

Foreign-Controlled Domestic Corporations, 1995

by James R. Hobbs

For Tax Year 1995, the 60,157 domestic corporations each "controlled" by a foreign "person" generated \$1.5 trillion of total receipts and reported total assets amounting to \$2.8 trillion. These corporations, 1.3 percent of the U.S. total, accounted for 10.6 percent of both the receipts and assets reported on U.S. corporation income tax returns. They also accounted for 7.6 percent of the "taxable income" and 8.4 percent of the total income tax after credits reported by all corporations.

The net income (less deficit) reported by foreign-controlled domestic corporations (FCDC's) for tax purposes under the Internal Revenue Code was \$38.5 billion for 1995. This was an increase over the \$21.9 billion reported for 1994 [1]. Placed in context, the net income (less deficit) reported on all corporation income tax returns increased from \$577.3 billion for 1994 to \$714.2 billion for 1995 [2].

Of all the FCDC's, 26,397 reported (positive) net income for 1995, totaling \$64.3 billion, a 43.9 percent increase over the \$44.7 billion reported for 1994. The profitable companies for 1995 also reported \$43.1 billion of taxable income after statutory special deductions (i.e., "income subject to tax" shown in the statistics), 25.5 percent more than for 1994. The U.S. tax liability (i.e., "total income tax after credits") of FCDC's was \$13.2 billion, 30.4 percent greater than that of the previous year.

For 1995, the 2,681 "largest" companies (i.e., those with at least \$250 million of assets, or with at least \$50 million of receipts, or with both) accounted for most of the key financial items of all FCDC's: 92.7 percent of total assets, 90.4 percent of total receipts, 87.4 percent of taxable income, and 86.8 percent of total income tax after credits. After an overview of all FCDC's, this article focuses on the largest foreign-controlled domestic companies and compares them on industry and age bases to the largest domestic corporations that were not controlled by foreign persons. It also provides information on the foreign country distribution of the owners of the largest FCDC's.

Direct Foreign Investment in the United States

Direct foreign investment in the United States can take several forms, including corporations, partnerships, and even joint ventures. Under these forms of direct investment, the foreign investor has sufficient equity in the enterprise to control and participate in managing its operations [3]. With regard to corporations, a foreign investor can either gain control of an existing U.S. company, create a new company incorporated in the United States, or operate in the United States through a branch of a foreign corporation.

There are numerous factors involved in the decision of a foreign investor to operate in the United States through either a domestic or foreign corporation [4, 5]. For the foreign-controlled domestic corporations covered in this article, "control" is generally defined as ownership by any foreign person or entity (including an individual, corporation, partnership, estate, or trust), directly or indirectly, of 50 percent or more of a U.S. corporation's voting stock at the end of the tax year. (This is discussed in greater depth in the Data Sources and Limitations section. Also, a description of foreign persons and an explanation of the rules of ownership attribution are given in the Explanation of Selected Terms section.)

This article includes two basic tables showing balance sheet, income statement, and tax items, as well as various ratios. Table 1 includes information for all FCDC's by selected industrial groupings and selected countries. Country information is based on the location of the owner's country of residence, incorporation, organization, creation, or administration, as reported on tax returns filed with the Internal Revenue Service (IRS). Table 2 presents information on the "largest" FCDC's, classified by selected industrial groupings and countries, and age of the companies. For comparison purposes, this table also contains data for the largest domestic corporations that were not controlled by foreign persons.

Domestic corporations that are not foreign controlled can file on Form 1120, *U.S. Corporation Income Tax Return*; Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*; Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; Form 1120-PC, *U.S. Property and Casualty Insurance*

James R. Hobbs is a management official for the Special Studies Branch.

Foreign-Controlled Domestic Corporations, 1995

Company Income Tax Return; Form 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts; and Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies. FCDC's can also file tax returns on Forms 1120, 1120-L, 1120-PC, 1120-REIT, and 1120-RIC, but not on 1120-A. Because FCDC's cannot file Forms 1120S, *U.S. Income Tax Return for an S Corporation*, and because S Corporations are mostly taxable income reporting, but not taxpaying, entities (in that income is taxed to the shareholders), these forms were excluded from the data for domestically-controlled corporations shown in the figures and tables of this article. Also, FCDC's cannot file Forms 1120-F, *U.S. Income Tax Return of a Foreign Corporation*. Data for domestically-controlled corporations shown in this article do not include Forms 1120-F, although data for all corporation returns do include these

forms (as well as Forms 1120S) [6].

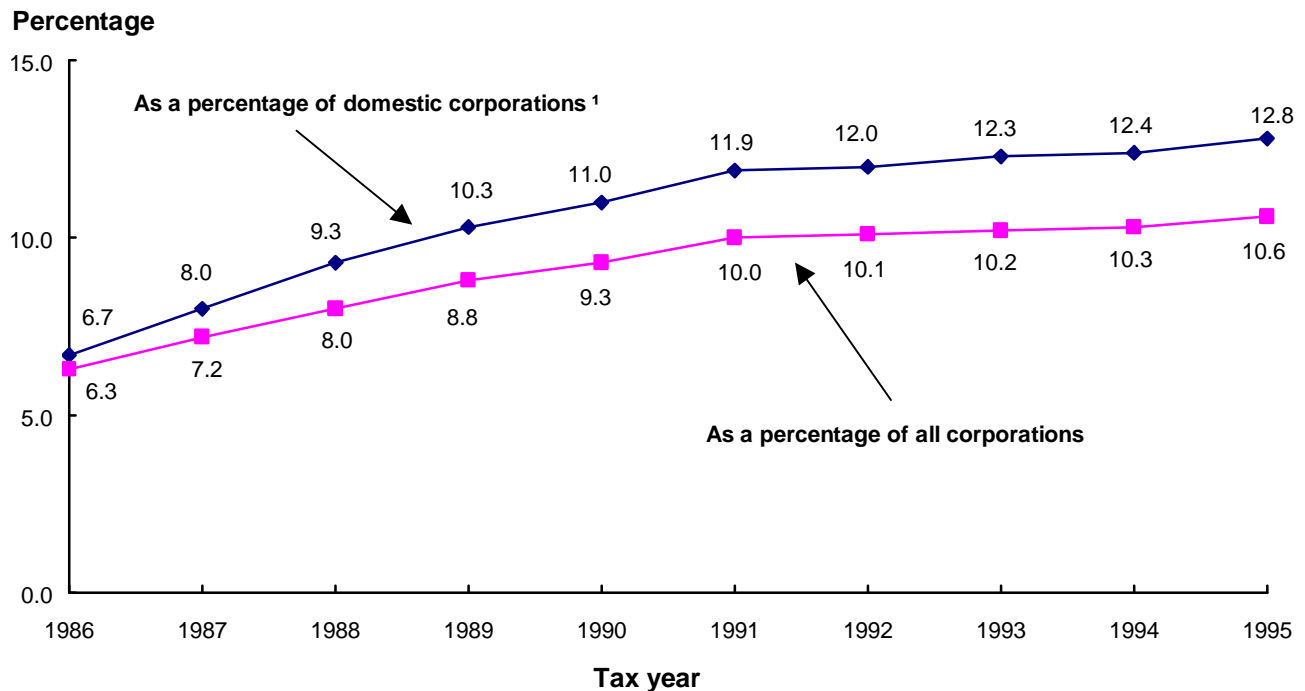
Foreign-Controlled Domestic Corporations

Growth of Corporations

Direct foreign investment in the United States through foreign-controlled domestic corporations grew steadily and substantially during the 1986-1995 period [7]. Total receipts of FCDC's grew from \$0.5 trillion for 1986 to \$1.5 trillion for 1995, a 183.2 percent increase using current dollars. In comparison, total receipts reported on all U.S. corporation income tax returns grew from \$8.7 trillion for 1986 to \$14.5 trillion for 1995, a 67.7 percent increase. As a result of the rapid growth rate of FCDC's, their share of the receipts reported on all corporate returns increased from 6.3 percent for 1986 to 10.6 percent for 1995 (see Figure A).

Figure A

Foreign-Controlled Domestic Corporations as a Percentage of Other Corporations, Based on Total Receipts, Tax Years 1986-1995

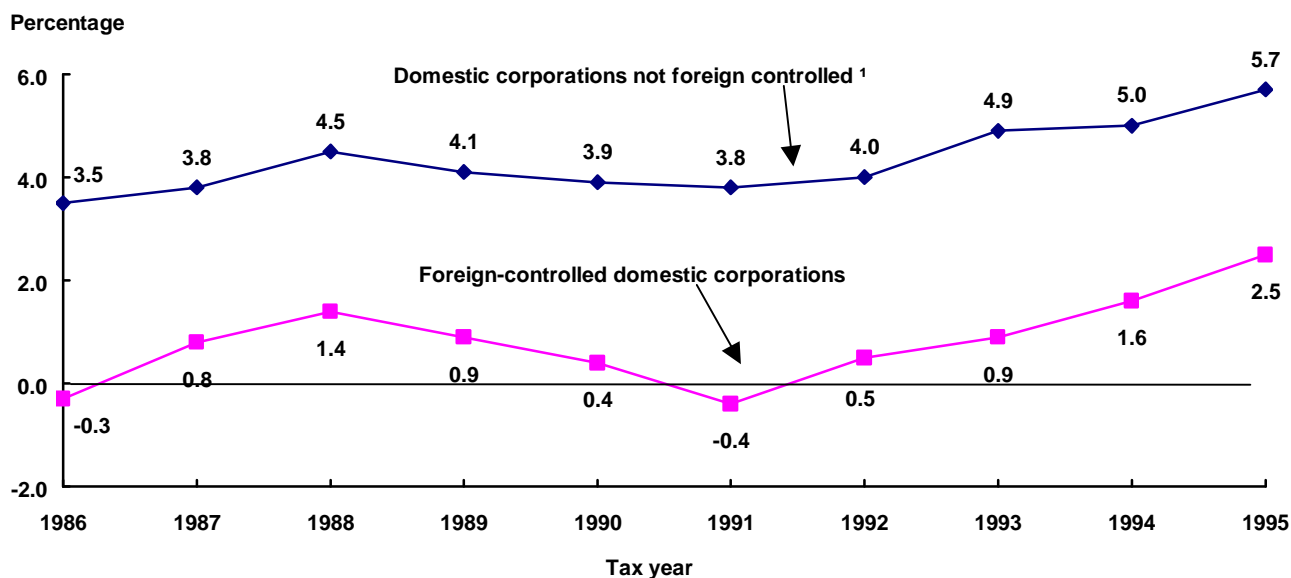


¹ Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

Foreign-Controlled Domestic Corporations, 1995

Figure B

Foreign-Controlled Domestic Corporations Compared to Domestic Corporations not Foreign Controlled: Net Income (Less Deficit) as a Percentage of Total Receipts, Tax Years 1986-1995



¹ Excludes Forms 1120S, U. S. Income Tax Return for an S Corporation.

The growth of FCDC's can also be measured from the early 1970's, when a question concerning foreign ownership of companies was first placed on the corporation income tax return. For 1971, these companies reported \$39.2 billion of total receipts, just 2.1 percent of the \$1.9 trillion reported for all corporations.

Figure A also shows that FCDC total receipts as a percentage of the total receipts of domestic corporations increased from 6.7 percent for 1986 to 12.8 percent for 1995. While the receipts of FCDC's increased at a greater pace than those of domestic corporations not foreign controlled during this 10-year period, the profit margin (as measured by the percentage of net income less deficit to total receipts) of FCDC's was consistently lower than that of the other domestic corporations (see Figure B).

Figures A and B provide a general comparison of FCDC's to other domestic corporations. However, a more complete comparison requires that the data take into account characteristics other than just ownership status, such as the industrial activities, sizes, and ages within the two groups of corporations. Later in this article, this type of comparison is

presented for the returns of the "largest" corporations.

There were an estimated 60,157 returns of foreign-controlled domestic corporations for 1995, about a 10-percent increase over the 54,620 returns for 1994. (FCDC's, like most other corporations, could file consolidated returns for affiliated groups of domestic corporations. To the extent that they did, the data included in this article actually represent more companies than the stated number of returns.) Returns of FCDC's comprised a rather constant percentage of all U.S. corporation income tax returns, generally between 1.1 and 1.3 percent for each year between 1986 and 1995. This is in contrast to the rising percentage of receipts, as well as assets, they reported over this period. The assets of domestic corporations controlled by foreign persons increased by 18.1 percent between 1994 and 1995, as compared to an increase of 11.0 percent for the assets reported on all U.S. corporation income tax returns [8]. This resulted in the percentage of total corporate assets accounted for by FCDC's increasing to 10.6 percent for 1995.

Industry Characteristics

In the preceding section it was stated that FCDC

Foreign-Controlled Domestic Corporations, 1995

receipts grew from 6.3 percent of all corporate receipts for 1986 to 10.6 percent for 1995. This growth can be viewed more specifically on an industrial basis. The four most significant industrial divisions (or groups) for FCDC's have been wholesale trade; manufacturing; finance, insurance, and real estate; and services. Using total receipts as the measure, the growth during the 1986-1995 period of FCDC's as a percentage of all corporations for these four groups was: for wholesale trade, 15.9 percent to 23.7 percent; for manufacturing, 7.6 percent to 13.7 percent; for finance, insurance, and real estate, 4.2 percent to 8.5 percent; and for services, 2.1 percent to 5.1 percent. Thus, FCDC's in all four groups show significant increases over this period.

For 1995, foreign-controlled domestic corporations were involved in every type of principal industrial activity, but, based on number of returns, 83.6 percent were concentrated in four industrial groupings: (1) finance, insurance, and real estate (17,426 returns); (2) wholesale trade (15,540 returns); (3) services (11,016 returns); and (4) manufacturing (6,317 returns). (In general, data are presented only for broad industrial classifications; with some exceptions, they do not focus on more specific industrial subgroups underlying these broad classifications. The Data Sources and Limitations section discusses how returns were classified by industry.)

While the services industrial division comprised a substantial number of the total returns filed by FCDC's, these companies tended to have small amounts of receipts and assets when compared to companies in the other three groupings. For this reason, most of the remaining discussion on industry characteristics focuses on companies classified in finance, insurance, and real estate; wholesale trade; and manufacturing. However, selected financial data for the services industrial division, by country, are included in Table 1.

Based on assets, two industrial divisions dominated the total for 1995. Finance, insurance, and real estate, and manufacturing accounted for \$1.3 trillion and \$0.8 trillion of total assets, respectively, for a combined 77.6 percent of the \$2.8 trillion of assets for all FCDC's. These two divisions made up a similar portion of the total assets reported on returns of other corporations. In this respect, FCDC's closely mirrored other corporations.

Alternatively, on the basis of total receipts,

manufacturing and wholesale trade continued to be the two primary industrial categories of FCDC's for 1995. Manufacturers reported \$0.6 trillion of receipts, while wholesalers reported \$0.5 trillion. These two groups accounted for 72.5 percent of the \$1.5 trillion of total receipts recorded for all FCDC's. This percentage was substantially higher than the comparable one (42.5 percent) for other corporations that filed U.S. corporation income tax returns.

Companies classified in different industries often have different financial characteristics. For instance, the comparative levels of total assets and total receipts of companies primarily engaged in wholesale trade activities differ significantly from those primarily engaged in finance, insurance, and real estate activities. FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (as of the end of their accounting periods), resulting in \$1.78 of receipts for each dollar of assets for 1995. Companies classified in finance, insurance, and real estate reported large amounts of assets, but relatively small amounts of receipts. These FCDC's produced only \$.15 of receipts for each dollar of assets. Other corporations in these two industrial categories had similar characteristics.

While foreign-controlled domestic corporations accounted for about one-tenth of the \$14.5 trillion of total receipts reported by all corporations filing U.S. income tax returns for 1995, these companies played disproportionately larger roles in certain industrial groupings. For instance, FCDC's produced very substantial parts of the total receipts reported for mining (28.8 percent) and wholesale trade (23.7 percent). FCDC's also accounted for 13.7 percent of the receipts reported by all manufacturing companies. Conversely, FCDC involvement in the construction; agriculture, forestry, and fishing; transportation and public utilities; retail trade; services; and finance, insurance, and real estate industrial groupings was relatively low, accounting for only 1.9, 2.3, 2.4, 3.6, 5.1, and 8.5 percents, respectively, of the receipts for all companies classified in these categories.

While FCDC's accounted for 28.8 percent of the receipts for all mining companies for 1995, companies in this industrial division are not a major source of FCDC activity. Thus, they are not a major focus of this article. In comparison to the four industrial groupings shown in Table 1, mining accounted for

Foreign-Controlled Domestic Corporations, 1995

only 1.6 percent of the total FCDC returns, 2.4 percent of the total FCDC receipts, and 3.3 percent of the total FCDC assets.

Statistics classified by industry do have certain limitations, which are discussed more thoroughly in the Data Sources and Limitations section, below. However, a brief point should be made here. FCDC's accounted for 23.7 percent of the receipts of all companies classified as wholesalers. However, this percentage may need to be clarified. Certain U.S. companies (not foreign controlled) and their subsidiaries may have been involved in both manufacturing and wholesaling of products and reported tax information for these activities on a single (consolidated) income tax return, which was statistically classified under the one industry of its principal business activity, that being manufacturing, rather than trade. Conversely, many domestic companies controlled by foreign corporations acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These domestic companies would have been classified in the wholesale trade industrial grouping.

Country Characteristics

Domestic corporations can be controlled by "persons" resident in any country throughout the world. However, for 1995, owners from 10 countries controlled 56.1 percent of the 60,157 domestic corporations classified as 50-percent-or-more controlled by a foreign person. (Table 1 includes data for these 10 countries.) The countries represent the geographic location of the direct foreign owner's place of residence in the case of individuals; and place of incorporation, organization, creation, or administration in the case of other persons. Because holding companies located in a country different from that of the ultimate owner may directly own the stock of U.S. affiliates, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. No data on the extent of this potential limitation are available.

The 33,758 corporations controlled by persons from the 10 countries shown in Table 1 accounted for the major portion of the most significant financial items for all FCDC's. These corporations reported 91.8 percent of FCDC total assets, 88.5 percent of total receipts, 90.0 percent of total taxable income, and 89.6 percent of total income tax after credits.

Domestic corporations controlled by Japanese persons reported assets of \$642 billion and total receipts of \$438 billion for 1995, amounts substantially larger than those for any other country. These assets and receipts represented 23.2 and 28.5 percents of the respective totals for all FCDC's. Companies controlled by Japanese persons also accounted for the largest amount of assets and receipts for each of the years in the 1986-1994 period. See Figure C. Companies classified in finance, insurance, and real estate accounted for \$342 billion, 53.3 percent, of the Japanese-controlled assets. Over \$285 billion, 65.1 percent, of the Japanese receipts were produced by wholesalers.

Although for 1995 Japanese-controlled domestic corporations accounted for the largest part of the assets and receipts reported for all FCDC's, they did not file the largest number of returns, and they did not report the largest amounts of U.S. taxable income and U.S. total income tax after credits. Canadian-controlled domestic corporations filed the most returns, 10,512; Japanese-controlled domestic corporations were second with 7,083; and United Kingdom-controlled domestic corporations were third with 4,318. The U.K.-controlled companies reported the largest amounts of U.S. taxable income and U.S. total income taxes after credits (\$9.4 billion and \$3.0 billion, respectively), with Japanese-controlled companies second (\$8.2 billion and \$2.6 billion), and Canadian-controlled companies third (\$5.5 billion and \$1.6 billion).

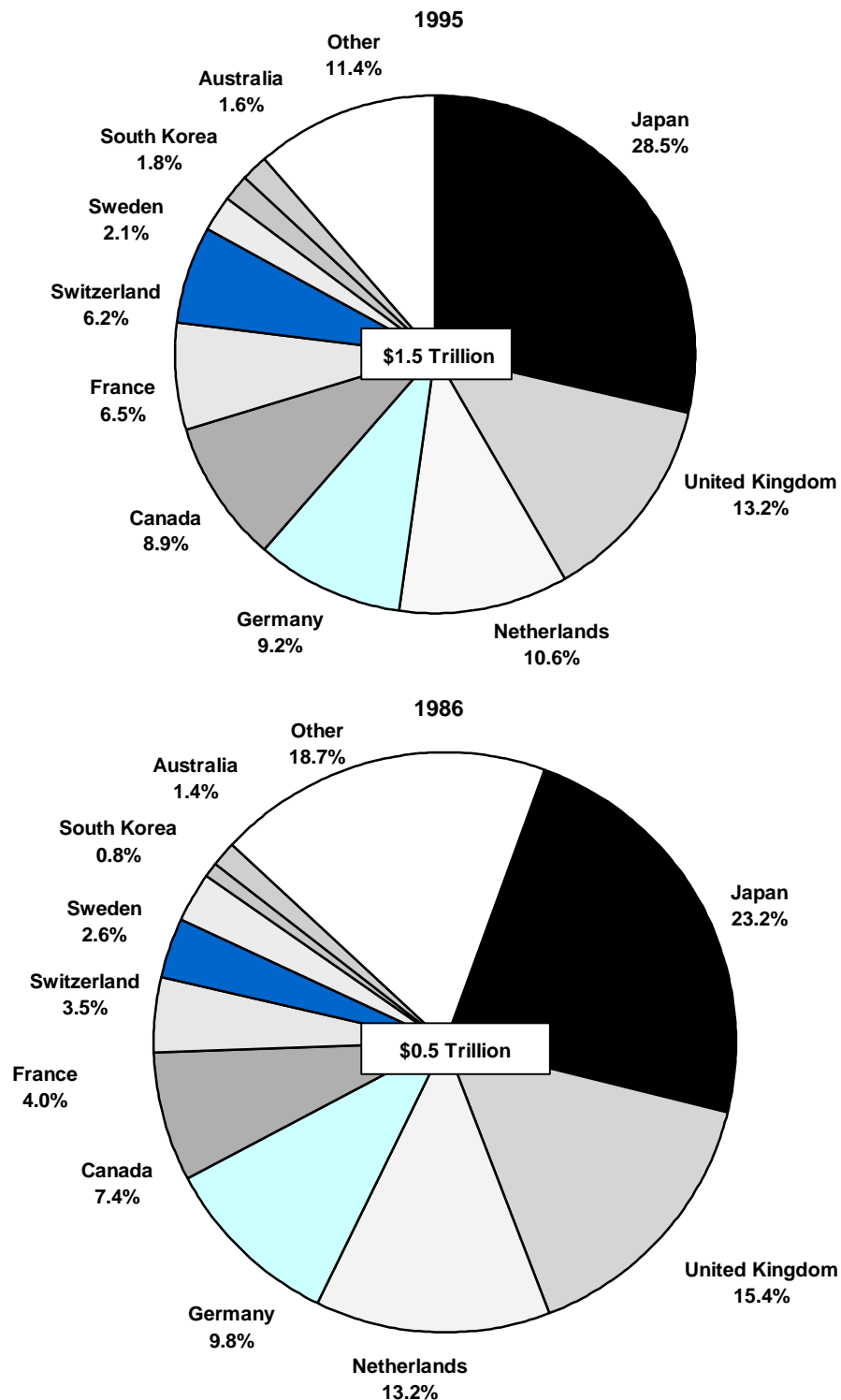
Domestic corporations controlled by persons in the United Kingdom accounted for the second largest amount (\$203 billion) of FCDC receipts for 1995, as well as the second largest amount for the 1986-1994 period as a whole. These receipts represented 13.2 percent of the 1995 receipts for all FCDC's. Most of the U.K. receipts, totaling \$116 billion, were reported by manufacturers.

