,995	3,268	691
\$10,000,000 under \$25,000,000.....	13	80	1,269,813	2,365,113	-19,603	96,937	31,972	23,383	13,852	1,031
\$25,000,000 under \$50,000,000.....	13	41	1,422,391	1,616,114	113,299	160,126	46,261	44,445	19,285	17,481
\$50,000,000 under \$100,000,000.....	8	42	3,013,443	4,003,070	201,419	238,510	62,174	66,759	31,258	11,529
\$100,000,000 or more.....	10	87	57,215,469	73,679,845	2,984,454	3,344,778	1,149,865	1,226,452	1,369,369	155,885
Transportation and public utilities.....	66	381	24,873,374	9,964,847	1,110,436	1,398,410	301,793	305,100	421,004	248,194
Under \$10,000,000.....	20	43	386,853	326,892	14,856	23,789	5,534	6,047	6,012	163
\$10,000,000 under \$25,000,000.....	42	147	2,367,210	1,672,635	79,588	189,662	46,357	47,539	69,371	24,530
\$25,000,000 under \$50,000,000.....	32	98	3,537,039	3,127,326	212,800	277,791	86,376	86,985	59,478	18,231
\$50,000,000 under \$100,000,000.....	27	50	3,534,456	1,103,461	92,320	156,402	19,545	19,680	84,129	30,728
\$100,000,000 or more.....	20	43	15,047,816	3,734,532	710,872	750,765	143,981	144,849	202,015	174,542
Water transportation.....	5	51	1,467,742	60,788	631	49,041	528	1,044	-	608
Under \$10,000,000.....	4	8	171,364	6,518	1,632	4,423	-	-	-	-
\$10,000,000 under \$25,000,000.....	4	31	480,716	33,988	-38,131	6,965	528	1,044	-	608
\$25,000,000 under \$50,000,000.....	**	**	**	**	**	**	**	**	**	**
\$50,000,000 under \$100,000,000.....	**	**	**	**	**	**	**	**	**	**
\$100,000,000 or more.....	**	**	**	**	**	**	**	**	**	**
Wholesale and retail trade.....	61	333	38,306,449	46,138,962	1,669,317	1,949,026	435,009	426,855	489,011	170,747
Under \$10,000,000.....	21	33	291,920	405,896	14,386	34,528	3,692	3,325	2,795	3,715
\$10,000,000 under \$25,000,000.....	41	124	1,902,837	4,705,744	132,205	189,950	67,194	66,602	72,277	4,628
\$25,000,000 under \$50,000,000.....	28	70	2,707,017	4,292,147	191,836	235,022	49,546	47,286	57,167	27,791
\$50,000,000 under \$100,000,000.....	21	47	3,238,655	4,996,561	74,016	175,368	43,721	40,536	21,000	9,958
\$100,000,000 or more.....	15	59	30,166,021	31,738,616	1,256,875	1,314,158	270,856	269,107	335,772	124,655
Wholesale trade.....	32	169	22,156,407	31,993,822	826,487	1,026,916	164,491	161,186	244,187	32,280
Under \$10,000,000.....	10	15	131,632	207,338	-3,725	6,981	583	528	1,102	3,715
\$10,000,000 under \$25,000,000.....	21	67	1,051,780	3,580,582	59,211	91,459	31,503	30,286	25,966	3,636
\$25,000,000 under \$50,000,000.....	14	33	1,295,587	3,345,790	74,687	98,969	23,648	23,680	20,441	1,665
\$50,000,000 under \$100,000,000.....	11	24	1,663,448	3,905,263	14,176	95,415	23,406	21,679	9,581	2,659
\$100,000,000 or more.....	6	30	18,013,959	20,954,850	682,138	734,091	85,013	85,013	187,097	20,605
Finance, insurance, and real estate.....	119	871	179,847,139	25,555,032	3,603,201	4,142,392	866,010	843,291	578,365	362,347
Under \$10,000,000.....	33	66	579,887	346,919	36,592	50,208	13,465	13,036	3,145	588
\$10,000,000 under \$25,000,000.....	69	211	3,464,283	1,133,056	88,047	175,125	40,332	38,028	35,571	5,420
\$25,000,000 under \$50,000,000.....	46	140	4,937,956	1,211,123	193,473	264,369	45,150	47,109	28,627	10,905
\$50,000,000 under \$100,000,000.....	56	131	9,527,007	1,586,375	182,463	246,773	45,734	44,914	31,800	12,153
\$100,000,000 or more.....	63	323	161,338,006	21,277,559	3,102,626	3,405,916	721,330	700,203	479,222	333,282
Banking.....	41	444	114,681,555	11,785,996	1,752,667	1,972,616	489,544	485,777	218,286	197,270
Under \$10,000,000.....	12	25	219,945	59,573	7,758	12,458	2,527	2,690	1,449	588
\$10,000,000 under \$25,000,000.....	23	88	1,444,902	359,255	7,564	46,998	12,720	14,246	7,044	8
\$25,000,000 under \$50,000,000.....	15	61	2,151,353	253,828	64,080	75,905	11,846	11,885	9,174	548
\$50,000,000 under \$100,000,000.....	25	73	5,256,765	638,228	94,157	121,999	16,060	15,393	20,825	801
\$100,000,000 or more.....	25	197	105,608,590	10,475,111	1,579,108	1,715,256	446,391	441,562	179,793	195,325

Footnotes at end of table.