For 1995, Japanese-controlled domestic corporations reported a combined net income (less deficit) of \$3.6 billion on \$438.3 billion of receipts, while U.K.-controlled companies reported net income (less deficit) totaling \$9.9 billion on \$202.7 billion of receipts. There are many factors that may have caused the difference in the percentages of net income (less deficit) divided by receipts (0.8 percent versus 4.9 percent, respectively; see column 53 of Table 1) for these two countries. It is noteworthy to

Foreign-Controlled Domestic Corporations, 1995

Figure C

Foreign-Controlled Domestic Corporations: Total Receipts for Selected Countries of Foreign Owners, Tax Years 1986 and 1995



Foreign-Controlled Domestic Corporations, 1995

look at the reported profits (i.e., net income amounts exceeded deficit amounts) and losses (i.e., deficit amounts exceeded net income amounts) on a country/industry basis.

In the manufacturing industrial division, the percentages were somewhat similar (3.8 percent and 4.6 percent) for the two countries. Japanese-controlled manufacturing corporations reported profits of \$3.5 billion on \$91.6 billion of receipts, while U.K.-controlled companies reported profits of \$5.4 billion on \$115.6 billion of receipts.

However, there was a more significant difference between the two countries in the case of companies classified under finance, insurance, and real estate. Japanese-controlled corporations reported profits of \$0.2 billion, or 0.7 percent of their \$31.9 billion of receipts, while U.K.-controlled companies reported profits of \$3.1 billion, 9.6 percent of their \$32.6 billion of receipts. A principal cause of this difference was real estate companies. The companies with Japanese ownership reported losses of \$1.4 billion and receipts of \$3.5 billion. In comparison, companies with U.K. ownership reported significantly smaller losses, \$0.1 billion, on receipts of \$2.7 billion.

For the wholesale trade area, Japanese- and U.K.-controlled companies reported nearly the same amounts of profits (\$0.4 billion and \$0.6 billion, respectively). However, these profits were produced from very different levels of receipts, \$285.3 billion for Japan, but less than one-tenth of that amount, \$21.3 billion, for the United Kingdom.

Receipts, Deductions, and Profits

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Whether from domestic or foreign sources, income includes receipts from sales and operations, as well as investment income. However, foreign-source income is reported differently, depending on whether it is earned through a branch or through a foreign subsidiary of a domestic corporation. "Total receipts" shown in this article includes the receipts of foreign branch operations of U.S. companies. Also included in these receipts are

dividends remitted to U.S. corporations by their foreign subsidiaries. However, for the statistics, two items of constructive taxable income from related foreign corporations (i.e., includable income from Controlled Foreign Corporations and foreign dividend "gross-up") are not included in "total receipts." These two items are, however, reflected in the data for "net income (less deficit)" [9]. (See the Explanation of Selected Terms section.)

The receipts and deductions shown in this article for foreign-controlled domestic corporations do not include amounts generated by their foreign parent companies. However, FCDC's could have had business transactions with their foreign parent companies (as well as with other related foreign persons), and FCDC receipts and deductions stemming from these transactions are included in the statistics [10].

A FCDC that transacts business with a related foreign (or domestic) person must determine "transfer prices" for those transactions. These transactions may include either the income or the deductions of the FCDC, such as the sale and purchase of tangible goods, fees for services, interest payments on debts, leasing expenses, and royalties. How transfer prices are determined may affect the amount of net income or deficit reported on the U.S. income tax return of a FCDC. Section 482 of the Internal Revenue Code, and the related regulations, provides guidance in determining transfer prices. In general, the objective is to use "arm's length prices."

Approximately 89 percent of the \$1.5 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of "business receipts" (i.e., receipts from sales and operations). These same companies reported \$1.5 trillion of total deductions. Cost of goods sold was 67 percent of the total.

Dividends received by FCDC's from other domestic corporations dramatically increased to \$10.4 billion for 1995, from just \$1.4 billion the year before. The major portion of this \$9.0 billion increase, \$8.7 billion, resulted from manufacturing companies with Canadian owners. (These dividends were distributions from current and accumulated earnings and profits of companies incorporated in the United States, and which were not included in a consolidated income tax return of the FCDC receiving the dividends.) For the most part, these dividends were recognized in computing the special deduction from

Foreign-Controlled Domestic Corporations, 1995

the net income of the FCDC's for domestic intercorporate dividends received. For manufacturing companies with Canadian owners, the portion of total statutory special deductions excluding the net operating loss deductions, increased by \$6.9 billion between 1994 and 1995, reflecting the increase in the dividends received special deduction. See the discussion on statutory special deductions in the Explanation of Selected Terms section.

It is noteworthy to look at the "gross profit" of FCDC's. Gross profit is the difference between business receipts and cost of goods sold. The manufacturing and wholesale trade industrial groupings accounted for most of the reported amounts of business receipts and cost of goods sold, but manufacturers show substantially higher gross profits than do wholesalers. As shown in column 45 of Table 1, for every dollar of business receipts, manufacturers reported \$.70 of cost of goods sold. By comparison, wholesalers reported \$.84 of cost of goods sold for each dollar of business receipts.

Total receipts less total deductions for FCDC's equaled \$37.5 billion for 1995. This is somewhat different from the \$38.5 billion of net income (less deficit) reported by these companies. Total receipts less total deductions includes all of the income "actually" (as opposed to "constructively") received by corporations and reported on tax returns. Unlike net income (less deficit), total receipts less total deductions includes nontaxable interest on State and local Government obligations and excludes the two items of constructive taxable income from related foreign corporations previously mentioned. For 1995, FCDC's received \$0.6 billion of tax-exempt interest on State and local Government obligations and reported \$1.6 billion of constructive taxable income.

The previous paragraph discussed the difference, for statistical purposes, between "total receipts less total deductions" and net income (less deficit). It is also important to make a distinction between (positive) net income and taxable income (i.e., "income subject to tax" shown in the statistics). Because certain statutory special deductions, including the "net operating loss" deduction, were available to most companies in computing their taxable income, the statistics for net income are generally larger than the amounts shown for taxable income.

Net income (less deficit) for foreign-controlled domestic corporations was \$38.5 billion for 1995, up

from the \$21.9 billion for 1994. Net income (less deficit) reported on all corporation income tax returns also increased between 1994 and 1995, from \$577.3 billion to \$714.2 billion.

The performance of FCDC's in three of the four principal industrial groups shown in Table 1 improved for 1995. Companies whose principal business activity was in manufacturing reported \$29.3 billion of net income (less deficit), a significant rise from the \$13.8 billion reported for 1994. This increase was due in part to the larger amount of dividends received that were reported by FCDC's for 1995. The finance, insurance, and real estate group also reported an increase in net income (less deficit), \$4.0 billion for 1995 compared to \$2.2 billion for the previous year. The services group improved its performance by reducing overall net losses (deficits in excess of net income) from \$0.4 billion for 1994 to

\$0.2 billion for 1995.

However, the performance of wholesalers decreased slightly, net income (less deficit) dropping to \$2.9 billion from \$3.4 billion for the previous year.

The \$38.5 billion of net income (less deficit) was the result of 26,397

Net income (less deficit) for FCDC's was \$38.5 billion for 1995, up from \$21.9 billion for 1994.

corporations reporting \$64.3 billion of (positive) net income and 33,760 companies reporting \$25.9 billion of deficits [11]. Thus, about 4 out of every 10 (43.9 percent) domestic corporations with foreign owners reported a (positive) net income for 1995. In comparison, 55.0 percent of all other corporations filing U.S. income tax returns for the same year reported a (positive) net income. The percentage of FCDC's reporting net income for 1995 was within the range of percentages for the previous 10 years, generally falling between 39 percent and 44 percent.

The percentage of companies reporting (positive) net income varied among the different industrial groups. Over half of the FCDC's classified in manufacturing (59.0 percent) reported net income for 1995, while nearly one-half did in services (48.5 percent) and in wholesale trade (45.1 percent). Only 37.0 percent of companies in finance, insurance, and real estate reported net income. Within this industrial group, 57.7 percent of banks and other credit

Foreign-Controlled Domestic Corporations, 1995

agencies did so. However, only 33.8 percent of real estate companies, 28.9 percent of security and commodity brokers, and 27.5 percent of insurance companies and agents reported net income for 1995.

Conversely, nearly six out of every 10 FCDC's reported a deficit for 1995. Collectively, these companies show \$25.9 billion in deficits, a small increase from the \$22.8 billion reported for the previous year. Deficits could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see "net operating loss deduction" in the Explanation of Selected Terms section). When a company "carried back" a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*. Data from these forms are not included in the statistics. Net operating losses "carried forward" to Tax Year 1995 from prior years are discussed in the next section.

Taxes

For 1995, foreign-controlled domestic corporations reported \$43.1 billion of "income subject to tax" (or taxable income, i.e., for purposes of the statistics, the base on which the "regular" income tax was computed), resulting in \$15.0 billion of "regular" tax. The \$15.8 billion of total income tax before credits reported by FCDC's consisted of the regular tax plus the alternative minimum tax, the environmental tax, the Personal Holding Company tax, and the taxes from the recapture of low-income housing and investment credits. The alternative minimum tax was \$0.7 billion for 1995. The remaining taxes comprised a very small part of the total.

The difference between the \$64.3 billion of (positive) net income and \$43.1 billion of income subject to tax was, for the most part, the result of statutory special deductions. These deductions were allowed for most corporations in computing their taxable income and include the deduction for "net operating losses" (NOL's) from prior years. For 1995, the net operating loss deduction was \$13.0 billion and accounted for over 60 percent of the \$21.5 billion of total statutory special deductions. (See the Explanation of Selected Terms section for a discussion of the net operating loss deduction.) FCDC's reduced their 1995 net income by 20 percent, using NOL's carried over from prior years.

(NOL's carried back to Tax Year 1995 from 1996 and beyond are not included in the statistics shown in this article.)

Tax credits totaling \$2.7 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations to \$13.2 billion for 1995. The largest credits claimed were \$1.4 billion of foreign tax credits, \$0.7 billion of prior-year minimum tax credits, \$0.3 billion of general business credits, and \$0.2 billion of U.S. possessions tax credits. Other credits included the orphan drug credit and the nonconventional source fuel credit. The \$13.2 billion of total U.S. income tax after credits represents the tax liability as originally reported by taxpayers. However, it does not include any changes made by taxpayers through amended returns or by IRS as a result of examination or enforcement activities.

The percentage of FCDC's reporting tax liabilities (i.e., total income tax after credits) for 1995 was 33.2 percent, up from the 29.6 percent reported for the previous year. The percentages of FCDC's that had U.S. income tax liabilities varied considerably among countries, as well as among different industrial groups. For 1995, of the 10 countries shown in Table 1, Sweden had the lowest percentage of companies with U.S. income tax liabilities (21.5 percent), while Switzerland had the highest percentage (47.9). Among the four industrial groupings shown in the same table, the finance, insurance, and real estate group had the lowest percentage (25.3), while manufacturing had the highest percentage (46.9).

The "Largest" Foreign-Controlled Domestic Corporations

The "largest" companies accounted for the majority of the key FCDC financial items. For purposes of this article, the largest companies were those with at least \$250 million of total assets, or \$50 million of business receipts, or both. (Within the finance, insurance, and real estate industrial division, total receipts were used in place of business receipts for selecting the largest companies. Total receipts includes both business receipts (i.e., gross receipts from sales and operations) plus investment income.) Both size of assets and size of receipts were used to select the largest companies in order to obtain maximum coverage of three primary industrial groupings: manufacturing; wholesale trade; and finance, insurance, and real estate [12]. The services

Foreign-Controlled Domestic Corporations, 1995

division was not separately covered for this large-company analysis because only 6.8 percent of the largest FCDC's were classified in this division.

As previously discussed, certain industries have different characteristics from other industries. For instance, companies classified in wholesale trade generally report large amounts of receipts compared to their end-of-year assets. By comparison, corporations classified in finance, insurance, and real estate generally report large amounts of assets compared to their receipts. If either assets or receipts were used to select the largest companies, then the largest companies in one of these industrial divisions would have been undercovered in comparison to the other division. Table 2 shows data for the largest FCDC's by selected industrial groups. This table also contains data for the largest domestic corporations that were not foreign owned (i.e., that were owned by domestic persons, or in which ownership by each separate foreign person was less than 50 percent). For reasons previously discussed, data for domestic corporations that filed Forms 1120S are excluded from the table.

Data shown in Table 2 are the focus of this section of the article, which covers the largest FCDC's in comparison to other large domestic corporations. In addition to presenting data by selected industrial groups, Table 2 also presents data by selected countries of the foreign owners of the domestic corporations, and by age of both the FCDC's and the other domestic corporations. Regarding the age of corporations, two categories are used: "new" and "old." Each company included in the study was placed into one of these categories based on the year of incorporation reported on the income tax return. Certain limitations of the data presented by age of the corporations are discussed below.

For 1995, the largest companies reported 92.7 percent of the total assets, 90.4 percent of the total receipts, 87.4 percent of the taxable income, and 86.8 percent of the total income tax after credits, of all the FCDC's. While accounting for most of these key financial items, these 2,681 companies comprised just 4.5 percent of the number of income tax returns filed by FCDC's.

Table 2 shows that there were 14,732 large domestic corporations that did not have controlling foreign owners for 1995. These large companies accounted for only 0.7 percent of the total number of

income tax returns filed by domestic corporations without foreign owners (excluding Forms 1120S), an even smaller percentage than that of the FCDC's. However, like the largest FCDC's, these large companies comprised the majority of the key financial items of this group of returns: 89.8 percent of total assets, 75.7 percent of total receipts, 87.8 percent of taxable income, and 87.4 percent of total income tax after credits.

The largest companies generally report greater profits than do the smaller companies. For 1995, the largest FCDC's reported a combined profit of \$41.0 billion, while the smaller FCDC's reported a combined loss of \$2.6 billion. Later in this article, the profitability of the largest FCDC's is compared to that of the largest domestically-controlled corporations. This comparison includes industry and age characteristics of the corporations. It also includes country characteristics for the FCDC's.

Industry Characteristics

The industrial classification of the largest companies is somewhat different as between domestic corporations that are foreign controlled and those that are not. For 1995, 33.0 percent of the largest domestic companies without foreign owners were classified in the finance, insurance, and real estate division. For the largest FCDC's, though, this division accounted for only 13.8 percent. Conversely, the largest FCDC's were more commonly classified in manufacturing (40.5 percent versus 24.1 percent) and wholesale trade (27.0 percent versus 12.3 percent), compared to the largest domestic companies that were not foreign controlled.

Table 2 presents selected items and percentages for the largest domestic corporations, both foreign- and domestically-controlled. In comparing the percentages between the two groups of returns, this article focuses on each of the three industrial groupings shown in the table, rather than on the data for all industries. By doing so, the effect of different financial characteristics in different industries becomes more evident.

In each of the three industrial groupings shown in Table 2, the percentage of returns reporting (positive) net income was significantly less for the largest FCDC's than for the domestically-controlled large companies. The smallest differences were for manufacturers (69.9 percent versus 79.3 percent) and

Foreign-Controlled Domestic Corporations, 1995

wholesalers (72.7 percent versus 82.4 percent). (See column 38 of the table.) The largest difference was in finance, insurance, and real estate, with 87.0 percent of the domestically-controlled compa-

nies reporting net income, compared to 66.0 percent of the FCDC's. This group contained a wide variation of business activities and corresponding profits and losses. For instance, 90.4 percent of domestically-controlled banks and credit agencies reported (positive) net income, compared to 74.6 percent of their FCDC counterparts. In contrast, 67.7 percent of domestically-controlled real estate companies reported (positive) net income, compared to 39.0 percent of their FCDC counterparts.

Another key ratio is net income (less deficit) to total receipts (column 53 of Table 2). Once again, for each of the three industrial groupings shown in this table, domestically-controlled companies had significantly-higher percentages than did their foreign-controlled counterparts. The differences were: (1) for finance, insurance, and real estate, 13.1 percent for domestically-controlled companies, compared to 3.1 percent for FCDC's; (2) for manufacturing, 6.6 percent versus 4.9 percent; and (3) for wholesale trade, 1.9 percent versus 0.7 percent.

A third method of comparing the profitability of the largest FCDC's to other large domestic corporations focuses on retained earnings. Column 13 of Table 2 shows the total of unappropriated and appropriated retained earnings of the corporations. The amounts were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as from "extraordinary" gains and losses, and from prior period adjustments. The amounts are also after reductions for dividends and distributions made to stockholders. For 1995, the largest FCDC's reported \$6.7 billion of negative retained earnings, while other large domestic corporations reported \$1,973.0 billion of positive retained earnings. It should be noted that retained earnings are components of net worth and thus affect the ratio of net income (less deficit) to net worth, which is

For 1995, the largest FCDC's had a combined profit of \$41.0 billion, while the smaller FCDC's had a combined loss of \$2.6 billion.

shown in column 52 of Table 2.

The differences in the ratios between domestically-controlled large companies and their foreign-controlled counterparts for taxable income (i.e., "income subject to tax") compared to total receipts were also generally substantial. However, in the finance, insurance, and real estate group, the differences narrowed substantially. The difference in net income (less deficit) as a percentage of total receipts for this group was 13.1 percent for domestically-controlled companies compared to 3.1 percent for FCDC's. In calculating the taxable income as a percentage of the total receipts reported by these companies, the difference narrowed to 6.9 percent for domestically-controlled companies versus 4.2 percent for FCDC's. This "narrowing" effect reflects, to some extent, the relatively large amount of statutory special deductions claimed by domestically-controlled large companies classified in finance, insurance, and real estate. In fact, for domestically-controlled companies, this industrial group claimed statutory special deductions equaling \$118.8 billion (of the \$149.4 billion total for all industries). Deductions for dividends paid by regulated investment companies and real estate investment trusts accounted for the largest portion of the \$118.8 billion claimed by domestically-controlled companies in finance, insurance, and real estate. For FCDC's, the same industrial group claimed only \$2.6 billion of the \$18.9 billion of statutory special deductions.

Table 2 also includes the ratio of total income tax after credits to total receipts (column 60). The total income tax after credits reported by both domestically-controlled companies (\$123.5 billion) and by FCDC's (\$11.4 billion) represents the tax liability of these companies as reported on their originally-filed U.S. income tax returns. However, it does not take into account either of the following changes: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of examination or enforcement activities. Among other reasons, corporations could file amended returns to use carryback provisions for net operating losses and unused foreign tax and general business credits.

In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the tax recapture of prior-year investment credits) does not relate to the current-year total

receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular tax and the alternative minimum tax represented 99 percent or more of the total income tax for both domestically-controlled companies and FCDC's [13].

In each of the three industrial groupings shown in Table 2, the percentage of total income tax after credits divided by total receipts is higher for domestically-controlled corporations than it is for FCDC's. The finance, insurance, and real estate group shows the highest percentages for both domestically-controlled corporations (2.2 percent) and for FCDC's (1.4 percent). While these percentages appear to be more similar than the percentages previously discussed in this section, the largest domestically-controlled corporations classified in this group reported 58.1 percent more taxes after credits than did the FCDC's when based on the same level of receipts. The differences in these percentages are also significant between the largest domestically-controlled corporations and the largest FCDC's in the other two industrial groups. The differences are: (1) for manufacturing, 1.4 percent versus 1.0 percent; and (2) for wholesale trade, 0.6 percent versus 0.4 percent. Thus, for wholesale trade, as an example, the largest domestically-controlled corporations reported 61.5 percent more taxes after credits than did the largest FCDC's when based on the same level of receipts.

The differences in financial characteristics of different industries once again become evident when reviewing the percentages shown in Table 2. For instance, when the percentage of net income (less deficit) divided by total receipts (column 53) is used, the finance, insurance, and real estate group has a substantially higher percentage (3.1 percent for the largest FCDC's) than does the wholesale trade group (0.7 percent). However, when total assets is used as the denominator in place of total receipts (column 51), the difference is reversed (the largest FCDC's in finance, insurance, and real estate have a 0.5 percent and those in wholesale trade have a 1.3 percent). Because the distribution of industrial activities based on principal businesses is not the same for the largest FCDC's as it is for domestically-controlled companies, this, again, illustrates the importance of comparing domestically-controlled companies to FCDC's on an industrial basis.

Age Characteristics

Table 2 presents data for both the largest FCDC's and other large domestic corporations by the age of the corporations. "New" corporations are those with years of incorporation of 1993 and after reported on their income tax returns [14]. "Old" corporations are those incorporated in 1992 and before, or with unknown (i.e., unreported) dates of incorporation.

The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. For example, a consolidated return may include companies that fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year of incorporation of the parent company. Another limitation is the case of a reorganization of an old corporation and, as a result, it becoming a new corporation and reporting a recent year of incorporation. Here, a new corporation is not necessarily the same as a new business. A third limitation is that the year of incorporation is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return form, and recourse to other sources is not always practical. Thus, it is subject to greater levels of taxpayer reporting and data entry errors. Despite these limitations, it is believed that an analysis of the data by age of the corporations is meaningful. Further, there is no known bias in the accuracy of the year of incorporation between FCDC's and other domestic corporations.

Looking at the age characteristics of both the largest FCDC's and other large domestic corporations provides some additional information on the attributes of FCDC's. First, for 1995, most of the largest corporations were old corporations. For the FCDC's, 2,466 of the 2,681 largest corporations were old corporations (92.0 percent). The other large domestic corporations were very similar to FCDC's in this respect with 91.6 percent classified as old corporations (i.e., 13,493 out of 14,732).

New FCDC's reported lower profits than did their older counterparts. Looking at net income (less deficit) as a percentage of total receipts, new FCDC's had a ratio of 0.45 for 1995, while old FCDC's had a ratio of 3.10. This type of significant difference occurred in each of the following industrial groups: manufacturing; wholesale trade; and finance, insur-

Foreign-Controlled Domestic Corporations, 1995

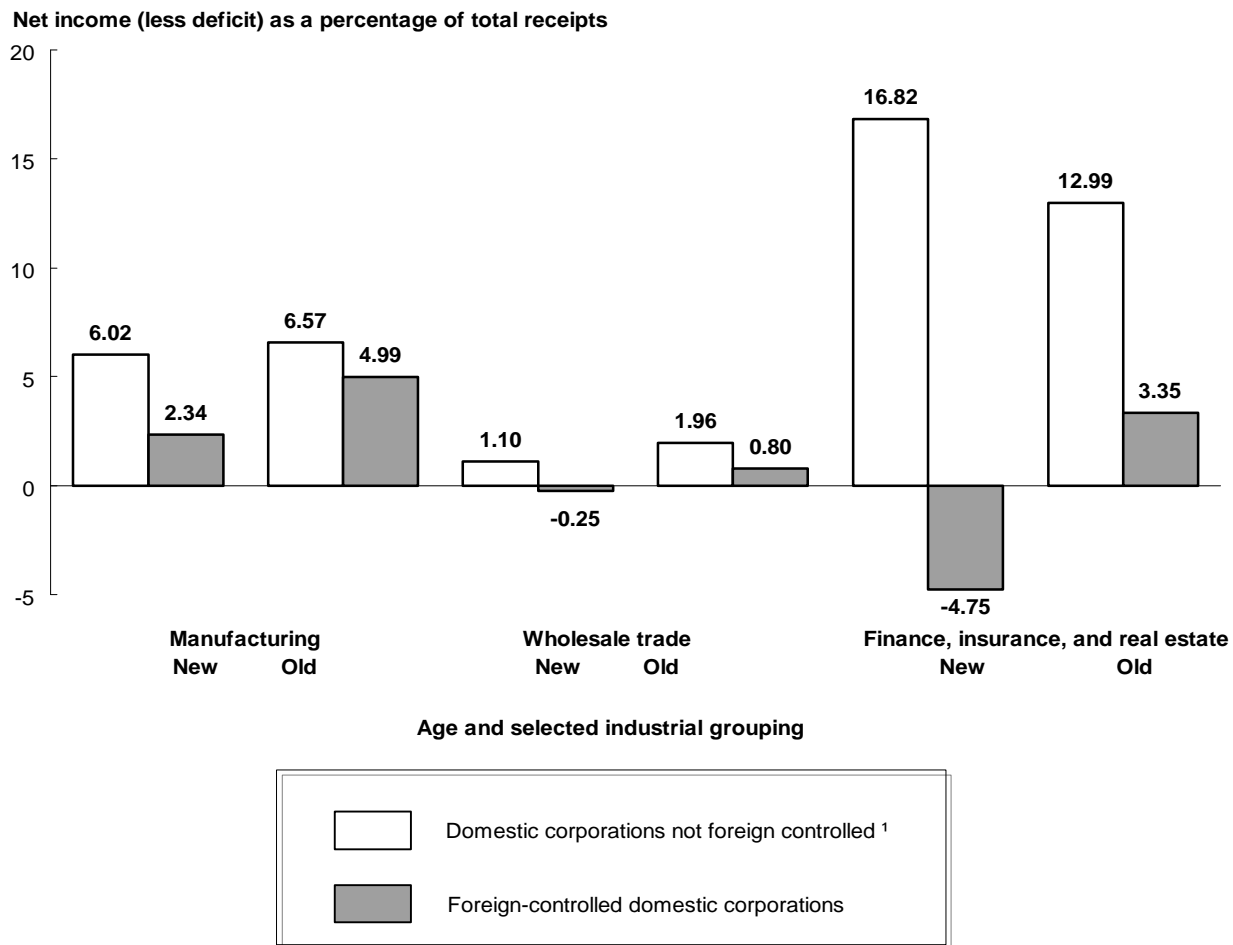
ance, and real estate. Other large domestic corporations differed from FCDC's in this respect. For them, the profit ratios of new companies (7.00 percent) were very similar to those for the old companies (7.06 percent). (See column 53 of Table 2.) In addition to comparing FCDC's to other domestic corporations on the bases of industry and size, this article uses the same age groupings for the comparisons.

There are six unique industry and age combinations of the largest corporations shown in Figure D by which FCDC's can be compared to other domestic corporations. In all of these six, the profit ratios of net income (less deficit) to total receipts were substantially lower for FCDC's than they were for other domestic corporations.

In manufacturing, new FCDC's had a profit ratio of 2.34, compared to 6.02 percent for other domestic

Figure D

Profitability of "Large" Corporations, by Control Status, Age of Corporations, and Selected Industrial Groupings, Tax Year 1995



¹ Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

NOTES: "Large" corporations were those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). "New" corporations were those with dates of incorporation between 1993 and 1996; "old" corporations were those with dates of incorporation prior to 1993.

Foreign-Controlled Domestic Corporations, 1995

corporations. Within this same industrial group, the ratio for old FCDC's was 4.99 and that for other old domestic corporations was 6.57.

For wholesalers, the older corporations had profit ratios of 0.80 (FCDC's) and 1.96 (other domestic corporations). The new large FCDC's in this industrial group reported a combined negative amount of net income (less deficit) equaling -0.25 percent of their total receipts, while their domestically-controlled counterparts reported a positive percentage equaling 1.10.

In the finance, insurance, and real estate group, new corporations had ratios of net income (less deficit) to total receipts of -4.75 (for FCDC's, indicating a combined loss) and 16.82 (other domestic corporations). The older corporations had ratios of 3.35 (FCDC's) and 12.99 (other domestic corporations). Due to the diverse business activities of this group, as previously mentioned, further analysis of the specific industries might identify additional variations not apparent from the industrial division (or group) totals. However, this is beyond the scope of this article. In the next section of this article, country detail of the large FCDC's is examined.

Country Characteristics

Within each industrial grouping in Table 2, there are seven countries shown for the FCDC's. The country information is based on the location of the owner's country of residence, incorporation, organization, creation, or administration, as reported on the U.S. income tax returns of the foreign-controlled domestic corporations. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.) The seven countries selected for the table were based on the largest aggregated amounts of total receipts for all industries. FCDC's controlled by persons from these seven countries accounted for 76.1 percent of the number of returns, 87.3 percent of the assets, and 85.0 percent of the total receipts of the 2,681 largest FCDC's.

More specifically, Japanese owners controlled 702 of the 2,681 largest FCDC's, which was the largest single portion (26.2 percent). These corporations accounted for 23.0 percent of the assets and 29.2 percent of the receipts of all large FCDC's. Three-fourths of these corporations were either manufacturers or wholesalers.

United Kingdom owners controlled the second highest number of the largest FCDC's, 307, or 11.5 percent of the total. Following the United Kingdom, Canada shows 293; the Netherlands, 223; Germany, 221; France, 167; and, Switzerland, 128.

FCDC's with U.K. owners also had the second largest total assets and total receipts of all the largest FCDC's. These 307 corporations accounted for 15.7 percent of the assets and 13.6 percent of the receipts of all the largest FCDC's.

Within a given industrial and age grouping, domestic corporations controlled by owners in different foreign countries had different levels of profitability. Sometimes the differences were comparatively small, such as for old FCDC's classified as wholesalers. The ratios of net income (less deficit) to total receipts for the seven countries ranged from a low of 0.25 for Japan to a high of 3.96 for the United Kingdom. As Table 2 indicates, in other cases, the differences among countries were much larger.

Summary

Direct foreign investment in the United States through FCDC's continued to grow for 1995. While total assets reported on all U.S. corporation income tax returns increased by 11.0 percent over the previous year, assets of domestic corporations controlled by foreign persons increased by 18.1 percent. As a result, the percentage of total corporate assets accounted for by FCDC's increased to 10.6 percent. The share of total corporate receipts accounted for by FCDC's increased to 10.6 percent, as well. Between 1994 and 1995, total receipts reported by all corporations increased by 8.8 percent, while the receipts of FCDC's increased at a faster pace, by 12.2 percent.

Two industrial groupings (manufacturing and wholesale trade) generated nearly three-fourths of the total receipts of all FCDC's. From a country perspective, domestic corporations controlled by persons in Japan reported total receipts of \$438 billion, 28.5 percent of the FCDC total. In addition, the United Kingdom, the Netherlands, Germany, and Canada accounted for 13.2, 10.6, 9.2, and 8.9 percents, respectively, of the total.

The collective net income (less deficit) reported by foreign-controlled domestic corporations increased to \$38.5 billion, compared to \$21.9 billion for 1994. Total income tax after credits moved in the

Foreign-Controlled Domestic Corporations, 1995

same direction as profits, increasing from \$10.1 billion for 1994 to \$13.2 billion for 1995.

Of the 60,157 foreign-controlled domestic corporations, the 2,681 "largest" companies accounted for 86 percent or more of the total amounts of key financial items (e.g., total assets, total receipts, taxable income, and total income tax after credits). In comparing these large companies to large domestically-controlled companies on industry and age bases, generally the ratios related to profitability, e.g., net income (less deficit) compared to total receipts, were substantially smaller for the FCDC's. While this article has been able to compare the profits of FCDC's to other domestic corporations on the same bases of size, industry, and age, additional research is needed to explain the remaining differences in the profitability of the two groups of companies [15].

Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive definitions, see *Statistics of Income—1995, Corporation Income Tax Returns*.

Alternative Minimum Tax.—This tax was designed to ensure that a taxpayer with substantial economic income would not avoid significant tax liability through a legitimate use of exclusions, deductions, and credits. It is included in the statistics shown for both total income tax before (and after) credits.

Attribution Rules.—In regard to domestic corporations that are 50 percent or more owned by one foreign "person," these rules provide that an individual shall be considered as owning the stock of a corporation if it is owned, directly or indirectly, by or for his or her family. The family of an individual includes his or her spouse, brothers and sisters, ancestors, and lineal descendants. For more information on these rules, see section 267(c) of the Internal Revenue Code. However, if a corporation is owned by two or more unrelated persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion. See also, Foreign Person, defined below.

Business Receipts.—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allow-

ances. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of goods sold" or as "taxes paid"); others reported their receipts after adjustment for these taxes. Business receipts include rents reported as the principal business income by real estate operators and certain manufacturing, public utility, trade, and service corporations. In the finance, insurance, and real estate industries, business receipts include such banking items as fees, commissions, trust department earnings, and service charges. Interest, the principal operating income of banking and savings institutions, was excluded from business receipts, but included in the separate statistics for "interest received." Also in the finance, insurance, and real estate division, premium income of most insurance companies was included in business receipts.

Cost of Goods Sold.—This item generally consisted of the direct costs incurred by corporations in producing goods or providing services. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, sales and excise taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories.

Foreign Person.—A foreign person (or entity) is defined as a person other than a U.S. person. A U.S. person includes: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, and (4) any estate or trust (other than a foreign estate or trust). Section 7701 of the Internal Revenue Code further defines the term, U.S. person.

Income Subject to Tax.—For most corporations, income subject to tax, i.e., taxable income, was defined by Internal Revenue Code section 63 and consisted of (positive) net income minus certain statutory special deductions. There were special provisions in the Code for determining the taxable income of life insurance companies, regulated investment companies, and real estate investment trusts. On Form

Foreign-Controlled Domestic Corporations, 1995

1120, this item was reported on page 1, line 30.

Net Income (or Deficit).—This is the difference between taxable receipts and the ordinary and necessary business deductions allowed by the Internal Revenue Code. In this article, for a group of returns, this item is referred to as either “profits” (i.e., net income exceeds deficits) or “losses” (deficits exceeds net income). It reflects not only actual receipts, but “constructive” receipts as well (i.e., includable income from Controlled Foreign Corporations and the foreign dividend “gross-up”). Tax-exempt interest on State and local Government obligations is excluded from this item, but is included in “total receipts.” Because certain statutory special deductions, including the net operating loss deduction, were allowed most corporations in computing their “taxable income” (or “income subject to tax”), the statistics for (positive) net income are generally larger than the amounts shown for (U.S.) “income subject to tax” (i.e., the base on which the regular income tax was computed). See also, the discussion of the Net Operating Loss Deduction, shown below. On Form 1120, this item was reported on page 1, line 28.

Net Operating Loss Deduction (NOLD).—A statutory “net operating loss” (NOL) for a given tax year could be carried back, in general, 3 years to reduce the taxable income of those years, and any amount of the NOL not offset against income during that time could be carried forward and offset against income for a period not exceeding 15 years. The amount of the deduction included in the statistics, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (1995) tax year. Losses incurred after the 1995 Tax Year and carried back to that year at a later date could not be reported on the tax returns used for this article. Net operating losses on which the 1995 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed for a loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

Net Worth.—This item represented the stockholders’ equity in the corporation, i.e., total assets less the claims of creditors. It is the net result of adding capital stock, paid-in or capital surplus, appropriated retained earnings, unappropriated retained

earnings, and then subtracting the cost of treasury stock. Treasury stock is common or preferred stock originally issued by the corporation which has been reacquired and held at the end of the accounting period by the issuing corporation.

Number of Returns.—The data contained in this article are based on the number of returns filed for Tax Year 1995. For expedient reasons, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit. The number of returns shown in this article represents returns of “active” corporations, i.e., those which reported any income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with the Internal Revenue Service were for active corporations.

Statutory Special Deductions.—This item was the sum of: (1) deductions for net operating losses of prior years, (2) inter-corporate dividends received deductions, (3) deductions for dividends paid on certain preferred stock of public utilities, (4) deductions for dividends paid by regulated investment companies and real estate investment trusts, and (5) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts. Since these deductions were allowed by law in addition to ordinary and necessary business deductions, they are shown in the statistics as deductions from net income. In general, (positive) net income less statutory special deductions equals income subject to tax.

Total Assets.—This item represented those assets reported in the end-of-year balance sheets of the corporations’ books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the allowance for bad debts.

Total Income Tax After Credits.—For 1995, total income tax was primarily comprised of the regular

Foreign-Controlled Domestic Corporations, 1995

tax imposed on corporate income subject to tax (94.5 percent of the total tax) and the alternative minimum tax (4.6 percent). A small number of corporation income tax returns without net income reported amounts of regular tax. The regular tax, in these cases, resulted from special provisions of the Internal Revenue Code applicable to life insurance operations. Additionally, some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture tax on investment credits. Thus, a small number of corporations without net income and regular tax reported such taxes on their income tax returns. These taxes were included in the statistics for total income tax. Also included in total income tax were the taxes on undistributed net capital gains of regulated investment companies. For 1995, the credits used to reduce the total income tax of FCDC's primarily included the foreign tax credit (51.0 percent of the total credits), the prior-year minimum tax credit (25.7 percent), the general business credit (11.7 percent), and the U.S. possessions tax credit (9.0 percent). The statistics shown for this item may differ somewhat from the actual income tax collected and the final income tax liability of corporations for Tax Year 1995. Adjustments could be made to income tax returns after they were filed, which could affect the final tax liability. Such adjustments are not reflected in the statistics. Adjustments could result from tax examination and enforcement activities by IRS, or the use of carryback provisions for net operating losses and unused foreign tax and general business credits by taxpayers.

Total Receipts.—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts, before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local Government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those

subsidiaries. This term, however, excludes certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Also, the statistics for this term exclude long-term capital gains of regulated investment companies.

Total Receipts Less Total Deductions.—This item differs from the "net income (less deficit)" shown in the statistics in that it includes nontaxable interest received on State and local Government obligations, and excludes constructive taxable income from related foreign corporations.

Data Sources and Limitations

Sample

The statistics for domestic corporations controlled by a foreign person are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition, the 1995 statistics include data from the small numbers of other domestic corporation income tax returns filed on Forms 1120L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). As previously mentioned, FCDC's could not file Forms 1120S.

Form 1120 sampled returns were stratified based on the size of total assets and the size of "proceeds" (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of "cash flow," i.e., net income plus depreciation and depletion). Forms 1120L, 1120-RIC, 1120-REIT, and 1120-PC were sampled based solely on the size of total assets.

For 1995, the sampling rates for Forms 1120 alone (the overwhelming majority of the returns included in the sample) ranged from less than 1 percent to 100 percent. In general, Form 1120 returns with assets of \$50 million or more, or with "proceeds" of \$10 million or more, were selected for the Statistics of Income study at the 100-percent rate. For additional information on the sampling rates, see *Statistics of Income—1995, Corporation Income Tax Returns*.

Because the data presented are estimates based

Foreign-Controlled Domestic Corporations, 1995

on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude. Figure E shows CV's for selected financial data of selected industrial groups. For a general discussion of CV's, see the Appendix located near the back of this issue of the *Statistics of Income Bulletin*.

Nonsampling Limitations

Most of the data in this article relate to Tax Year 1995, defined to cover returns with accounting periods that ended during the 12-month span beginning in July 1995 and ending in June 1996. The sampling frame for the 1995 statistics consisted, in general, of tax returns with these accounting periods which posted to the IRS Business Master File between July 1995 and June 1997. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include income received or expenses incurred during a 23-month span. For Tax Year 1995, that span was from August 1994 through June 1996. Nevertheless, most of the income and expense data are, in fact, associated with Calendar Year 1995.

Returns were selected for this study based on taxpayers' responses to two questions that appeared on the various types of Form 1120. The first question asked whether any "foreign person" owned, directly or indirectly, 25 percent or more of the filing corporation's voting stock at any time during the tax year. If this question was answered "yes," then a

second question asked for the percentage owned [16]. If the first question was answered "yes," and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics [17, 18]. Taxpayers sometimes incorrectly answered these questions, or did not answer them at all [19]. However, prior to tabulation, corporations with large amounts of assets and with changes in foreign ownership status between 1994 and 1995 were researched and the answers to the questions were verified. These large corporations had a dominating effect on the estimates for balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during administrative or statistical processing. This code was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may have been for a company engaged in several business activities or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated (and non-consolidated) corporations were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the

Figure E

Coefficients of Variation for Selected Items, by Selected Industrial Groupings, Tax Year 1995

Selected items	All industries	Manufacturing	Wholesale trade	Finance, insurance, and real estate	Services
	Coefficients of variation (percentages)				
	(1)	(2)	(3)	(4)	(5)
Number of returns.....	3.77	8.31	7.38	6.29	10.33
Total assets.....	0.08	0.14	0.41	0.09	0.45
Total receipts.....	0.31	0.30	0.74	0.45	2.17
Net income.....	0.31	0.31	1.30	0.69	2.67
Deficit.....	0.89	1.51	2.24	1.35	3.36
Income subject to tax.....	0.39	0.45	1.41	0.62	3.58
Total income tax after credits.....	0.42	0.49	1.49	0.64	3.66

Foreign-Controlled Domestic Corporations, 1995

same industry. For instance, those FCDC's that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies, were classified as wholesalers. However, other domestic corporations that were also distributors and that were included in consolidated returns covering the manufacture and distribution of similar products may have been classified as manufacturers.

Each return used for the statistics also had a foreign country code assigned during statistical processing which identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. The code was also used as a classifier of the returns. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate parent, the data may not be entirely related to the foreign country under which they are shown.

Notes and References

[1] For 1994 data covering FCDC's, see Hobbs, James R., "Foreign-Controlled Domestic Corporations, 1994," *Statistics of Income Bulletin*, Summer 1997, Volume 17, Number 1. In addition, FCDC data for Tax Years 1991-1994 are included on the IRS Internet site at: http://www.irs.ustreas.gov/prod/tax_stats.

[2] Total corporate data come from: (1) *Statistics of Income Bulletin*, Spring 1998, Volume 17, Number 4; (2) *Statistics of Income — Corporation Income Tax Returns*, selected years; and (3) *Source Book of Statistics of Income — Corporation Income Tax Returns*, selected years.

[3] Direct investment is different from portfolio investment in that the latter exerts no control over the management of the enterprise, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. The portfolio investor has a minimal interest in a company, and is primarily seeking dividend payments, an increase in the value of the shares of stock, or both.

[4] Sections 7701(a)(4) and (5) of the Internal

Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is "one which is not domestic."

[5] There are separate tabulations covering branch operations of foreign corporations with income "effectively connected" with a U.S. trade or business in *Statistics of Income—Corporation Income Tax Returns*.

[6] As a result of the Statistics of Income (SOI) sampling process, data shown in this article for "all corporations" exclude certain out-of-scope returns, such as returns for homeowners' associations (Form 1120-H) and certain political organizations (Form 1120-POL). For a more complete listing of the returns excluded from the SOI corporation sample, see the Description of the Sample and Limitations of the Data section of *Statistics of Income—1995, Corporation Income Tax Returns*. Regarding historical data contained in this article, "all corporation" returns included returns of Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC) through Tax Year 1987. Beginning with Tax Year 1988, these returns were excluded from the SOI corporate programs. Because these returns accounted for such a small portion of the total for most financial items, this change is not considered to be significant in terms of year-to-year comparisons.