Controlled Foreign Corporations, 1986

Table 4.--U.S. Corporation Returns with Total Assets of \$500 Million or More and their 7,500 Largest Controlled Foreign Corporations: Number, Total Assets, Receipts, Earnings, Taxes, Distributions and Subpart F Income of 7,500 Largest Controlled Foreign Corporations, by Selected Industry of U.S. Corporation and Size of Total Assets of Controlled Foreign Corporation--Continued

[Money amounts are in thousands of dollars]

Selected industry of U.S. corporation filing the return and size of total assets of 7,500 Largest Controlled Foreign Corporations	Number of U.S. corporation returns	7,500 Largest Controlled Foreign Corporations								
		Number of foreign corporations	Total assets	Business receipts	Current earnings and profits (less deficit) before taxes	Foreign corporations with current earnings and profits (+) before taxes		Foreign income taxes (net)	Actual distributions in current year	Subpart F income
						Current earnings and profits before taxes	Foreign income taxes (net)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Finance, insurance, and real estate										
-Continued										
Credit agencies other than banks.....	14	62	14,454,208	1,799,863	295,778	335,253	44,878	46,791	118,299	88,042
Under \$10,000,000.....	**	**	**	**	**	**	**	**	**	**
\$10,000,000 under \$25,000,000.....	**	**	**	**	**	**	**	**	**	**
\$25,000,000 under \$50,000,000.....	4	13	474,735	85,452	-9,798	5,650	1,733	3,174	186	371
\$50,000,000 under \$100,000,000..	3	9	741,226	142,913	24,192	24,192	9,269	9,269	2,318	4,689
\$100,000,000 or more.....	9	27	13,038,327	1,426,138	274,149	292,872	27,886	28,503	115,795	82,107
Insurance.....	39	176	23,506,769	4,497,431	394,687	557,106	68,321	67,863	158,573	53,791
Under \$10,000,000.....	9	9	80,957	30,714	-1,089	729	153	173	-	-
\$10,000,000 under \$25,000,000.....	24	51	853,555	207,943	36,149	48,903	3,535	2,846	8,994	1,779
\$25,000,000 under \$50,000,000.....	15	31	1,114,286	372,826	41,422	74,213	11,454	11,548	13,591	4,717
\$50,000,000 under \$100,000,000..	19	32	2,335,711	400,357	29,115	51,020	10,150	9,579	2,701	2,162
\$100,000,000 or more.....	16	53	19,122,259	3,485,592	289,089	382,240	43,028	43,716	133,287	45,133
Holding and other investment companies, except bank holding companies.....	4	19	1,073,292	2,005,361	184,213	168,789	44,794	44,790	9,204	5,416
Under \$10,000,000.....	**	**	**	**	**	**	**	**	**	**
\$10,000,000 under \$25,000,000.....	3	7	112,983	115,576	3,047	7,584	1,471	1,466	7,235	-
\$25,000,000 under \$50,000,000.....	**	**	**	**	**	**	**	**	**	**
\$50,000,000 under \$100,000,000..	**	**	**	**	**	**	**	**	**	**
\$100,000,000 or more.....	**	**	**	**	**	**	**	**	**	**
Services.....	38	193	6,506,722	3,442,382	534,595	619,133	142,617	143,970	175,254	51,399
Under \$10,000,000.....	16	33	293,427	126,588	17,414	27,249	7,374	6,973	2,972	-
\$10,000,000 under \$25,000,000.....	24	90	1,446,157	749,175	97,994	131,837	36,826	35,313	23,648	19,676
\$25,000,000 under \$50,000,000.....	21	37	1,301,320	1,051,015	93,748	100,766	29,331	29,631	1,733	1,956
\$50,000,000 under \$100,000,000.....	12	22	1,595,307	946,365	117,662	149,072	42,241	42,241	123,345	9,964
\$100,000,000 or more.....	7	11	1,870,512	569,239	207,777	210,209	26,846	29,812	23,555	19,803
Business services.....	10	64	1,487,140	993,290	82,710	93,343	35,895	36,917	15,534	12,794
Under \$10,000,000.....	4	12	104,102	50,966	15,603	16,262	3,475	3,726	847	-
\$10,000,000 under \$25,000,000.....	8	41	668,198	197,212	43,718	53,692	19,667	20,438	10,633	12,794
\$25,000,000 under \$50,000,000.....	4	7	238,316	531,566	14,624	14,624	6,211	6,211	1,733	-
\$50,000,000 under \$100,000,000..	**	**	**	**	**	**	**	**	**	**
\$100,000,000 or more.....	**	**	**	**	**	**	**	**	**	**

**Data deleted to avoid disclosure of information for specific corporations.

Note: Detail may not add to total because of rounding and because agriculture, forestry, and fishing is not shown for U.S. parent corporations.