[7] For additional information on foreign investment in the United States, see *Survey of Current Business* reports, produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). BEA periodically produces several data sets related to this subject, including: (a) "Foreign Direct Investment in the United States," June 1998; (b) "International Investment Position of the United States," July 1998; and (c) "Domestic Orientation of Production and Sales by U.S. Manufacturing Affiliates of Foreign Companies," April 1998. In addition to the printed versions of these reports, electronic versions can be obtained from the Internet at: <http://www>.

Foreign-Controlled Domestic Corporations, 1995

bea.doc.gov. The data in these reports may not be directly comparable to the information shown in this article because of definitional differences such as those relating to time periods covered and levels of foreign ownership.

- [8] The 18.1 percent increase between 1994 and 1995 in the assets of domestic corporations controlled by foreign persons, as well as the 11.0 percent increase for all corporations, may overstate the actual "growth in investment." Assets are generally reported at book value on tax returns (i.e., at the value at the time of acquisition). The book value of newly-acquired assets is generally greater than the book value of similar assets they replaced. Therefore, new corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations comprised a different portion of FCDC's than they did for other companies, the comparability of 18.1 percent to 11.0 percent (above) may be limited.
- [9] In general, the computation of net income (less deficit) can be shown as follows:
- Begin With:* Total Receipts
(Includes Business Receipts)
- Less:* Total Deductions
(Includes Cost of Goods Sold)
- Equals:* Total Receipts Less Total Deductions
- Plus:* Constructive Taxable Income from Related Foreign Corporations
- Less:* Tax-exempt Interest on State and Local Government Obligations
- Equals:* Net Income (Less Deficit)
- [10] For the most recent detailed information on transactions between "foreign-owned domestic corporations" and their related foreign persons, see "Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 1994," *Statistics of Income Bulletin*, Winter 1997-1998, Volume 17, Number 3. Unfortunately, the data contained in

that article are not completely comparable to the data contained in this article. For instance, the statistics contained in that article are for U.S. corporations with total receipts of \$500 million or more that were owned (25 percent or more) by a foreign person and reported transactions with related foreign persons on Form 5472, *Information Return of a 25 Percent Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business*.

- [11] The 33,760 companies reporting a deficit may include a small number of "break-even" companies, i.e., those whose receipts and deductions were equal.
- [12] Most, if not all, of the largest FCDC's and other domestic corporations were selected for this study at the 100 percent sampling rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data. A complete discussion on sampling rates is presented in *Statistics of Income—1995, Corporation Income Tax Returns*.
- [13] One focus of this article is U.S. total income tax after credits. Total worldwide taxes may be approximated by adding the foreign tax credits claimed by corporations to the U.S. tax liabilities (i.e., total income tax after credits) of these corporations. Using this procedure, the foreign tax credit approximates the foreign tax liabilities of the corporations. Tables 1 and 2 show amounts of foreign tax credits in addition to U.S. total income tax after credits.
- [14] Dates of incorporation are reported, for example, on Form 1120, page 1, question C.
- [15] See Grubert, Harry, "Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States," U.S. Department of the Treasury, Office of Tax Analysis, Paper 74, 1997, and "International Taxation: Transfer Pricing and Information on Nonpayment of Tax," U.S. General Accounting Office, B-260157, April 1995.
- [16] On Form 1120, Page 3, Schedule K, the actual questions were: "(10) Did one foreign person at

Foreign-Controlled Domestic Corporations, 1995

any time during the tax year own, directly or indirectly, at least 25 percent of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?" and "(10a) If 'Yes,' enter percentage owned." There was an additional question used for the country distribution of these statistics, which was "(10b) If 'Yes,' enter owner's country."

- [17] Returns for this study may exclude certain domestic companies that are effectively controlled by foreign persons, such as public companies in which "control" may be exercised with as little as 10 to 20 percent of the stock holdings.
- [18] Statistics of Income also compiles data on domestic corporations with 25 to 49 percent

foreign ownership. If a company was classified as an FCDC based on 50-percent-or-more foreign stock ownership, then it was not included in the 25-to-49 percent foreign ownership category, even if it had an unrelated foreign owner with 25 to 49 percent stock ownership. For 1995, there were only 3,790 returns that indicated a level of foreign ownership between 25 and 49 percent. These companies reported \$148.1 billion of assets, \$88.9 billion of receipts, \$4.9 billion of taxable income, and \$0.8 billion of total income tax after credits. All of these amounts were small in comparison to data for the FCDC's.

- [19] The FCDC statistics include data from returns in which the first question (see footnote 16) was answered "Yes" and the second question covering percentage owned was not answered.

SOURCE: Statistics of Income Bulletin, IRS Publication 1136, Fall 1998.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Number of returns			Assets				
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	Depreciable assets	Accumulated depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries ¹	60,157	26,397	19,962	2,762,747	146,764	15,526	518,244	215,500
Australia.....	425	283	124	115,125	3,026	1,923	11,017	3,588
Canada.....	10,512	5,087	3,959	301,079	11,644	702	45,351	17,786
France.....	2,395	871	738	225,937	10,073	1,676	26,565	12,158
Germany.....	4,274	1,949	1,643	224,940	16,810	204	53,981	25,312
Japan.....	7,083	3,287	2,352	641,570	43,714	699	122,558	46,078
Netherlands.....	1,621	747	538	318,700	11,316	1,856	61,811	25,774
South Korea.....	491	212	176	15,194	2,590	20	3,272	1,081
Sweden.....	489	103	105	35,422	3,217	2,829	6,472	3,166
Switzerland.....	2,150	1,320	1,029	236,450	8,416	26	29,321	12,675
United Kingdom.....	4,318	1,473	1,254	421,108	17,048	3,865	94,247	45,382
Manufacturing ¹	6,317	3,726	2,963	810,470	73,287	2,101	291,537	134,032
Australia.....	33	22	20	21,659	1,294	1	6,541	2,176
Canada.....	1,341	961	871	126,564	7,190	135	22,964	10,162
France.....	292	121	115	49,493	5,778	363	21,647	9,935
Germany.....	662	383	349	88,849	11,260	45	35,487	17,139
Japan.....	1,082	654	538	69,862	11,733	9	41,355	18,660
Netherlands.....	159	83	87	141,377	6,600	156	40,271	18,491
South Korea.....	122	42	24	4,028	738	(⁹)	2,044	783
Sweden.....	61	35	36	14,011	2,437	8	5,275	2,650
Switzerland.....	329	189	167	70,362	6,730	7	23,375	10,587
United Kingdom.....	519	376	320	167,780	11,946	1,365	68,436	34,634
Wholesale trade ¹	15,540	7,010	5,599	272,374	52,052	677	82,932	31,772
Australia.....	45	4	4	1,079	135	--	415	131
Canada.....	1,370	692	602	10,083	2,280	47	2,834	943
France.....	419	153	134	4,545	1,095	48	882	473
Germany.....	1,242	393	330	27,941	4,078	6	10,593	4,128
Japan.....	2,000	1,049	805	156,017	28,231	317	51,394	19,609
Netherlands.....	437	248	203	15,946	2,778	51	6,023	1,961
South Korea.....	207	74	59	8,964	1,828	20	786	175
Sweden.....	54	45	45	2,893	708	--	593	285
Switzerland.....	302	184	165	5,273	1,308	18	1,323	587
United Kingdom.....	836	334	313	15,185	2,558	80	4,129	1,794
Finance, insurance, and real estate ¹	17,426	6,442	4,414	1,333,224	2,483	11,770	50,563	13,287
Australia.....	105	32	23	16,066	3	1,875	1,451	442
Canada.....	3,782	1,826	1,221	135,070	672	181	5,025	1,140
France.....	167	88	67	157,621	--	1,182	1,046	378
Germany.....	989	361	299	89,835	5	126	835	229
Japan.....	2,064	654	528	342,021	613	331	15,827	3,892
Netherlands.....	295	155	117	130,989	170	1,590	4,373	996
South Korea.....	64	51	51	1,703	--	--	133	42
Sweden.....	223	19	19	17,151	4	2,816	261	90
Switzerland.....	470	111	56	154,661	39	--	2,320	559
United Kingdom.....	941	252	195	183,913	518	2,272	6,024	2,233
Services ¹	11,016	5,342	4,283	173,599	6,856	254	32,542	10,808
Australia.....	73	67	67	42,154	1,325	(⁹)	670	235
Canada.....	2,224	1,005	715	6,313	417	25	2,958	977
France.....	430	419	361	5,406	1,539	10	933	477
Germany.....	870	506	381	4,094	121	16	910	375
Japan.....	928	303	262	61,300	2,354	13	10,142	2,615
Netherlands.....	354	132	66	15,167	446	58	4,949	1,616
South Korea.....	46	41	39	384	19	--	208	40
Sweden.....	145	**	**	390	52	(⁹)	184	64
Switzerland.....	733	573	426	4,250	55	--	1,197	410
United Kingdom.....	803	312	247	23,116	219	114	4,750	2,194

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Liabilities			Net worth		Total receipts	Business receipts
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from stockholders				
(9)	(10)	(11)	(12)	(13)	(14)	(15)	
All industries ¹	1,290,887	840,906	62,957	630,955	-72,705	1,536,705	1,372,489
Australia.....	35,454	32,873	1,488	46,798	-6,533	24,333	20,210
Canada.....	93,051	114,870	7,629	93,158	1,256	137,316	112,743
France.....	94,835	96,625	4,578	34,476	-10,932	99,669	87,030
Germany.....	107,391	59,681	3,803	57,868	56	140,652	129,607
Japan.....	412,171	123,908	14,156	105,491	-27,176	438,277	400,007
Netherlands.....	99,445	112,458	4,822	106,797	15,947	162,893	146,843
South Korea.....	11,065	3,390	131	739	-3,219	27,199	26,526
Sweden.....	17,405	10,814	1,113	7,202	-2,338	31,548	29,690
Switzerland.....	154,338	47,957	3,349	34,155	-1,964	96,004	81,013
United Kingdom.....	163,823	166,109	13,091	91,177	-9,616	202,706	175,897
Manufacturing ¹	236,449	269,065	23,831	304,955	-4,736	627,844	590,045
Australia.....	5,318	5,763	1,026	10,578	-2,519	9,691	9,218
Canada.....	32,423	27,120	2,067	67,021	9,019	69,429	57,857
France.....	15,864	16,440	2,298	17,189	-8,368	46,370	43,659
Germany.....	24,256	27,455	964	37,137	1,464	72,028	69,105
Japan.....	27,924	18,162	1,182	23,776	-6,450	91,616	89,299
Netherlands.....	36,846	31,717	2,628	72,814	17,942	88,287	84,607
South Korea.....	2,243	1,632	30	153	-1,379	7,451	7,315
Sweden.....	4,340	4,044	827	5,627	-682	18,771	18,452
Switzerland.....	23,707	28,705	1,721	17,950	-3,421	50,755	47,250
United Kingdom.....	46,632	84,224	9,305	36,923	-5,972	115,593	107,394
Wholesale trade ¹	158,481	70,024	6,884	43,869	-15,387	485,994	470,598
Australia.....	273	434	--	373	34	1,794	1,784
Canada.....	4,030	3,748	1,247	2,306	-2,604	21,229	20,767
France.....	2,011	1,090	254	1,444	-139	10,268	10,088
Germany.....	15,697	7,774	2,090	4,470	-1,731	36,017	33,877
Japan.....	95,759	35,785	974	24,474	-2,561	285,266	276,839
Netherlands.....	8,049	6,625	186	1,271	-814	21,857	21,031
South Korea.....	7,424	1,341	90	199	-907	18,717	18,308
Sweden.....	1,161	715	80	1,017	293	6,825	6,410
Switzerland.....	2,683	710	63	1,879	466	9,064	8,927
United Kingdom.....	5,564	6,170	324	3,451	-837	21,302	20,265
Finance, insurance, and real estate ¹	795,374	381,091	21,542	156,759	-12,737	194,238	100,200
Australia.....	11,627	1,677	97	2,762	-657	1,461	284
Canada.....	50,759	69,268	2,009	15,043	-1,350	22,183	11,494
France.....	71,917	71,485	1,602	14,220	387	21,548	12,662
Germany.....	60,957	16,776	228	12,103	710	12,485	7,756
Japan.....	262,674	51,698	9,133	27,649	-11,060	31,875	6,809
Netherlands.....	47,228	61,910	1,094	21,850	3,987	24,073	15,033
South Korea.....	1,245	112	11	346	-23	204	84
Sweden.....	11,227	5,712	195	212	-1,947	4,189	3,145
Switzerland.....	126,192	15,763	1,289	12,705	1,708	29,398	18,282
United Kingdom.....	95,658	59,973	2,467	28,282	2,653	32,554	17,704
Services ¹	45,021	65,743	5,305	62,835	-24,660	67,645	58,416
Australia.....	1,540	23,477	30	17,137	-2,665	7,625	5,458
Canada.....	1,316	3,965	1,194	1,032	-1,431	5,182	4,874
France.....	1,496	3,959	79	-48	-1,814	4,187	3,909
Germany.....	2,603	683	270	808	-185	2,988	2,546
Japan.....	19,979	13,727	1,942	27,595	-5,502	11,781	10,240
Netherlands.....	4,454	7,164	591	3,549	-4,294	10,282	8,230
South Korea.....	107	176	--	101	-147	769	763
Sweden.....	270	86	1	34	-72	681	655
Switzerland.....	1,164	1,860	184	1,225	-632	3,850	3,695
United Kingdom.....	7,716	5,895	430	9,505	-3,423	11,525	10,110

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Interest received ²	Dividends received from:		Total deductions	Cost of goods sold	Interest paid	Taxes paid	Depreciation
		Domestic corporations	Foreign corporations					
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All industries ¹.....	96,269	10,357	2,146	1,499,219	1,000,691	92,417	21,989	46,791
Australia.....	3,296	7	8	24,320	14,454	3,584	343	687
Canada.....	9,081	9,182	531	126,025	77,485	7,219	1,847	3,497
France.....	7,141	183	242	96,937	62,618	4,739	1,380	2,215
Germany.....	5,711	199	155	137,719	92,233	5,943	2,234	5,708
Japan.....	26,057	262	393	434,964	327,450	26,349	3,691	17,101
Netherlands.....	10,174	111	211	158,023	103,184	8,332	2,056	4,690
South Korea.....	419	(³)	34	27,628	24,555	586	112	199
Sweden.....	992	16	47	30,537	20,391	832	359	594
Switzerland.....	10,662	66	52	95,657	50,420	12,079	1,514	1,981
United Kingdom.....	16,605	261	344	192,832	107,783	15,315	5,542	5,690
Manufacturing ¹.....	10,575	9,266	1,683	599,597	412,806	23,857	10,315	19,444
Australia.....	310	2	(³)	9,885	7,043	522	141	323
Canada.....	849	9,015	523	58,967	42,611	1,917	743	1,819
France.....	607	17	175	44,438	28,825	1,634	744	1,507
Germany.....	934	54	124	69,923	47,252	1,890	1,179	2,870
Japan.....	749	27	316	88,257	70,546	2,003	1,031	3,112
Netherlands.....	2,100	77	133	85,894	61,973	3,396	831	2,629
South Korea.....	21	--	34	7,785	6,661	135	47	123
Sweden.....	106	(³)	45	17,614	12,655	324	208	422
Switzerland.....	951	4	41	49,569	26,568	2,791	906	1,517
United Kingdom.....	3,315	48	244	110,361	66,879	7,275	3,689	3,503
Wholesale trade ¹.....	5,646	178	101	483,237	397,093	10,057	3,431	15,432
Australia.....	2	(³)	--	1,799	1,355	25	20	41
Canada.....	146	3	(³)	20,888	17,393	303	212	243
France.....	34	3	8	10,062	8,626	74	104	80
Germany.....	1,034	22	10	35,560	26,729	1,301	349	2,317
Japan.....	2,873	122	21	284,949	236,427	5,759	1,504	10,609
Netherlands.....	382	1	34	21,544	17,099	644	164	1,121
South Korea.....	284	(³)	--	18,771	17,093	371	51	53
Sweden.....	117	--	2	6,457	5,249	83	59	103
Switzerland.....	38	1	(³)	8,986	6,984	130	103	127
United Kingdom.....	484	2	19	20,683	15,401	720	353	356
Finance, insurance, and real estate ¹.....	73,161	800	194	190,003	57,320	48,425	3,465	4,054
Australia.....	887	3	(³)	1,290	15	571	58	69
Canada.....	7,424	142	(³)	21,865	6,654	3,953	287	314
France.....	6,069	159	57	20,970	8,687	2,447	317	376
Germany.....	3,448	121	14	12,661	5,126	2,463	219	88
Japan.....	21,461	58	32	31,696	1,623	17,309	620	1,760
Netherlands.....	6,907	30	16	22,607	7,823	3,086	384	228
South Korea.....	111	(³)	--	214	46	50	8	7
Sweden.....	754	16	(³)	4,714	1,165	392	70	27
Switzerland.....	9,634	61	9	30,288	13,990	8,945	293	165
United Kingdom.....	11,725	194	16	29,274	8,815	5,575	695	461
Services ¹.....	4,302	29	112	67,869	25,709	5,842	1,877	3,150
Australia.....	1,961	1	3	7,955	3,815	2,334	63	49
Canada.....	125	1	--	5,177	1,111	221	160	254
France.....	79	2	(³)	4,207	1,390	118	106	98
Germany.....	139	--	--	2,815	947	60	94	83
Japan.....	725	22	22	12,166	5,178	924	311	1,329
Netherlands.....	546	(³)	24	10,005	3,990	827	319	334
South Korea.....	3	--	--	790	726	11	4	9
Sweden.....	2	--	--	693	527	11	4	22
Switzerland.....	30	(³)	--	3,923	1,034	140	154	101
United Kingdom.....	558	1	61	11,295	3,576	830	385	476

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit	Statutory special deductions	
						Total	Net operating loss deduction
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All industries ¹	37,486	1,592	38,455	64,339	-25,884	21,489	12,972
Australia.....	13	41	48	987	-940	304	270
Canada.....	11,292	181	11,421	14,202	-2,781	8,655	1,292
France.....	2,731	199	2,908	3,983	-1,074	1,437	1,371
Germany.....	2,933	179	3,004	5,136	-2,131	1,254	1,084
Japan.....	3,313	351	3,622	11,189	-7,567	2,991	2,751
Netherlands.....	4,869	157	4,927	6,072	-1,144	1,539	1,353
South Korea.....	-429	37	-392	206	-598	66	66
Sweden.....	1,011	19	1,020	1,739	-718	106	93
Switzerland.....	347	109	428	2,758	-2,331	747	670
United Kingdom.....	9,874	182	9,869	11,497	-1,629	2,103	1,819
Manufacturing ¹	28,248	1,043	29,260	36,065	-6,805	14,421	6,713
Australia.....	-194	23	-172	207	-378	121	120
Canada.....	10,462	177	10,639	11,261	-623	7,898	679
France.....	1,932	165	2,096	2,580	-485	1,018	981
Germany.....	2,105	145	2,245	3,051	-806	959	853
Japan.....	3,359	145	3,493	4,626	-1,133	1,526	1,467
Netherlands.....	2,393	140	2,533	2,895	-362	454	366
South Korea.....	-334	33	-301	28	-329	25	25
Sweden.....	1,157	19	1,176	1,232	-56	55	51
Switzerland.....	1,186	12	1,196	2,115	-919	494	471
United Kingdom.....	5,232	130	5,355	5,896	-541	1,082	941
Wholesale trade ¹	2,756	136	2,879	7,910	-5,032	1,404	1,219
Australia.....	-4	--	-4	12	-17	2	2
Canada.....	341	(⁹)	341	533	-192	134	132
France.....	207	1	208	291	-83	27	23
Germany.....	457	8	463	985	-521	164	141
Japan.....	318	98	414	3,043	-2,629	507	416
Netherlands.....	313	7	320	535	-215	130	96
South Korea.....	-54	4	-50	163	-213	38	38
Sweden.....	368	--	368	392	-24	17	16
Switzerland.....	78	--	78	167	-89	30	30
United Kingdom.....	619	11	629	847	-218	91	82
Finance, insurance, and real estate ¹	4,234	309	3,975	12,228	-8,253	3,443	2,931
Australia.....	170	--	164	213	-49	125	96
Canada.....	317	2	270	1,327	-1,057	284	166
France.....	577	30	588	710	-122	275	255
Germany.....	-177	23	-254	400	-654	85	43
Japan.....	179	84	237	2,769	-2,532	709	661
Netherlands.....	1,465	1	1,368	1,528	-160	342	282
South Korea.....	-10	--	-10	11	-21	1	1
Sweden.....	-525	(⁹)	-534	75	-609	32	23
Switzerland.....	-889	97	-818	323	-1,141	150	99
United Kingdom.....	3,280	23	3,126	3,412	-286	774	652
Services ¹	-224	45	-185	2,555	-2,740	860	835
Australia.....	-329	5	-324	13	-337	7	6
Canada.....	5	(⁹)	5	224	-220	81	80
France.....	-20	(⁹)	-20	137	-157	34	33
Germany.....	173	--	173	288	-115	18	18
Japan.....	-385	18	-370	340	-710	128	110
Netherlands.....	278	4	281	534	-252	410	408
South Korea.....	-21	--	-21	2	-23	(⁹)	(⁹)
Sweden.....	-12	--	-12	2	-14	2	2
Switzerland.....	-73	--	-73	76	-149	37	37
United Kingdom.....	230	16	245	448	-203	68	67

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Income subject to tax	Income tax before credits			Credits		Total income tax after credits
		Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All industries ¹	43,111	15,834	14,956	730	2,677	1,366	13,157
Australia.....	691	255	240	14	171	170	84
Canada.....	5,545	1,981	1,916	58	342	242	1,640
France.....	2,557	938	889	44	195	150	743
Germany.....	3,994	1,481	1,383	92	290	90	1,190
Japan.....	8,225	2,992	2,856	118	429	216	2,562
Netherlands.....	4,589	1,732	1,601	61	331	150	1,401
South Korea.....	140	50	48	2	(²)	(²)	49
Sweden.....	1,635	579	571	4	52	27	527
Switzerland.....	2,034	766	706	56	146	24	619
United Kingdom.....	9,408	3,446	3,279	142	475	220	2,972
Manufacturing ¹	21,676	8,110	7,551	451	1,555	828	6,555
Australia.....	86	31	30	1	1	1	30
Canada.....	3,366	1,208	1,172	32	303	230	905
France.....	1,570	575	549	23	136	99	438
Germany.....	2,097	819	728	88	145	65	674
Japan.....	3,108	1,154	1,080	69	158	118	996
Netherlands.....	2,442	949	853	29	301	136	648
South Korea.....	3	2	1	1	(²)	--	1
Sweden.....	1,178	417	412	3	50	27	367
Switzerland.....	1,621	616	565	49	119	9	497
United Kingdom.....	4,817	1,772	1,681	72	265	127	1,507
Wholesale trade ¹	6,541	2,307	2,249	50	240	46	2,067
Australia.....	10	4	3	1	(²)	--	4
Canada.....	398	141	134	6	2	1	139
France.....	264	91	91	(²)	3	3	88
Germany.....	835	292	289	2	81	1	211
Japan.....	2,549	906	883	20	124	24	782
Netherlands.....	406	148	140	8	8	5	141
South Korea.....	125	44	43	1	(²)	--	44
Sweden.....	376	131	131	(²)	(²)	--	131
Switzerland.....	136	48	46	1	1	(²)	46
United Kingdom.....	758	265	263	1	16	12	249
Finance, insurance, and real estate ¹	8,976	3,239	3,116	105	365	188	2,874
Australia.....	93	33	33	(²)	1	1	32
Canada.....	1,038	362	356	4	16	1	345
France.....	437	161	152	8	49	47	111
Germany.....	409	143	141	2	21	17	122
Japan.....	2,065	746	720	18	124	57	623
Netherlands.....	1,240	440	433	5	4	1	436
South Korea.....	10	3	3	(²)	(²)	(²)	3
Sweden.....	45	16	16	(²)	1	(²)	15
Switzerland.....	195	69	67	1	24	15	45
United Kingdom.....	2,648	972	925	44	93	22	880
Services ¹	1,697	610	576	31	82	45	527
Australia.....	7	2	2	(²)	--	--	2
Canada.....	143	49	47	1	7	1	41
France.....	103	36	35	1	4	2	32
Germany.....	270	93	93	(²)	2	1	91
Japan.....	211	82	72	10	12	7	70
Netherlands.....	124	57	43	13	8	4	49
South Korea.....	2	(²)	(²)	--	--	--	(²)
Sweden.....	--	(²)	--	(²)	--	--	(²)
Switzerland.....	38	15	13	2	1	--	15
United Kingdom.....	380	132	130	1	46	29	86

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Percentages					Total liabilities "DB" net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	"DB" total number of returns		"DB" total assets			
	(38)	(39)	(40)	(41)	(42)	
All industries ¹	43.88	33.18	46.72	30.44	22.84	337.87
Australia.....	66.59	29.18	30.80	28.55	40.65	146.00
Canada.....	48.39	37.66	30.91	38.15	30.94	223.19
France.....	36.37	30.81	41.97	42.77	15.26	555.35
Germany.....	45.60	38.44	47.74	26.53	25.73	288.71
Japan.....	46.41	33.21	64.24	19.31	16.44	508.17
Netherlands.....	46.08	33.19	31.20	35.29	33.51	198.42
South Korea.....	43.18	35.85	72.82	22.31	4.86	1,955.86
Sweden.....	21.06	21.47	49.14	30.53	20.33	391.80
Switzerland.....	61.40	47.86	65.27	20.28	14.44	592.29
United Kingdom.....	34.11	29.04	38.90	39.45	21.65	361.86
Manufacturing ¹	58.98	46.91	29.17	33.20	37.63	165.77
Australia.....	66.67	60.61	24.55	26.61	48.84	104.75
Canada.....	71.66	64.95	25.62	21.43	52.95	88.84
France.....	41.44	39.38	32.05	33.22	34.73	187.94
Germany.....	57.85	52.72	27.30	30.90	41.80	139.24
Japan.....	60.44	49.72	39.97	26.00	34.03	193.84
Netherlands.....	52.20	54.72	26.06	22.43	51.50	94.16
South Korea.....	34.43	19.67	55.68	40.52	3.80	2,529.83
Sweden.....	57.38	59.02	30.98	28.86	40.16	149.00
Switzerland.....	57.45	50.76	33.69	40.80	25.51	291.99
United Kingdom.....	72.45	61.66	27.79	50.20	22.01	354.40
Wholesale trade ¹	45.11	36.03	58.18	25.71	16.11	520.88
Australia.....	8.89	8.89	25.26	40.18	34.57	189.29
Canada.....	50.51	43.94	39.97	37.17	22.87	337.34
France.....	36.52	31.98	44.24	23.99	31.77	214.79
Germany.....	31.64	26.57	56.18	27.82	16.00	525.06
Japan.....	52.45	40.25	61.38	22.94	15.69	537.48
Netherlands.....	56.75	46.45	50.48	41.55	7.97	1,154.13
South Korea.....	35.75	28.50	82.82	14.96	2.22	4,401.31
Sweden.....	83.33	83.33	40.14	24.72	35.14	184.61
Switzerland.....	60.93	54.64	50.89	13.47	35.64	180.59
United Kingdom.....	39.95	37.44	36.64	40.63	22.73	340.00
Finance, insurance, and real estate ¹	36.97	25.33	59.66	28.58	11.76	750.49
Australia.....	30.48	21.90	72.37	10.44	17.19	481.70
Canada.....	48.28	32.28	37.58	51.28	11.14	797.90
France.....	52.69	40.12	45.63	45.35	9.02	1,008.47
Germany.....	36.50	30.23	67.85	18.67	13.47	642.28
Japan.....	31.69	25.58	76.80	15.12	8.08	1,137.03
Netherlands.....	52.54	39.66	36.06	47.26	16.68	499.48
South Korea.....	79.69	79.69	73.13	6.57	20.30	392.58
Sweden.....	8.52	8.52	65.46	33.30	1.24	7,974.41
Switzerland.....	23.62	11.91	81.59	10.19	8.21	1,117.34
United Kingdom.....	26.78	20.72	52.01	32.61	15.38	550.27
Services ¹	48.49	38.88	25.93	37.87	36.20	176.28
Australia.....	91.78	91.78	3.65	55.69	40.65	145.98
Canada.....	45.19	32.15	20.84	62.81	16.34	511.81
France.....	97.44	83.95	27.67	73.22	-0.89	-11,295.49
Germany.....	58.16	43.79	63.58	16.69	19.74	406.69
Japan.....	32.65	28.23	32.59	22.39	45.02	122.14
Netherlands.....	37.29	18.64	29.37	47.24	23.40	327.39
South Korea.....	89.13	84.78	27.95	45.90	26.16	282.29
Sweden.....	**	**	69.25	22.08	8.68	1,052.67
Switzerland.....	78.17	58.12	27.40	43.78	28.83	246.88
United Kingdom.....	38.85	30.76	33.38	25.50	41.12	143.19

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Percentages -- Continued						
	Total receipts "DB" total assets	Cost of goods sold "DB"		Interest paid "DB" total receipts	Total receipts less total deductions "DB"		
		Business receipts	Inventories		Total assets	Net worth	Total receipts
	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All industries ¹.....	55.62	72.91	681.84	6.01	1.36	5.94	2.44
Australia.....	21.14	71.52	477.62	14.73	0.01	0.03	0.05
Canada.....	45.61	68.73	665.42	5.26	3.75	12.12	8.22
France.....	44.11	71.95	621.61	4.75	1.21	7.92	2.74
Germany.....	62.53	71.16	548.67	4.23	1.30	5.07	2.09
Japan.....	68.31	81.86	749.08	6.01	0.52	3.14	0.76
Netherlands.....	51.11	70.27	911.82	5.11	1.53	4.56	2.99
South Korea.....	179.01	92.57	948.04	2.15	-2.82	-58.06	-1.58
Sweden.....	89.06	68.68	633.92	2.64	2.85	14.04	3.20
Switzerland.....	40.60	62.24	599.07	12.58	0.15	1.02	0.36
United Kingdom.....	48.14	61.28	632.23	7.56	2.34	10.83	4.87
Manufacturing ¹.....	77.47	69.96	563.28	3.80	3.49	9.26	4.50
Australia.....	44.74	76.41	544.47	5.39	-0.90	-1.84	-2.01
Canada.....	54.86	73.65	592.67	2.76	8.27	15.61	15.07
France.....	93.69	66.02	498.91	3.52	3.90	11.24	4.17
Germany.....	81.07	68.38	419.64	2.62	2.37	5.67	2.92
Japan.....	131.14	79.00	601.28	2.19	4.81	14.13	3.67
Netherlands.....	62.45	73.25	938.96	3.85	1.69	3.29	2.71
South Korea.....	184.97	91.06	902.68	1.81	-8.29	-218.01	-4.48
Sweden.....	133.97	68.58	519.33	1.72	8.26	20.56	6.16
Switzerland.....	72.13	56.23	394.75	5.50	1.69	6.61	2.34
United Kingdom.....	68.90	62.27	559.83	6.29	3.12	14.17	4.53
Wholesale trade ¹.....	178.43	84.38	762.87	2.07	1.01	6.28	0.57
Australia.....	166.21	75.94	1,006.96	1.40	-0.41	-1.20	-0.25
Canada.....	210.54	83.76	763.03	1.43	3.38	14.78	1.60
France.....	225.94	85.50	787.86	0.72	4.55	14.32	2.01
Germany.....	128.90	78.90	655.47	3.61	1.63	10.21	1.27
Japan.....	182.84	85.40	837.48	2.02	0.20	1.30	0.11
Netherlands.....	137.07	81.30	615.54	2.95	1.96	24.60	1.43
South Korea.....	208.79	93.36	934.84	1.98	-0.60	-27.23	-0.29
Sweden.....	235.89	81.88	740.98	1.21	12.73	36.24	5.40
Switzerland.....	171.91	78.23	533.99	1.43	1.48	4.15	0.86
United Kingdom.....	140.28	76.00	602.13	3.38	4.08	17.93	2.91
Finance, insurance, and real estate ¹.....	14.57	57.21	2,308.94	24.93	0.32	2.70	2.18
Australia.....	9.09	5.20	515.06	39.11	1.06	6.17	11.67
Canada.....	16.42	57.89	989.92	17.82	0.24	2.11	1.43
France.....	13.67	68.61	--	11.36	0.37	4.06	2.68
Germany.....	13.90	66.09	97,448.50	19.73	-0.20	-1.46	-1.42
Japan.....	9.32	23.83	264.92	54.30	0.05	0.65	0.56
Netherlands.....	18.38	52.04	4,597.56	12.82	1.12	6.71	6.09
South Korea.....	11.95	55.26	--	24.41	-0.59	-2.92	-4.96
Sweden.....	24.42	37.05	31,065.65	9.37	-3.06	-247.16	-12.53
Switzerland.....	19.01	76.52	36,239.29	30.43	-0.58	-7.00	-3.03
United Kingdom.....	17.70	49.79	1,702.68	17.13	1.78	11.60	10.08
Services ¹.....	38.97	44.01	374.98	8.64	-0.13	-0.36	-0.33
Australia.....	18.09	69.89	287.93	30.60	-0.78	-1.92	-4.32
Canada.....	82.08	22.79	266.13	4.27	0.07	0.45	0.09
France.....	77.45	35.57	90.36	2.82	-0.37	41.97	-0.48
Germany.....	72.98	37.19	781.13	2.01	4.22	21.39	5.79
Japan.....	19.22	50.56	219.92	7.84	-0.63	-1.39	-3.27
Netherlands.....	67.79	48.48	895.54	8.04	1.83	7.82	2.70
South Korea.....	200.10	95.16	3,760.87	1.42	-5.37	-20.53	-2.68
Sweden.....	174.89	80.54	1,020.82	1.64	-2.99	-34.44	-1.71
Switzerland.....	90.60	27.98	1,890.01	3.64	-1.71	-5.94	-1.89
United Kingdom.....	49.86	35.37	1,633.88	7.20	0.99	2.42	1.99

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Percentages -- Continued			
	Net income (less deficit) "DB"			Net operating loss deduction "DB" net income
	Total assets	Net worth	Total receipts	
(51)	(52)	(53)	(54)	
All industries ¹.....	1.39	6.09	2.50	20.16
Australia.....	0.04	0.10	0.20	27.36
Canada.....	3.79	12.26	8.32	9.10
France.....	1.29	8.44	2.92	34.41
Germany.....	1.34	5.19	2.14	21.10
Japan.....	0.56	3.43	0.83	24.59
Netherlands.....	1.55	4.61	3.02	22.29
South Korea.....	-2.58	-53.06	-1.44	31.91
Sweden.....	2.88	14.17	3.23	5.33
Switzerland.....	0.18	1.25	0.45	24.30
United Kingdom.....	2.34	10.82	4.87	15.82
Manufacturing ¹.....	3.61	9.59	4.66	18.61
Australia.....	-0.79	-1.62	-1.77	58.01
Canada.....	8.41	15.87	15.32	6.03
France.....	4.23	12.19	4.52	38.02
Germany.....	2.53	6.05	3.12	27.95
Japan.....	5.00	14.69	3.81	31.71
Netherlands.....	1.79	3.48	2.87	12.64
South Korea.....	-7.47	-196.52	-4.04	89.14
Sweden.....	8.39	20.90	6.26	4.13
Switzerland.....	1.70	6.66	2.36	22.28
United Kingdom.....	3.19	14.50	4.63	15.96
Wholesale trade ¹.....	1.06	6.56	0.59	15.41
Australia.....	-0.41	-1.20	-0.25	17.93
Canada.....	3.38	14.79	1.61	24.74
France.....	4.57	14.39	2.02	7.91
Germany.....	1.66	10.37	1.29	14.37
Japan.....	0.27	1.69	0.15	13.68
Netherlands.....	2.00	25.14	1.46	17.92
South Korea.....	-0.56	-25.18	-0.27	23.35
Sweden.....	12.73	36.23	5.40	4.13
Switzerland.....	1.48	4.15	0.86	17.96
United Kingdom.....	4.14	18.24	2.95	9.67
Finance, insurance, and real estate ¹.....	0.30	2.54	2.05	23.97
Australia.....	1.02	5.94	11.22	44.90
Canada.....	0.20	1.79	1.22	12.54
France.....	0.37	4.13	2.73	35.92
Germany.....	-0.28	-2.09	-2.03	10.82
Japan.....	0.07	0.86	0.74	23.87
Netherlands.....	1.04	6.26	5.68	18.46
South Korea.....	-0.59	-2.92	-4.97	6.47
Sweden.....	-3.11	-251.33	-12.75	31.16
Switzerland.....	-0.53	-6.44	-2.78	30.53
United Kingdom.....	1.70	11.05	9.60	19.12
Services ¹.....	-0.11	-0.29	-0.27	32.69
Australia.....	-0.77	-1.89	-4.25	44.37
Canada.....	0.07	0.45	0.09	35.77
France.....	-0.38	42.38	-0.49	24.18
Germany.....	4.22	21.39	5.79	6.20
Japan.....	-0.60	-1.34	-3.14	32.51
Netherlands.....	1.86	7.93	2.74	76.42
South Korea.....	-5.37	-20.53	-2.68	2.99
Sweden.....	-2.99	-34.44	-1.71	100.00
Switzerland.....	-1.72	-5.97	-1.90	49.24
United Kingdom.....	1.06	2.58	2.13	14.98

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1995

Table 1.--Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries--Continued

[All figures are estimates based on samples--money amounts are in millions of dollars]

Selected industrial groupings and countries	Percentages -- Continued					
	Income subject to tax "DB"			Total income tax after credits "DB"		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
(55)	(56)	(57)	(58)	(59)	(60)	
All industries ¹	1.56	6.83	2.81	0.48	2.09	0.86
Australia.....	0.60	1.48	2.84	0.07	0.18	0.35
Canada.....	1.84	5.95	4.04	0.54	1.76	1.19
France.....	1.13	7.42	2.57	0.33	2.16	0.75
Germany.....	1.78	6.90	2.84	0.53	2.06	0.85
Japan.....	1.28	7.80	1.88	0.40	2.43	0.58
Netherlands.....	1.44	4.30	2.82	0.44	1.31	0.86
South Korea.....	0.92	18.95	0.51	0.32	6.67	0.18
Sweden.....	4.62	22.70	5.18	1.49	7.32	1.67
Switzerland.....	0.86	5.95	2.12	0.26	1.81	0.64
United Kingdom.....	2.23	10.32	4.64	0.71	3.26	1.47
Manufacturing ¹	2.67	7.11	3.45	0.81	2.15	1.04
Australia.....	0.40	0.81	0.89	0.14	0.28	0.31
Canada.....	2.66	5.02	4.85	0.71	1.35	1.30
France.....	3.17	9.14	3.39	0.89	2.55	0.95
Germany.....	2.36	5.65	2.91	0.76	1.81	0.94
Japan.....	4.45	13.07	3.39	1.43	4.19	1.09
Netherlands.....	1.73	3.35	2.77	0.46	0.89	0.73
South Korea.....	0.08	2.00	0.04	0.03	0.84	0.02
Sweden.....	8.40	20.93	6.27	2.62	6.52	1.95
Switzerland.....	2.30	9.03	3.19	0.71	2.77	0.98
United Kingdom.....	2.87	13.05	4.17	0.90	4.08	1.30
Wholesale trade ¹	2.40	14.91	1.35	0.76	4.71	0.43
Australia.....	0.94	2.71	0.56	0.38	1.09	0.23
Canada.....	3.95	17.28	1.88	1.38	6.02	0.65
France.....	5.81	18.29	2.57	1.94	6.10	0.86
Germany.....	2.99	18.67	2.32	0.75	4.71	0.58
Japan.....	1.63	10.42	0.89	0.50	3.20	0.27
Netherlands.....	2.55	31.93	1.86	0.88	11.05	0.64
South Korea.....	1.39	62.74	0.67	0.50	22.33	0.24
Sweden.....	12.98	36.95	5.50	4.53	12.89	1.92
Switzerland.....	2.59	7.26	1.50	0.88	2.46	0.51
United Kingdom.....	4.99	21.97	3.56	1.64	7.23	1.17
Finance, insurance, and real estate ¹	0.67	5.73	4.62	0.22	1.83	1.48
Australia.....	0.58	3.37	6.38	0.20	1.15	2.18
Canada.....	0.77	6.90	4.68	0.26	2.30	1.56
France.....	0.28	3.07	2.03	0.07	0.78	0.52
Germany.....	0.46	3.38	3.28	0.14	1.01	0.97
Japan.....	0.60	7.47	6.48	0.18	2.25	1.95
Netherlands.....	0.95	5.67	5.15	0.33	2.00	1.81
South Korea.....	0.58	2.84	4.83	0.18	0.91	1.55
Sweden.....	0.26	21.08	1.07	0.09	7.00	0.35
Switzerland.....	0.13	1.53	0.66	0.03	0.35	0.15
United Kingdom.....	1.44	9.36	8.13	0.48	3.11	2.70
Services ¹	0.98	2.70	2.51	0.30	0.84	0.78
Australia.....	0.02	0.04	0.10	(³)	0.01	0.02
Canada.....	2.27	13.90	2.77	0.65	4.00	0.80
France.....	1.90	-212.66	2.45	0.59	-65.99	0.76
Germany.....	6.60	33.45	9.04	2.22	11.26	3.04
Japan.....	0.34	0.77	1.79	0.11	0.25	0.59
Netherlands.....	0.82	3.50	1.21	0.32	1.38	0.47
South Korea.....	0.57	2.19	0.29	0.09	0.36	0.05
Sweden.....	--	--	--	0.02	0.23	0.01
Switzerland.....	0.91	3.14	1.00	0.35	1.21	0.39
United Kingdom.....	1.64	4.00	3.30	0.37	0.90	0.75

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Not shown to avoid disclosure of information about specific corporations. However, the data are included in the appropriate totals.

¹ Includes industrial groups or countries, as appropriate, not specifically listed.

² Excludes interest received on State and local Government obligations, which totaled \$622 million.

³ For money amounts, less than \$500,000. For percentages, less than 0.005 percent.

NOTES: "DB" is the abbreviation for "divided by." This table presents separate data for the 10 largest countries, based on total receipts (column 14) for 1995, at the all-industries level. Percentages were calculated using unrounded data.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Number of returns			Assets				
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	Depreciable assets	Accumulated depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All industries: ¹								
Domestic corporations not foreign controlled.....	14,732	11,926	10,089	19,836,185	514,755	35,145	3,765,424	1,685,114
New corporations.....	1,239	919	673	871,173	24,251	2,411	238,841	83,655
Old corporations.....	13,493	11,007	9,416	18,965,012	490,504	32,734	3,526,583	1,601,459
Foreign-controlled domestic corporations¹.....	2,681	1,857	1,891	2,562,122	127,523	13,347	451,803	192,528
New corporations.....	215	128	139	153,087	9,025	174	26,692	8,604
Old corporations.....	2,466	1,729	1,751	2,409,034	118,498	13,173	425,111	183,925
Selected countries:								
Canada.....	293	211	208	277,510	9,915	325	37,720	15,296
New corporations.....	38	24	25	6,851	545	1	2,024	741
Old corporations.....	255	187	183	270,659	9,370	325	35,696	14,556
France.....	167	116	118	217,907	9,177	1,544	24,468	11,249
New corporations.....	9	6	7	2,015	344	(⁹)	726	261
Old corporations.....	158	110	111	215,892	8,833	1,544	23,741	10,987
Germany.....	221	167	169	211,945	14,160	136	49,197	23,042
New corporations.....	9	**	**	2,211	363	--	429	180
Old corporations.....	212	**	**	209,734	13,797	136	48,769	22,862
Japan.....	702	477	484	589,346	39,597	610	105,331	41,013
New corporations.....	33	21	21	86,342	4,340	12	13,029	4,153
Old corporations.....	669	456	463	503,005	35,257	598	92,302	36,860
Netherlands.....	223	147	149	309,609	10,457	1,783	58,128	24,393
New corporations.....	12	9	9	9,772	272	--	987	531
Old corporations.....	211	138	140	299,837	10,185	1,783	57,142	23,862
Switzerland.....	128	95	98	229,578	7,287	18	26,443	11,599
New corporations.....	12	9	8	4,295	120	--	626	177
Old corporations.....	116	86	90	225,283	7,168	18	25,816	11,422
United Kingdom.....	307	234	240	401,595	15,562	3,281	88,827	43,131
New corporations.....	25	16	19	7,333	1,069	66	1,654	666
Old corporations.....	282	218	221	394,262	14,493	3,215	87,173	42,466
Manufacturing:								
Domestic corporations not foreign controlled.....	3,554	2,819	2,881	3,677,066	266,277	18,136	1,525,085	791,284
New corporations.....	280	185	190	120,922	13,302	1,123	50,632	22,790
Old corporations.....	3,275	2,635	2,691	3,556,144	252,974	17,013	1,474,454	768,493
Foreign-controlled domestic corporations¹.....	1,087	760	791	776,097	66,704	1,953	273,287	126,463
New corporations.....	75	42	49	29,802	2,679	1	9,282	2,818
Old corporations.....	1,011	718	742	746,295	64,026	1,951	264,005	123,645
Selected countries:								
Canada.....	122	92	90	123,020	6,517	66	21,143	9,455
New corporations.....	16	8	9	3,088	325	1	1,382	514
Old corporations.....	106	84	81	119,932	6,193	65	19,760	8,942
France.....	78	52	53	47,536	5,429	360	20,678	9,509
New corporations.....	5	**	**	1,408	284	(⁹)	618	202
Old corporations.....	73	**	**	46,128	5,145	359	20,061	9,308
Germany.....	124	95	95	84,048	10,099	44	32,838	15,741
New corporations.....	7	**	**	1,021	226	--	375	161
Old corporations.....	117	**	**	83,027	9,874	44	32,463	15,580
Japan.....	268	177	187	62,083	10,505	9	36,593	16,900
New corporations.....	9	6	6	2,816	250	--	926	425
Old corporations.....	259	171	181	59,268	10,254	9	35,667	16,475
Netherlands.....	64	41	43	139,677	6,301	136	39,325	18,105
New corporations.....	**	**	**	293	41	--	102	11
Old corporations.....	**	**	**	139,385	6,260	136	39,223	18,093
Switzerland.....	66	53	55	68,021	6,236	(⁹)	22,101	10,058
New corporations.....	**	**	**	72	16	--	24	15
Old corporations.....	**	**	**	67,949	6,221	(⁹)	22,077	10,043
United Kingdom.....	143	111	116	163,890	11,253	1,325	66,854	33,976
New corporations.....	8	4	6	2,762	443	--	926	385
Old corporations.....	135	107	110	161,128	10,810	1,325	65,929	33,592

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Number of returns			Assets				
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	Depreciable assets	Accumulated depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Wholesale trade:								
Domestic corporations not foreign controlled.....	1,818	1,498	1,489	400,769	64,815	647	59,930	28,367
New corporations.....	87	55	57	19,112	4,815	302	4,741	1,588
Old corporations.....	1,731	1,443	1,431	381,656	60,000	345	55,190	26,779
Foreign-controlled domestic corporations¹.....	724	526	532	240,129	42,803	437	76,818	29,119
New corporations.....	67	42	46	24,588	3,586	84	11,587	3,784
Old corporations.....	657	485	486	215,541	39,217	353	65,231	25,335
Selected countries:								
Canada.....	66	50	51	7,733	1,749	10	2,265	736
New corporations.....	12	**	**	1,393	205	--	447	125
Old corporations.....	54	**	**	6,339	1,545	10	1,819	611
France.....	29	25	25	3,561	867	--	677	350
New corporations.....	**	**	**	190	60	--	78	43
Old corporations.....	**	**	**	3,372	807	--	599	308
Germany.....	53	38	39	24,249	2,759	2	9,689	3,670
New corporations.....	**	**	**	946	137	--	53	20
Old corporations.....	**	**	**	23,303	2,623	2	9,636	3,650
Japan.....	259	187	185	147,968	25,937	313	49,864	18,989
New corporations.....	16	11	11	17,692	2,069	12	10,308	3,300
Old corporations.....	243	176	174	130,275	23,869	300	39,556	15,689
Netherlands.....	48	31	30	14,748	2,455	--	5,717	1,843
New corporations.....	**	**	**	47	2	--	(⁹)	(⁹)
Old corporations.....	**	**	**	14,701	2,452	--	5,717	1,843
Switzerland.....	32	25	25	3,990	825	18	1,113	471
New corporations.....	7	**	**	221	104	--	5	3
Old corporations.....	24	**	**	3,769	721	18	1,107	468
United Kingdom.....	35	27	28	12,656	2,066	66	3,503	1,495
New corporations.....	6	**	**	2,112	479	65	390	165
Old corporations.....	29	**	**	10,544	1,587	1	3,113	1,330
Finance, insurance, and real estate:								
Domestic corporations not foreign controlled.....	4,860	4,227	2,262	12,803,088	6,410	6,507	236,927	84,350
New corporations.....	519	456	186	470,662	53	280	16,923	3,484
Old corporations.....	4,341	3,771	2,076	12,332,426	6,357	6,227	220,004	80,866
Foreign-controlled domestic corporations¹.....	370	244	241	1,243,532	1,461	10,365	29,011	8,280
New corporations.....	32	18	17	45,024	150	--	1,153	205
Old corporations.....	338	226	224	1,198,508	1,311	10,365	27,858	8,075
Selected countries:								
Canada.....	38	25	23	125,062	533	(⁹)	2,699	662
New corporations.....	5	**	**	2,156	--	--	7	4
Old corporations.....	33	**	**	122,906	533	(⁹)	2,692	658
France.....	27	17	18	155,217	--	1,101	869	354
New corporations.....	**	**	**	343	--	--	--	--
Old corporations.....	**	**	**	154,874	--	1,101	869	354
Germany.....	20	16	17	86,950	--	89	345	116
New corporations.....	**	**	**	244	--	--	(⁹)	--
Old corporations.....	**	**	**	86,707	--	89	345	116
Japan.....	92	56	56	316,935	407	288	10,444	2,798
New corporations.....	4	**	**	24,231	9	--	272	52
Old corporations.....	88	**	**	292,704	398	288	10,172	2,746
Netherlands.....	29	22	22	127,155	18	1,590	3,161	697
New corporations.....	**	**	**	6,670	--	--	53	(⁹)
Old corporations.....	**	**	**	120,485	18	1,590	3,108	697
Switzerland.....	14	8	8	152,550	--	--	1,435	369
New corporations.....	**	**	**	2,192	--	--	176	30
Old corporations.....	**	**	**	150,358	--	--	1,259	339
United Kingdom.....	49	40	39	175,546	402	1,861	4,692	1,856
New corporations.....	4	**	**	1,465	101	--	154	44
Old corporations.....	45	**	**	174,080	301	1,861	4,538	1,813

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Liabilities			Net worth		Total receipts	Business receipts
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from stockholders				
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All industries: ¹							
Domestic corporations not foreign controlled.....	7,856,865	5,594,502	64,451	6,384,818	1,972,957	7,894,640	6,569,332
New corporations.....	261,906	264,574	2,744	344,693	48,716	375,637	329,264
Old corporations.....	7,594,959	5,329,928	61,707	6,040,125	1,924,241	7,519,004	6,240,068
Foreign-controlled domestic corporations¹.....	1,220,749	760,364	41,836	581,009	-6,661	1,389,689	1,237,478
New corporations.....	71,312	32,236	1,992	49,540	-3,955	75,991	69,412
Old corporations.....	1,149,438	728,128	39,845	531,469	-2,706	1,313,699	1,168,066
Selected countries:							
Canada.....	87,217	104,633	4,579	85,660	9,590	119,452	96,390
New corporations.....	2,184	2,779	669	1,888	351	7,242	7,020
Old corporations.....	85,033	101,854	3,910	83,772	9,239	112,210	89,370
France.....	92,182	93,744	3,741	31,982	-8,135	93,769	81,716
New corporations.....	434	575	5	1,007	64	1,767	1,733
Old corporations.....	91,748	93,169	3,736	30,975	-8,199	92,002	79,983
Germany.....	102,704	56,203	2,803	53,039	140	127,023	116,609
New corporations.....	786	516	--	908	-315	1,773	1,710
Old corporations.....	101,917	55,686	2,803	52,131	455	125,250	114,899
Japan.....	393,054	100,301	7,247	95,991	-8,102	405,374	370,067
New corporations.....	44,494	14,805	27	27,042	-1,939	33,455	29,643
Old corporations.....	348,560	85,496	7,220	68,949	-6,164	371,919	340,424
Netherlands.....	96,684	108,199	3,796	104,726	20,094	157,015	141,761
New corporations.....	6,834	1,042	17	1,896	95	2,612	2,001
Old corporations.....	89,850	107,156	3,779	102,830	19,999	154,403	139,760
Switzerland.....	151,722	45,763	2,842	32,093	-1,290	88,812	74,172
New corporations.....	1,605	1,375	--	1,314	-3	3,099	2,918
Old corporations.....	150,116	44,388	2,842	30,779	-1,287	85,713	71,254
United Kingdom.....	157,528	158,417	11,012	85,649	-2,788	189,382	163,725
New corporations.....	1,954	3,047	865	2,332	-451	8,031	7,611
Old corporations.....	155,574	155,370	10,147	83,318	-2,338	181,351	156,115
Manufacturing:							
Domestic corporations not foreign controlled.....	1,179,801	1,244,557	33,690	1,252,707	664,338	3,077,326	2,836,737
New corporations.....	28,785	56,247	1,201	35,889	10,745	126,182	120,358
Old corporations.....	1,151,016	1,188,310	32,489	1,216,818	653,592	2,951,144	2,716,380
Foreign-controlled domestic corporations¹.....	224,043	258,343	21,224	293,711	3,507	587,608	551,240
New corporations.....	7,890	7,895	1,001	14,017	-1,941	19,611	18,757
Old corporations.....	216,153	250,448	20,223	279,695	5,448	567,996	532,483
Selected countries:							
Canada.....	31,209	25,735	1,636	66,076	9,795	64,229	52,746
New corporations.....	900	1,115	213	1,073	245	3,595	3,508
Old corporations.....	30,309	24,620	1,423	65,003	9,551	60,634	49,237
France.....	15,324	15,950	2,102	16,262	-7,389	44,299	41,728
New corporations.....	355	492	5	560	56	1,492	1,475
Old corporations.....	14,968	15,458	2,097	15,702	-7,445	42,807	40,253
Germany.....	22,756	26,254	812	35,038	1,232	66,031	63,274
New corporations.....	326	247	--	448	-156	1,236	1,206
Old corporations.....	22,430	26,007	812	34,590	1,388	64,795	62,068
Japan.....	24,485	15,960	443	21,639	-3,698	83,632	81,605
New corporations.....	1,210	907	10	698	-590	2,337	2,001
Old corporations.....	23,275	15,052	434	20,940	-3,107	81,295	79,605
Netherlands.....	36,310	31,011	2,573	72,357	18,247	86,615	83,051
New corporations.....	121	49	--	122	25	487	484
Old corporations.....	36,188	30,962	2,573	72,235	18,221	86,128	82,567
Switzerland.....	22,961	28,037	1,579	17,023	-3,291	47,862	44,517
New corporations.....	40	17	--	14	-19	260	257
Old corporations.....	22,921	28,019	1,579	17,008	-3,272	47,602	44,260
United Kingdom.....	45,412	82,906	8,836	35,572	-5,676	111,429	103,391
New corporations.....	530	1,264	553	969	163	3,402	3,292
Old corporations.....	44,882	81,642	8,283	34,604	-5,839	108,027	100,099

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Liabilities			Net worth		Total receipts	Business receipts
	Current	Noncurrent		Total	Retained earnings		
		Total	Loans from stockholders				
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Wholesale trade:							
Domestic corporations not foreign controlled.....	228,393	77,028	1,709	95,348	52,799	619,100	597,267
New corporations.....	7,099	5,053	527	6,961	2,609	53,729	53,093
Old corporations.....	221,294	71,976	1,181	88,387	50,190	565,372	544,174
Foreign-controlled domestic corporations¹.....	137,593	62,521	4,726	40,015	-6,371	427,884	414,209
New corporations.....	10,900	10,230	674	3,458	-656	37,918	36,194
Old corporations.....	126,693	52,291	4,052	36,557	-5,715	389,967	378,015
Selected countries:							
Canada.....	2,585	3,176	988	1,972	18	16,005	15,687
New corporations.....	322	777	455	294	127	2,933	2,870
Old corporations.....	2,263	2,399	533	1,678	-109	13,073	12,817
France.....	1,598	757	71	1,206	8	8,741	8,611
New corporations.....	23	73	--	93	6	74	70
Old corporations.....	1,575	683	71	1,113	1	8,667	8,542
Germany.....	13,628	7,183	1,909	3,437	-1,717	30,660	28,637
New corporations.....	321	266	--	358	-160	468	450
Old corporations.....	13,307	6,917	1,909	3,079	-1,557	30,192	28,187
Japan.....	90,671	34,344	608	22,953	-1,273	271,106	263,170
New corporations.....	8,119	7,809	17	1,764	-171	25,793	24,428
Old corporations.....	82,552	26,535	591	21,189	-1,103	245,313	238,742
Netherlands.....	7,350	6,283	184	1,115	-223	19,928	19,193
New corporations.....	32	7	7	9	4	219	219
Old corporations.....	7,319	6,276	177	1,107	-226	19,709	18,975
Switzerland.....	1,861	522	27	1,607	384	6,640	6,538
New corporations.....	196	1	--	24	5	708	710
Old corporations.....	1,665	521	27	1,582	379	5,932	5,828
United Kingdom.....	4,011	5,692	246	2,953	-552	17,427	16,504
New corporations.....	710	786	142	616	-526	2,845	2,646
Old corporations.....	3,302	4,906	104	2,337	-26	14,582	13,858
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled.....	5,780,813	3,035,856	16,805	3,986,419	925,624	1,740,978	815,151
New corporations.....	187,723	74,079	359	208,859	23,504	63,104	30,519
Old corporations.....	5,593,090	2,961,777	16,446	3,777,559	902,120	1,677,873	784,632
Foreign-controlled domestic corporations¹.....	772,481	340,670	11,443	130,380	15,077	182,368	94,142
New corporations.....	35,413	5,120	130	4,491	-373	5,399	2,630
Old corporations.....	737,068	335,551	11,314	125,889	15,450	176,969	91,512
Selected countries:							
Canada.....	49,315	64,657	998	11,089	1,964	20,482	10,632
New corporations.....	863	815	2	478	-8	205	134
Old corporations.....	48,453	63,842	996	10,611	1,972	20,277	10,498
France.....	71,077	70,550	1,346	13,591	1,298	21,123	12,463
New corporations.....	5	(³)	--	338	7	12	--
Old corporations.....	71,072	70,550	1,346	13,253	1,291	21,111	12,463
Germany.....	60,308	15,898	(³)	10,745	707	12,118	7,590
New corporations.....	139	3	--	102	2	69	55
Old corporations.....	60,168	15,895	(³)	10,643	706	12,048	7,536
Japan.....	256,368	37,905	5,263	22,663	-1,356	28,880	5,272
New corporations.....	22,052	1,330	--	849	-468	1,731	174
Old corporations.....	234,316	36,574	5,263	21,814	-889	27,150	5,099
Netherlands.....	46,311	59,850	268	20,994	6,005	23,501	14,685
New corporations.....	6,198	29	10	442	59	727	200
Old corporations.....	40,113	59,821	258	20,551	5,946	22,774	14,484
Switzerland.....	125,457	14,976	1,195	12,117	2,066	29,135	18,100
New corporations.....	1,016	312	--	864	12	697	519
Old corporations.....	124,442	14,664	1,195	11,253	2,054	28,438	17,581
United Kingdom.....	93,694	56,345	1,416	25,507	6,292	31,566	17,272
New corporations.....	236	822	117	407	8	411	315
Old corporations.....	93,458	55,523	1,299	25,099	6,284	31,155	16,957

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Interest received ²	Dividends received from:		Total deductions	Cost of goods sold	Interest paid	Taxes paid	Depreciation
		Domestic corporations	Foreign corporations					
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All industries: ¹								
Domestic corporations not foreign controlled.....	770,314	10,689	31,103	7,339,296	4,168,040	516,292	184,211	290,773
New corporations.....	24,524	379	1,375	349,575	201,777	19,759	9,611	13,819
Old corporations.....	745,789	10,310	29,728	6,989,721	3,966,263	496,533	174,600	276,953
Foreign-controlled domestic corporations¹.....	92,397	10,220	2,059	1,349,567	908,526	86,725	18,845	42,409
New corporations.....	3,324	12	255	75,730	50,828	4,587	889	4,350
Old corporations.....	89,074	10,209	1,803	1,273,837	857,698	82,138	17,956	38,058
Selected countries:								
Canada.....	8,651	9,165	523	107,919	66,877	6,571	1,473	2,875
New corporations.....	87	1	(³)	7,171	5,778	152	103	176
Old corporations.....	8,563	9,163	523	100,748	61,098	6,419	1,369	2,699
France.....	6,910	180	241	91,251	59,471	4,508	1,246	2,038
New corporations.....	16	--	1	1,594	1,154	47	30	62
Old corporations.....	6,895	180	240	89,657	58,317	4,461	1,216	1,977
Germany.....	5,524	195	135	124,461	83,048	5,702	1,965	5,351
New corporations.....	15	(³)	--	1,699	904	45	64	34
Old corporations.....	5,509	195	135	122,761	82,144	5,657	1,901	5,317
Japan.....	24,924	195	384	400,165	304,977	24,839	3,048	16,053
New corporations.....	1,872	4	221	33,443	22,404	2,587	206	3,390
Old corporations.....	23,052	191	163	366,721	282,572	22,252	2,842	12,664
Netherlands.....	9,993	110	211	152,201	100,010	8,001	1,913	4,464
New corporations.....	529	(³)	--	2,459	1,130	426	32	29
Old corporations.....	9,464	110	211	149,742	98,880	7,575	1,881	4,434
Switzerland.....	10,596	64	50	88,555	46,022	11,899	1,348	1,817
New corporations.....	86	2	(³)	3,094	1,222	98	34	67
Old corporations.....	10,510	62	50	85,461	44,800	11,802	1,314	1,750
United Kingdom.....	16,283	249	333	179,630	100,808	14,883	5,228	5,254
New corporations.....	244	1	(³)	7,971	5,534	373	113	126
Old corporations.....	16,039	248	332	171,659	95,274	14,510	5,115	5,128
Manufacturing:								
Domestic corporations not foreign controlled.....	72,182	3,420	26,208	2,903,807	1,924,069	109,026	76,066	121,331
New corporations.....	1,749	199	970	119,052	81,199	4,236	2,397	3,833
Old corporations.....	70,432	3,221	25,238	2,784,754	1,842,870	104,790	73,669	117,498
Foreign-controlled domestic corporations¹.....	10,260	9,254	1,675	559,806	385,232	22,971	9,562	17,976
New corporations.....	339	(³)	225	19,252	14,176	832	312	592
Old corporations.....	9,921	9,254	1,450	540,554	371,056	22,139	9,250	17,385
Selected countries:								
Canada.....	819	9,014	523	53,800	38,938	1,831	675	1,633
New corporations.....	41	(³)	--	3,578	2,753	103	63	126
Old corporations.....	778	9,014	523	50,223	36,185	1,729	611	1,507
France.....	593	17	174	42,463	27,529	1,597	702	1,437
New corporations.....	8	--	1	1,347	1,001	41	22	55
Old corporations.....	585	17	173	41,116	26,527	1,556	679	1,382
Germany.....	896	54	123	64,177	43,153	1,800	1,051	2,667
New corporations.....	5	--	--	1,175	738	20	50	29
Old corporations.....	892	54	123	63,002	42,415	1,780	1,001	2,638
Japan.....	684	18	313	80,231	64,578	1,793	899	2,736
New corporations.....	55	(³)	214	2,126	1,609	139	20	50
Old corporations.....	629	18	99	78,105	62,970	1,655	879	2,686
Netherlands.....	2,063	76	133	84,266	60,899	3,336	808	2,544
New corporations.....	2	--	--	445	335	9	6	5
Old corporations.....	2,062	76	133	83,821	60,564	3,327	802	2,540
Switzerland.....	930	3	40	46,813	24,746	2,741	829	1,439
New corporations.....	(³)	--	--	249	213	(³)	8	3
Old corporations.....	930	3	40	46,564	24,533	2,740	821	1,436
United Kingdom.....	3,274	48	242	106,323	64,222	7,156	3,606	3,379
New corporations.....	47	(³)	(³)	3,384	2,462	135	49	74
Old corporations.....	3,227	48	242	102,939	61,759	7,021	3,557	3,306

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Interest received ²	Dividends received from:		Total deductions	Cost of goods sold	Interest paid	Taxes paid	Depreciation
		Domestic corporations	Foreign corporations					
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Wholesale trade:								
Domestic corporations not foreign controlled.....	10,296	133	609	608,679	515,839	12,267	5,764	6,625
New corporations.....	108	8	29	53,143	46,077	480	370	436
Old corporations.....	10,188	126	580	555,536	469,762	11,786	5,394	6,190
Foreign-controlled domestic corporations¹.....	5,404	154	97	424,970	352,163	9,424	2,615	14,835
New corporations.....	322	2	5	38,009	29,047	1,089	248	2,855
Old corporations.....	5,082	152	93	386,962	323,117	8,335	2,366	11,980
Selected countries:								
Canada.....	129	3	(³)	15,700	13,366	255	116	165
New corporations.....	3	(³)	--	2,850	2,518	19	28	26
Old corporations.....	126	3	(³)	12,850	10,848	236	88	139
France.....	27	3	8	8,537	7,557	62	79	58
New corporations.....	4	--	--	57	29	5	6	3
Old corporations.....	22	3	8	8,479	7,527	57	73	55
Germany.....	1,001	21	9	30,174	22,867	1,243	259	2,240
New corporations.....	(³)	--	--	460	125	25	13	4
Old corporations.....	1,001	21	9	29,714	22,742	1,218	246	2,236
Japan.....	2,807	113	20	270,737	225,181	5,611	1,342	10,479
New corporations.....	183	1	(³)	25,944	19,135	832	128	2,749
Old corporations.....	2,624	112	20	244,793	206,045	4,779	1,214	7,730
Netherlands.....	372	1	34	19,636	15,715	618	136	1,089
New corporations.....	(³)	--	--	214	207	1	(³)	(³)
Old corporations.....	372	1	34	19,422	15,508	617	136	1,089
Switzerland.....	28	1	(³)	6,570	5,232	100	70	104
New corporations.....	(³)	--	--	714	665	3	1	1
Old corporations.....	28	1	(³)	5,856	4,566	97	69	104
United Kingdom.....	466	2	18	16,864	12,746	681	280	266
New corporations.....	117	1	(³)	2,850	2,062	123	36	30
Old corporations.....	349	1	18	14,014	10,685	557	244	236
Finance, insurance, and real estate:								
Domestic corporations not foreign controlled.....	647,943	6,077	1,961	1,483,635	508,794	304,793	27,916	34,731
New corporations.....	21,256	135	2	52,043	25,498	9,046	707	685
Old corporations.....	626,686	5,942	1,960	1,431,592	483,296	295,747	27,209	34,046
Foreign-controlled domestic corporations¹.....	70,524	740	137	176,373	55,565	45,495	2,867	3,264
New corporations.....	2,319	8	(³)	5,627	1,639	2,166	54	42
Old corporations.....	68,205	732	137	170,746	53,926	43,330	2,813	3,221
Selected countries:								
Canada.....	7,148	128	(³)	20,039	6,420	3,636	208	218
New corporations.....	42	1	(³)	231	103	25	8	2
Old corporations.....	7,106	127	(³)	19,808	6,317	3,611	200	216
France.....	5,941	159	57	20,607	8,637	2,350	300	370
New corporations.....	3	--	--	1	--	(³)	1	--
Old corporations.....	5,938	159	57	20,606	8,637	2,350	299	370
Germany.....	3,375	120	2	12,363	5,095	2,406	201	70
New corporations.....	9	(³)	--	64	41	--	(³)	(³)
Old corporations.....	3,366	120	2	12,298	5,054	2,406	201	70
Japan.....	20,654	31	28	27,598	929	16,468	512	1,554
New corporations.....	1,432	3	--	1,759	79	1,448	5	4
Old corporations.....	19,222	28	28	25,839	850	15,020	507	1,550
Netherlands.....	6,824	30	16	22,001	7,738	2,937	354	195
New corporations.....	470	--	--	688	--	376	4	9
Old corporations.....	6,354	30	16	21,313	7,738	2,562	349	186
Switzerland.....	9,612	59	9	29,980	13,976	8,885	273	138
New corporations.....	85	2	(³)	676	344	29	3	8
Old corporations.....	9,527	57	9	29,304	13,632	8,856	270	130
United Kingdom.....	11,523	191	9	28,238	8,732	5,420	650	405
New corporations.....	72	(³)	--	373	77	84	7	5
Old corporations.....	11,450	191	9	27,865	8,656	5,335	644	400

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit	Statutory special deductions	
						Total	Net operating loss deduction
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All industries: ¹							
Domestic corporations not foreign controlled.....	555,344	39,653	556,927	597,221	-40,293	149,373	26,383
New corporations.....	26,062	1,062	26,311	30,562	-4,251	9,454	1,289
Old corporations.....	529,282	38,591	530,616	566,659	-36,043	139,919	25,094
Foreign-controlled domestic corporations¹.....	40,122	1,492	41,015	56,317	-15,302	18,896	10,572
New corporations.....	261	115	341	1,716	-1,374	265	240
Old corporations.....	39,862	1,376	40,673	54,601	-13,928	18,631	10,332
Selected countries:							
Canada.....	11,533	180	11,662	13,038	-1,376	8,246	969
New corporations.....	71	(²)	69	207	-138	74	73
Old corporations.....	11,462	180	11,594	12,831	-1,238	8,173	896
France.....	2,518	196	2,696	3,447	-752	1,255	1,191
New corporations.....	173	(²)	173	200	-27	1	(²)
Old corporations.....	2,345	196	2,523	3,248	-725	1,253	1,190
Germany.....	2,563	156	2,615	4,238	-1,623	1,121	954
New corporations.....	74	(²)	71	81	-9	10	10
Old corporations.....	2,489	156	2,544	4,157	-1,614	1,111	944
Japan.....	5,210	344	5,518	9,523	-4,005	2,466	2,281
New corporations.....	12	89	100	465	-365	41	38
Old corporations.....	5,198	255	5,418	9,058	-3,640	2,425	2,243
Netherlands.....	4,815	151	4,867	5,517	-651	1,214	1,029
New corporations.....	153	--	150	175	-25	19	19
Old corporations.....	4,661	151	4,717	5,342	-626	1,195	1,009
Switzerland.....	257	109	339	2,377	-2,038	661	593
New corporations.....	5	--	1	33	-31	10	7
Old corporations.....	252	109	338	2,344	-2,006	650	586
United Kingdom.....	9,752	170	9,737	10,705	-968	1,912	1,640
New corporations.....	60	2	61	122	-61	17	16
Old corporations.....	9,692	169	9,675	10,583	-908	1,895	1,623
Manufacturing:							
Domestic corporations not foreign controlled.....	173,520	29,810	201,617	213,957	-12,341	19,960	11,630
New corporations.....	7,130	492	7,597	8,784	-1,187	749	432
Old corporations.....	166,390	29,318	194,019	205,173	-11,154	19,211	11,198
Foreign-controlled domestic corporations¹.....	27,802	1,039	28,814	33,712	-4,898	13,770	6,073
New corporations.....	360	100	459	879	-420	99	97
Old corporations.....	27,442	939	28,354	32,833	-4,478	13,671	5,976
Selected countries:							
Canada.....	10,429	177	10,606	11,042	-436	7,860	642
New corporations.....	17	--	17	113	-96	70	70
Old corporations.....	10,412	177	10,589	10,929	-340	7,790	572
France.....	1,836	164	1,999	2,359	-360	946	909
New corporations.....	145	(²)	145	172	-27	1	--
Old corporations.....	1,691	164	1,854	2,188	-334	946	909
Germany.....	1,854	145	1,995	2,625	-630	911	807
New corporations.....	61	(²)	61	71	-9	--	--
Old corporations.....	1,793	145	1,934	2,555	-620	911	807
Japan.....	3,401	142	3,532	4,205	-673	1,392	1,340
New corporations.....	211	85	296	338	-42	11	11
Old corporations.....	3,190	57	3,236	3,868	-631	1,380	1,328
Netherlands.....	2,350	140	2,490	2,755	-265	386	297
New corporations.....	42	--	42	43	-1	--	--
Old corporations.....	2,308	140	2,448	2,712	-264	386	297
Switzerland.....	1,048	12	1,059	1,862	-802	457	435
New corporations.....	11	--	11	11	--	4	4
Old corporations.....	1,038	12	1,049	1,851	-802	454	431
United Kingdom.....	5,106	130	5,228	5,658	-430	1,016	877
New corporations.....	18	1	19	40	-22	1	(²)
Old corporations.....	5,088	129	5,210	5,618	-408	1,016	877

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Total receipts less total deductions	Constructive taxable income from related foreign corporations	Net income (less deficit)	Net income	Deficit	Statutory special deductions	
						Total	Net operating loss deduction
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Wholesale trade:							
Domestic corporations not foreign controlled.....	10,421	1,416	11,692	13,755	-2,062	722	549
New corporations.....	586	8	591	729	-138	52	42
Old corporations.....	9,836	1,409	11,101	13,026	-1,925	670	507
Foreign-controlled domestic corporations¹.....	2,914	128	3,031	6,259	-3,228	1,007	844
New corporations.....	-91	(³)	-97	249	-346	40	38
Old corporations.....	3,005	128	3,128	6,010	-2,882	967	805
Selected countries:							
Canada.....	305	(³)	305	327	-22	77	75
New corporations.....	83	--	83	85	-3	3	3
Old corporations.....	222	(³)	223	242	-19	75	72
France.....	204	1	205	216	-12	21	17
New corporations.....	16	(³)	16	16	--	--	--
Old corporations.....	187	1	188	200	-12	21	17
Germany.....	485	8	493	808	-315	136	114
New corporations.....	8	--	8	8	--	8	8
Old corporations.....	477	8	485	800	-315	128	106
Japan.....	369	98	467	2,588	-2,121	393	310
New corporations.....	-151	--	-151	65	-217	13	12
Old corporations.....	520	98	618	2,523	-1,905	379	298
Netherlands.....	293	1	294	427	-133	102	68
New corporations.....	6	--	6	6	--	--	--
Old corporations.....	287	1	288	421	-133	102	68
Switzerland.....	71	--	71	117	-46	21	21
New corporations.....	-6	--	-6	5	-10	--	--
Old corporations.....	76	--	76	112	-36	21	21
United Kingdom.....	563	10	573	685	-112	50	42
New corporations.....	-5	--	-5	18	-23	14	13
Old corporations.....	568	10	578	667	-89	37	29
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled.....	257,343	5,787	228,621	236,447	-7,825	118,823	5,677
New corporations.....	11,062	229	10,612	10,940	-328	7,891	226
Old corporations.....	246,281	5,558	218,009	225,506	-7,497	110,932	5,450
Foreign-controlled domestic corporations¹.....	5,995	230	5,669	10,164	-4,494	2,619	2,227
New corporations.....	-228	(³)	-256	204	-461	50	42
Old corporations.....	6,223	230	5,925	9,959	-4,034	2,569	2,185
Selected countries:							
Canada.....	443	(³)	394	993	-599	92	50
New corporations.....	-27	(³)	-29	(³)	-29	1	--
Old corporations.....	469	--	423	993	-570	91	50
France.....	516	28	527	601	-74	220	201
New corporations.....	11	--	11	11	--	--	--
Old corporations.....	504	28	516	590	-74	220	201
Germany.....	-245	1	-344	245	-589	72	31
New corporations.....	5	--	2	2	--	2	2
Old corporations.....	-250	1	-346	243	-589	69	29
Japan.....	1,282	83	1,342	2,312	-970	561	534
New corporations.....	-29	--	-29	51	-79	10	8
Old corporations.....	1,310	83	1,370	2,261	-891	550	526
Netherlands.....	1,501	1	1,404	1,447	-44	272	212
New corporations.....	39	--	36	36	--	2	2
Old corporations.....	1,462	1	1,368	1,411	-44	270	210
Switzerland.....	-845	97	-773	301	-1,074	139	95
New corporations.....	21	--	17	17	--	7	3
Old corporations.....	-866	97	-790	283	-1,074	132	92
United Kingdom.....	3,328	13	3,164	3,220	-56	726	608
New corporations.....	38	--	38	51	-13	(³)	--
Old corporations.....	3,290	13	3,126	3,169	-43	726	608

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Income subject to tax	Income tax before credits			Credits		Total income tax after credits
		Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
All industries: ¹							
Domestic corporations not foreign controlled.....	451,242	161,149	157,579	2,920	37,662	27,754	123,487
New corporations.....	21,442	7,635	7,486	118	1,912	1,084	5,722
Old corporations.....	429,800	153,514	150,093	2,802	35,750	26,669	117,764
Foreign-controlled domestic corporations¹.....	37,662	13,942	13,144	656	2,519	1,295	11,424
New corporations.....	1,454	554	506	41	121	108	433
Old corporations.....	36,208	13,389	12,638	615	2,398	1,186	10,990
Selected countries:							
Canada.....	4,789	1,725	1,672	46	330	237	1,395
New corporations.....	134	62	46	16	2	(³)	60
Old corporations.....	4,655	1,662	1,626	30	328	237	1,335
France.....	2,204	813	769	39	190	150	623
New corporations.....	199	70	69	(³)	(³)	--	70
Old corporations.....	2,005	743	700	39	190	150	553
Germany.....	3,229	1,220	1,126	88	275	81	945
New corporations.....	71	25	24	1	2	2	23
Old corporations.....	3,158	1,195	1,102	88	273	79	922
Japan.....	7,075	2,584	2,467	100	394	196	2,190
New corporations.....	424	159	148	6	100	96	59
Old corporations.....	6,651	2,425	2,319	95	294	101	2,131
Netherlands.....	4,360	1,648	1,523	55	320	145	1,328
New corporations.....	156	54	54	--	1	--	53
Old corporations.....	4,205	1,594	1,469	55	318	145	1,275
Switzerland.....	1,737	664	605	55	125	23	539
New corporations.....	22	8	8	--	1	(³)	7
Old corporations.....	1,715	656	598	55	124	23	532
United Kingdom.....	8,806	3,239	3,078	136	452	212	2,787
New corporations.....	106	37	37	(³)	3	(³)	35
Old corporations.....	8,701	3,202	3,041	136	449	212	2,752
Manufacturing:							
Domestic corporations not foreign controlled.....	194,916	69,659	68,081	1,309	26,541	20,676	43,119
New corporations.....	8,040	2,858	2,808	41	953	556	1,905
Old corporations.....	186,877	66,801	65,273	1,268	25,588	20,120	41,214
Foreign-controlled domestic corporations¹.....	19,973	7,503	6,973	423	1,500	822	6,004
New corporations.....	780	302	272	28	111	105	190
Old corporations.....	19,193	7,201	6,701	395	1,388	717	5,813
Selected countries:							
Canada.....	3,184	1,143	1,112	27	302	230	842
New corporations.....	43	31	15	16	(³)	(³)	31
Old corporations.....	3,141	1,112	1,097	12	301	230	811
France.....	1,421	522	497	22	135	99	387
New corporations.....	171	60	60	--	--	--	60
Old corporations.....	1,251	462	438	22	135	99	327
Germany.....	1,719	688	599	86	141	65	547
New corporations.....	71	25	24	(³)	2	2	23
Old corporations.....	1,648	663	574	85	138	63	525
Japan.....	2,822	1,048	984	60	153	116	895
New corporations.....	326	119	114	4	99	96	20
Old corporations.....	2,495	929	870	55	53	21	876
Netherlands.....	2,371	924	829	28	298	135	626
New corporations.....	43	15	15	--	--	--	15
Old corporations.....	2,328	909	814	28	298	135	611
Switzerland.....	1,405	541	490	48	100	8	441
New corporations.....	7	2	2	--	1	--	1
Old corporations.....	1,398	539	488	48	99	8	440
United Kingdom.....	4,644	1,712	1,623	70	255	127	1,457
New corporations.....	40	14	14	(³)	2	(³)	12
Old corporations.....	4,604	1,698	1,609	70	253	126	1,445

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Income subject to tax	Income tax before credits			Credits		Total income tax after credits
		Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Wholesale trade:							
Domestic corporations not foreign controlled.....	13,039	4,578	4,525	41	695	557	3,883
New corporations.....	677	246	235	10	27	24	219
Old corporations.....	12,362	4,331	4,290	31	668	533	3,664
Foreign-controlled domestic corporations¹.....	5,274	1,887	1,835	44	224	36	1,663
New corporations.....	210	74	72	1	2	(³)	73
Old corporations.....	5,064	1,813	1,762	43	222	36	1,590
Selected countries:							
Canada.....	250	93	86	6	2	(³)	91
New corporations.....	83	29	29	--	1	--	27
Old corporations.....	167	64	58	6	(³)	(³)	64
France.....	195	68	68	(³)	3	3	65
New corporations.....	16	6	6	--	(³)	--	6
Old corporations.....	179	62	62	(³)	3	3	59
Germany.....	686	242	239	1	80	1	162
New corporations.....	--	(³)	--	(³)	--	--	(³)
Old corporations.....	686	242	239	1	80	1	161
Japan.....	2,201	788	766	18	117	20	671
New corporations.....	52	19	18	1	(³)	(³)	19
Old corporations.....	2,149	769	749	18	117	20	652
Netherlands.....	326	120	113	6	3	1	117
New corporations.....	6	2	2	--	--	--	2
Old corporations.....	320	118	111	6	3	1	115
Switzerland.....	96	34	33	1	1	(³)	33
New corporations.....	5	2	2	--	--	--	2
Old corporations.....	91	33	31	1	1	(³)	31
United Kingdom.....	636	224	222	1	13	10	211
New corporations.....	5	2	2	(³)	--	--	2
Old corporations.....	631	222	220	1	13	10	209
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled.....	119,922	42,739	41,887	672	5,369	4,167	37,370
New corporations.....	3,374	1,197	1,175	17	108	80	1,088
Old corporations.....	116,549	41,542	40,712	654	5,261	4,087	36,282
Foreign-controlled domestic corporations¹.....	7,729	2,801	2,701	82	316	153	2,486
New corporations.....	156	60	54	1	(³)	(³)	60
Old corporations.....	7,574	2,741	2,647	82	316	153	2,425
Selected countries:							
Canada.....	896	317	313	3	14	1	303
New corporations.....	(³)	(³)	(³)	--	--	--	(³)
Old corporations.....	896	317	313	3	14	1	303
France.....	383	142	134	8	48	47	94
New corporations.....	11	4	4	--	--	--	4
Old corporations.....	371	138	130	8	48	47	90
Germany.....	267	95	93	1	12	8	83
New corporations.....	--	(³)	--	(³)	--	--	(³)
Old corporations.....	267	94	93	1	12	8	83
Japan.....	1,755	635	614	13	116	55	519
New corporations.....	40	19	14	(³)	--	--	19
Old corporations.....	1,715	615	600	13	116	55	499
Netherlands.....	1,229	435	430	4	4	1	432
New corporations.....	34	12	12	--	--	--	12
Old corporations.....	1,195	424	418	4	4	1	420
Switzerland.....	182	65	63	1	24	14	41
New corporations.....	11	4	4	--	(³)	(³)	4
Old corporations.....	171	61	60	1	24	14	37
United Kingdom.....	2,504	922	876	42	87	17	836
New corporations.....	51	18	18	--	--	--	18
Old corporations.....	2,453	904	858	42	87	17	818

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages					Total liabilities "DB" net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	"DB" total number of returns		"DB" total assets			
	(38)	(39)	(40)	(41)	(42)	
All industries: ¹						
Domestic corporations not foreign controlled.....	80.95	68.48	39.61	28.20	32.19	210.68
New corporations.....	74.17	54.32	30.06	30.37	39.57	152.74
Old corporations.....	81.58	69.78	40.05	28.10	31.85	213.98
Foreign-controlled domestic corporations¹.....	69.27	70.53	47.65	29.68	22.68	340.98
New corporations.....	59.53	64.65	46.58	21.06	32.36	209.02
Old corporations.....	70.11	71.01	47.71	30.22	22.06	353.28
Selected countries:						
Canada.....	72.01	70.99	31.43	37.70	30.87	223.97
New corporations.....	63.16	65.79	31.88	40.56	27.56	262.81
Old corporations.....	73.33	71.76	31.42	37.63	30.95	223.09
France.....	69.46	70.66	42.30	43.02	14.68	581.35
New corporations.....	66.67	77.78	21.52	28.53	49.95	100.21
Old corporations.....	69.62	70.25	42.50	43.16	14.35	596.99
Germany.....	75.57	76.47	48.46	26.52	25.02	299.60
New corporations.....	**	**	35.58	23.34	41.08	143.43
Old corporations.....	**	**	48.59	26.55	24.86	302.32
Japan.....	67.95	68.95	66.69	17.02	16.29	513.96
New corporations.....	63.64	63.64	51.53	17.15	31.32	219.29
Old corporations.....	68.16	69.21	69.30	17.00	13.71	629.53
Netherlands.....	65.92	66.82	31.23	34.95	33.83	195.64
New corporations.....	75.00	75.00	69.94	10.66	19.40	415.42
Old corporations.....	65.40	66.35	29.97	35.74	34.30	191.58
Switzerland.....	74.22	76.56	66.09	19.93	13.98	615.35
New corporations.....	75.00	66.67	37.38	32.01	30.61	226.74
Old corporations.....	74.14	77.59	66.63	19.70	13.66	631.94
United Kingdom.....	76.22	78.18	39.23	39.45	21.33	368.88
New corporations.....	64.00	76.00	26.65	41.55	31.80	214.47
Old corporations.....	77.30	78.37	39.46	39.41	21.13	373.20
Manufacturing:						
Domestic corporations not foreign controlled.....	79.32	81.06	32.09	33.85	34.07	193.53
New corporations.....	66.07	67.86	23.80	46.52	29.68	236.93
Old corporations.....	80.46	82.17	32.37	33.42	34.22	192.25
Foreign-controlled domestic corporations¹.....	69.92	72.77	28.87	33.29	37.84	164.24
New corporations.....	56.00	65.33	26.47	26.49	47.03	112.62
Old corporations.....	71.02	73.39	28.96	33.56	37.48	166.83
Selected countries:						
Canada.....	75.41	73.77	25.37	20.92	53.71	86.18
New corporations.....	50.00	56.25	29.13	36.12	34.75	187.77
Old corporations.....	79.25	76.42	25.27	20.53	54.20	84.50
France.....	66.67	67.95	32.24	33.55	34.21	192.31
New corporations.....	**	**	25.25	34.94	39.81	151.20
Old corporations.....	**	**	32.45	33.51	34.04	193.78
Germany.....	76.61	76.61	27.08	31.24	41.69	139.88
New corporations.....	**	**	31.92	24.17	43.91	127.74
Old corporations.....	**	**	27.02	31.32	41.66	140.03
Japan.....	66.04	69.78	39.44	25.71	34.85	186.91
New corporations.....	66.67	66.67	42.97	32.23	24.81	303.14
Old corporations.....	66.02	69.88	39.27	25.40	35.33	183.03
Netherlands.....	64.06	67.19	26.00	22.20	51.80	93.04
New corporations.....	**	**	41.51	16.87	41.61	140.31
Old corporations.....	**	**	25.96	22.21	51.82	92.96
Switzerland.....	80.30	83.33	33.76	41.22	25.03	299.59
New corporations.....	**	**	56.01	23.91	20.07	398.21
Old corporations.....	**	**	33.73	41.24	25.03	299.51
United Kingdom.....	77.62	81.12	27.71	50.59	21.71	360.72
New corporations.....	50.00	75.00	19.19	45.75	35.07	185.18
Old corporations.....	79.26	81.48	27.85	50.67	21.48	365.64

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages					Total liabilities "DB" net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	"DB" total number of returns		"DB" total assets			
	(38)	(39)	(40)	(41)	(42)	
Wholesale trade:						
Domestic corporations not foreign controlled.....	82.40	81.90	56.99	19.22	23.79	320.32
New corporations.....	63.22	65.52	37.14	26.44	36.42	174.57
Old corporations.....	83.36	82.67	57.98	18.86	23.16	331.80
Foreign-controlled domestic corporations¹.....	72.65	73.48	57.30	26.04	16.66	500.10
New corporations.....	62.69	68.66	44.33	41.61	14.06	611.00
Old corporations.....	73.82	73.97	58.78	24.26	16.96	489.61
Selected countries:						
Canada.....	75.76	77.27	33.42	41.08	25.50	292.14
New corporations.....	**	**	23.10	55.78	21.11	373.60
Old corporations.....	**	**	35.69	37.84	26.46	277.86
France.....	86.21	86.21	44.88	21.24	33.87	195.22
New corporations.....	**	**	12.37	38.52	49.11	103.64
Old corporations.....	**	**	46.71	20.27	33.02	202.88
Germany.....	71.70	73.58	56.20	29.62	14.17	605.50
New corporations.....	**	**	33.98	28.14	37.88	163.99
Old corporations.....	**	**	57.10	29.68	13.21	656.86
Japan.....	72.20	71.43	61.28	23.21	15.51	544.67
New corporations.....	68.75	68.75	45.89	44.14	9.97	902.97
Old corporations.....	72.43	71.60	63.37	20.37	16.26	514.84
Netherlands.....	64.58	62.50	49.84	42.60	7.56	1,222.31
New corporations.....	**	**	67.13	14.31	18.56	438.70
Old corporations.....	**	**	49.78	42.69	7.53	1,228.51
Switzerland.....	78.13	78.13	46.64	13.09	40.27	148.33
New corporations.....	**	**	88.63	0.30	11.07	803.19
Old corporations.....	**	**	44.18	13.84	41.98	138.21
United Kingdom.....	77.14	80.00	31.69	44.97	23.33	328.57
New corporations.....	**	**	33.61	37.20	29.19	242.62
Old corporations.....	**	**	31.31	46.53	22.16	351.24
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	86.98	46.54	45.15	23.71	31.14	221.17
New corporations.....	87.86	35.84	39.88	15.74	44.38	125.35
Old corporations.....	86.87	47.82	45.35	24.02	30.63	226.47
Foreign-controlled domestic corporations¹.....	65.95	65.14	62.12	27.40	10.48	853.77
New corporations.....	56.25	53.13	78.65	11.37	9.97	902.51
Old corporations.....	66.86	66.27	61.50	28.00	10.50	852.04
Selected countries:						
Canada.....	65.79	60.53	39.43	51.70	8.87	1,027.79
New corporations.....	**	**	40.02	37.80	22.18	350.83
Old corporations.....	**	**	39.42	51.94	8.63	1,058.29
France.....	62.96	66.67	45.79	45.45	8.76	1,042.09
New corporations.....	**	**	1.39	0.03	98.58	1.44
Old corporations.....	**	**	45.89	45.55	8.56	1,068.62
Germany.....	80.00	85.00	69.36	18.28	12.36	709.25
New corporations.....	**	**	57.06	1.31	41.63	140.24
Old corporations.....	**	**	69.39	18.33	12.27	714.68
Japan.....	60.87	60.87	80.89	11.96	7.15	1,298.50
New corporations.....	**	**	91.01	5.49	3.50	2,754.75
Old corporations.....	**	**	80.05	12.50	7.45	1,241.84
Netherlands.....	75.86	75.86	36.42	47.07	16.51	505.69
New corporations.....	**	**	92.93	0.44	6.63	1,408.21
Old corporations.....	**	**	33.29	49.65	17.06	486.27
Switzerland.....	57.14	57.14	82.24	9.82	7.94	1,159.02
New corporations.....	**	**	46.34	14.24	39.42	153.68
Old corporations.....	**	**	82.76	9.75	7.48	1,236.20
United Kingdom.....	81.63	79.59	53.37	32.10	14.53	588.23
New corporations.....	**	**	16.14	56.07	27.79	259.78
Old corporations.....	**	**	53.69	31.90	14.42	593.56

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued						
	Total receipts "DB" total assets	Cost of goods sold "DB"		Interest paid "DB" total receipts	Total receipts less total deductions "DB"		
		Business receipts	Inventories		Total assets	Net worth	Total receipts
	(44)	(45)	(46)	(47)	(48)	(49)	(50)
All industries: ¹							
Domestic corporations not foreign controlled.....	39.80	63.45	809.71	6.54	2.80	8.70	7.03
New corporations.....	43.12	61.28	832.05	5.26	2.99	7.56	6.94
Old corporations.....	39.65	63.56	808.61	6.60	2.79	8.76	7.04
Foreign-controlled domestic corporations¹.....	54.24	73.42	712.44	6.24	1.57	6.91	2.89
New corporations.....	49.64	73.23	563.19	6.04	0.17	0.53	0.34
Old corporations.....	54.53	73.43	723.81	6.25	1.65	7.50	3.03
Selected countries:							
Canada.....	43.04	69.38	674.50	5.50	4.16	13.46	9.66
New corporations.....	105.71	82.31	1,060.05	2.10	1.04	3.76	0.98
Old corporations.....	41.46	68.37	652.07	5.72	4.23	13.68	10.21
France.....	43.03	72.78	648.07	4.81	1.16	7.87	2.69
New corporations.....	87.67	66.57	335.77	2.67	8.58	17.17	9.78
Old corporations.....	42.61	72.91	660.22	4.85	1.09	7.57	2.55
Germany.....	59.93	71.22	586.52	4.49	1.21	4.83	2.02
New corporations.....	80.23	52.85	249.31	2.55	3.35	8.15	4.17
Old corporations.....	59.72	71.49	595.38	4.52	1.19	4.77	1.99
Japan.....	68.78	82.41	770.20	6.13	0.88	5.43	1.29
New corporations.....	38.75	75.58	516.20	7.73	0.01	0.04	0.04
Old corporations.....	73.94	83.01	801.47	5.98	1.03	7.54	1.40
Netherlands.....	50.71	70.55	956.35	5.10	1.56	4.60	3.07
New corporations.....	26.73	56.47	415.35	16.31	1.57	8.08	5.87
Old corporations.....	51.50	70.75	970.80	4.91	1.55	4.53	3.02
Switzerland.....	38.68	62.05	631.53	13.40	0.11	0.80	0.29
New corporations.....	72.15	41.88	1,021.96	3.15	0.12	0.38	0.16
Old corporations.....	38.05	62.87	625.01	13.77	0.11	0.82	0.29
United Kingdom.....	47.16	61.57	647.78	7.86	2.43	11.39	5.15
New corporations.....	109.52	72.72	517.81	4.65	0.82	2.57	0.75
Old corporations.....	46.00	61.03	657.36	8.00	2.46	11.63	5.34
Manufacturing:							
Domestic corporations not foreign controlled.....	83.69	67.83	722.58	3.54	4.72	13.85	5.64
New corporations.....	104.35	67.47	610.41	3.36	5.90	19.87	5.65
Old corporations.....	82.99	67.84	728.48	3.55	4.68	13.67	5.64
Foreign-controlled domestic corporations¹.....	75.71	69.88	577.52	3.91	3.58	9.47	4.73
New corporations.....	65.81	75.58	529.24	4.24	1.21	2.56	1.83
Old corporations.....	76.11	69.68	579.54	3.90	3.68	9.81	4.83
Selected countries:							
Canada.....	52.21	73.82	597.45	2.85	8.48	15.78	16.24
New corporations.....	116.42	78.47	847.71	2.86	0.55	1.59	0.48
Old corporations.....	50.56	73.49	584.33	2.85	8.68	16.02	17.17
France.....	93.19	65.97	507.07	3.61	3.86	11.29	4.14
New corporations.....	105.96	67.89	353.15	2.77	10.28	25.83	9.70
Old corporations.....	92.80	65.90	515.55	3.63	3.67	10.77	3.95
Germany.....	78.56	68.20	427.28	2.73	2.21	5.29	2.81
New corporations.....	121.05	61.16	326.63	1.65	5.98	13.63	4.94
Old corporations.....	78.04	68.34	429.58	2.75	2.16	5.18	2.77
Japan.....	134.71	79.13	614.77	2.14	5.48	15.72	4.07
New corporations.....	82.99	80.42	642.86	5.93	7.48	30.15	9.01
Old corporations.....	137.17	79.10	614.08	2.04	5.38	15.23	3.92
Netherlands.....	62.01	73.33	966.45	3.85	1.68	3.25	2.71
New corporations.....	166.35	69.23	814.44	1.88	14.34	34.45	8.62
Old corporations.....	61.79	73.35	967.45	3.86	1.66	3.19	2.68
Switzerland.....	70.36	55.59	396.80	5.73	1.54	6.16	2.19
New corporations.....	360.57	82.70	1,369.77	0.19	14.80	73.72	4.10
Old corporations.....	70.06	55.43	394.37	5.76	1.53	6.10	2.18
United Kingdom.....	67.99	62.12	570.70	6.42	3.12	14.35	4.58
New corporations.....	123.17	74.81	555.43	3.98	0.64	1.81	0.52
Old corporations.....	67.04	61.70	571.32	6.50	3.16	14.70	4.71

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued						
	Total receipts "DB" total assets	Cost of goods sold "DB"		Interest paid "DB" total receipts	Total receipts less total deductions "DB"		
		Business receipts	Inventories		Total assets	Net worth	Total receipts
	(44)	(45)	(46)	(47)	(48)	(49)	(50)
Wholesale trade:							
Domestic corporations not foreign controlled.....	154.48	86.37	795.86	1.98	2.60	10.93	1.68
New corporations.....	281.12	86.79	956.92	0.89	3.06	8.41	1.09
Old corporations.....	148.14	86.33	782.93	2.08	2.58	11.13	1.74
Foreign-controlled domestic corporations¹.....	178.19	85.02	822.75	2.20	1.21	7.28	0.68
New corporations.....	154.21	80.25	810.03	2.87	-0.37	-2.63	-0.24
Old corporations.....	180.92	85.48	823.91	2.14	1.39	8.22	0.77
Selected countries:							
Canada.....	206.98	85.21	764.08	1.60	3.94	15.46	1.90
New corporations.....	210.47	87.75	1,229.95	0.66	5.92	28.06	2.82
Old corporations.....	206.21	84.64	702.33	1.81	3.51	13.25	1.70
France.....	245.43	87.75	871.90	0.70	5.72	16.88	2.33
New corporations.....	38.96	42.16	49.29	6.61	8.69	17.70	22.31
Old corporations.....	257.05	88.12	932.56	0.65	5.55	16.81	2.16
Germany.....	126.44	79.85	828.73	4.05	2.00	14.12	1.58
New corporations.....	49.50	27.77	91.35	5.30	0.85	2.23	1.71
Old corporations.....	129.56	80.68	867.17	4.03	2.05	15.50	1.58
Japan.....	183.22	85.56	868.17	2.07	0.25	1.61	0.14
New corporations.....	145.79	78.33	925.03	3.23	-0.85	-8.56	-0.59
Old corporations.....	188.30	86.30	863.25	1.95	0.40	2.45	0.21
Netherlands.....	135.12	81.88	640.14	3.10	1.98	26.24	1.47
New corporations.....	464.56	94.61	8,285.26	0.42	11.83	63.75	2.55
Old corporations.....	134.07	81.73	632.36	3.13	1.95	25.94	1.46
Switzerland.....	166.44	80.02	634.06	1.50	1.78	4.41	1.07
New corporations.....	320.90	93.71	639.23	0.38	-2.51	-22.68	-0.78
Old corporations.....	157.39	78.35	633.32	1.64	2.03	4.83	1.29
United Kingdom.....	137.70	77.23	616.81	3.91	4.45	19.06	3.23
New corporations.....	134.71	77.92	430.33	4.34	-0.24	-0.83	-0.18
Old corporations.....	138.30	77.10	673.09	3.82	5.39	24.31	3.90
Finance, insurance, and real estate:							
Domestic corporations not foreign controlled.....	13.60	62.42	7,937.70	17.51	2.01	6.46	14.78
New corporations.....	13.41	83.55	48,311.90	14.33	2.35	5.30	17.53
Old corporations.....	13.61	61.60	7,602.51	17.63	2.00	6.52	14.68
Foreign-controlled domestic corporations¹.....	14.67	59.02	3,804.44	24.95	0.48	4.60	3.29
New corporations.....	11.99	62.32	1,096.04	40.12	-0.51	-5.08	-4.22
Old corporations.....	14.77	58.93	4,113.37	24.48	0.52	4.94	3.52
Selected countries:							
Canada.....	16.38	60.39	1,203.86	17.75	0.35	3.99	2.16
New corporations.....	9.49	77.23	--	12.44	-1.24	-5.57	-13.02
Old corporations.....	16.50	60.17	1,184.49	17.81	0.38	4.42	2.31
France.....	13.61	69.30	--	11.13	0.33	3.79	2.44
New corporations.....	3.62	--	--	0.04	3.31	3.35	91.44
Old corporations.....	13.63	69.30	--	11.13	0.33	3.81	2.39
Germany.....	13.94	67.13	--	19.85	-0.28	-2.28	-2.02
New corporations.....	28.41	75.77	--	--	2.00	4.80	7.03
Old corporations.....	13.90	67.07	--	19.97	-0.29	-2.35	-2.07
Japan.....	9.11	17.62	228.03	57.02	0.40	5.66	4.44
New corporations.....	7.14	45.45	853.18	83.68	-0.12	-3.36	-1.65
Old corporations.....	9.28	16.67	213.50	55.32	0.45	6.01	4.83
Netherlands.....	18.48	52.70	43,373.15	12.50	1.18	7.15	6.38
New corporations.....	10.90	--	--	51.67	0.58	8.79	5.35
Old corporations.....	18.90	53.42	43,373.15	11.25	1.21	7.11	6.42
Switzerland.....	19.10	77.22	--	30.50	-0.55	-6.97	-2.90
New corporations.....	31.79	66.36	--	4.13	0.95	2.42	3.00
Old corporations.....	18.91	77.54	--	31.14	-0.58	-7.69	-3.04
United Kingdom.....	17.98	50.56	2,173.46	17.17	1.90	13.05	10.54
New corporations.....	28.01	24.36	75.98	20.49	2.59	9.31	9.24
Old corporations.....	17.90	51.04	2,877.35	17.13	1.89	13.11	10.56

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued			
	Net income (less deficit) "DB"			Net operating loss deduction "DB" net income
	Total assets	Net worth	Total receipts	
(51)	(52)	(53)	(54)	
All industries: ¹				
Domestic corporations not foreign controlled.....	2.81	8.72	7.05	4.42
New corporations.....	3.02	7.63	7.00	4.22
Old corporations.....	2.80	8.78	7.06	4.43
Foreign-controlled domestic corporations¹.....	1.60	7.06	2.95	18.77
New corporations.....	0.22	0.69	0.45	13.99
Old corporations.....	1.69	7.65	3.10	18.92
Selected countries:				
Canada.....	4.20	13.61	9.76	7.43
New corporations.....	1.00	3.64	0.95	35.16
Old corporations.....	4.28	13.84	10.33	6.98
France.....	1.24	8.43	2.87	34.54
New corporations.....	8.58	17.18	9.79	--
Old corporations.....	1.17	8.14	2.74	36.65
Germany.....	1.23	4.93	2.06	22.50
New corporations.....	3.22	7.84	4.01	12.47
Old corporations.....	1.21	4.88	2.03	22.70
Japan.....	0.94	5.75	1.36	23.95
New corporations.....	0.12	0.37	0.30	8.27
Old corporations.....	1.08	7.86	1.46	24.76
Netherlands.....	1.57	4.65	3.10	18.64
New corporations.....	1.53	7.91	5.74	10.88
Old corporations.....	1.57	4.59	3.05	18.90
Switzerland.....	0.15	1.06	0.38	24.95
New corporations.....	0.03	0.09	0.04	20.79
Old corporations.....	0.15	1.10	0.39	25.01
United Kingdom.....	2.42	11.37	5.14	15.32
New corporations.....	0.84	2.64	0.77	13.22
Old corporations.....	2.45	11.61	5.34	15.34
Manufacturing:				
Domestic corporations not foreign controlled.....	5.48	16.09	6.55	5.44
New corporations.....	6.28	21.17	6.02	4.92
Old corporations.....	5.46	15.94	6.57	5.46
Foreign-controlled domestic corporations¹.....	3.71	9.81	4.90	18.01
New corporations.....	1.54	3.28	2.34	11.07
Old corporations.....	3.80	10.14	4.99	18.20
Selected countries:				
Canada.....	8.62	16.05	16.51	5.81
New corporations.....	0.55	1.58	0.47	61.76
Old corporations.....	8.83	16.29	17.46	5.23
France.....	4.21	12.29	4.51	38.54
New corporations.....	10.28	25.83	9.70	--
Old corporations.....	4.02	11.81	4.33	41.56
Germany.....	2.37	5.70	3.02	30.72
New corporations.....	5.98	13.62	4.94	--
Old corporations.....	2.33	5.59	2.99	31.57
Japan.....	5.69	16.32	4.22	31.86
New corporations.....	10.50	42.33	12.65	3.38
Old corporations.....	5.46	15.45	3.98	34.35
Netherlands.....	1.78	3.44	2.87	10.78
New corporations.....	14.34	34.45	8.62	--
Old corporations.....	1.76	3.39	2.84	10.95
Switzerland.....	1.56	6.22	2.21	23.34
New corporations.....	14.80	73.72	4.10	34.97
Old corporations.....	1.54	6.16	2.20	23.28
United Kingdom.....	3.19	14.70	4.69	15.50
New corporations.....	0.68	1.94	0.55	--
Old corporations.....	3.23	15.05	4.82	15.60

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued			
	Net income (less deficit) "DB"			Net operating loss deduction "DB" net income
	Total assets	Net worth	Total receipts	
(51)	(52)	(53)	(54)	
Wholesale trade:				
Domestic corporations not foreign controlled.....	2.92	12.26	1.89	3.99
New corporations.....	3.09	8.49	1.10	5.82
Old corporations.....	2.91	12.56	1.96	3.89
Foreign-controlled domestic corporations¹.....	1.26	7.57	0.71	13.48
New corporations.....	-0.39	-2.79	-0.25	15.36
Old corporations.....	1.45	8.56	0.80	13.40
Selected countries:				
Canada.....	3.95	15.48	1.91	22.93
New corporations.....	5.92	28.06	2.82	3.18
Old corporations.....	3.51	13.27	1.70	29.91
France.....	5.74	16.96	2.34	7.94
New corporations.....	8.70	17.71	22.32	--
Old corporations.....	5.58	16.89	2.17	8.60
Germany.....	2.03	14.35	1.61	14.10
New corporations.....	0.85	2.23	1.71	100.00
Old corporations.....	2.08	15.76	1.61	13.25
Japan.....	0.32	2.03	0.17	11.98
New corporations.....	-0.85	-8.56	-0.59	19.01
Old corporations.....	0.47	2.92	0.25	11.80
Netherlands.....	1.99	26.36	1.48	15.93
New corporations.....	11.83	63.75	2.55	--
Old corporations.....	1.96	26.07	1.46	16.14
Switzerland.....	1.78	4.41	1.07	18.00
New corporations.....	-2.51	-22.68	-0.78	--
Old corporations.....	2.03	4.83	1.29	18.78
United Kingdom.....	4.53	19.40	3.29	6.11
New corporations.....	-0.24	-0.83	-0.18	73.89
Old corporations.....	5.48	24.73	3.96	4.31
Finance, insurance, and real estate:				
Domestic corporations not foreign controlled.....	1.79	5.74	13.13	2.40
New corporations.....	2.25	5.08	16.82	2.07
Old corporations.....	1.77	5.77	12.99	2.42
Foreign-controlled domestic corporations¹.....	0.46	4.35	3.11	21.91
New corporations.....	-0.57	-5.70	-4.75	20.68
Old corporations.....	0.49	4.71	3.35	21.93
Selected countries:				
Canada.....	0.32	3.55	1.92	5.00
New corporations.....	-1.34	-6.03	-14.09	--
Old corporations.....	0.34	3.99	2.09	5.00
France.....	0.34	3.88	2.49	33.37
New corporations.....	3.31	3.35	91.44	--
Old corporations.....	0.33	3.89	2.44	34.01
Germany.....	-0.40	-3.20	-2.84	12.74
New corporations.....	0.87	2.09	3.06	97.41
Old corporations.....	-0.40	-3.25	-2.87	11.99
Japan.....	0.42	5.92	4.65	23.10
New corporations.....	-0.12	-3.38	-1.66	16.42
Old corporations.....	0.47	6.28	5.05	23.25
Netherlands.....	1.10	6.69	5.97	14.65
New corporations.....	0.53	8.05	4.90	4.72
Old corporations.....	1.14	6.66	6.01	14.90
Switzerland.....	-0.51	-6.38	-2.65	31.67
New corporations.....	0.78	1.99	2.46	17.85
Old corporations.....	-0.53	-7.02	-2.78	32.51
United Kingdom.....	1.80	12.40	10.02	18.87
New corporations.....	2.58	9.29	9.22	--
Old corporations.....	1.80	12.45	10.03	19.18

Footnotes at bottom of the last two pages of table.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages -- Continued					
	Income subject to tax "DB"			Total income tax after credits "DB"		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(55)	(56)	(57)	(58)	(59)	(60)
All industries: ¹						
Domestic corporations not foreign controlled.....	2.27	7.07	5.72	0.62	1.93	1.56
New corporations.....	2.46	6.22	5.71	0.66	1.66	1.52
Old corporations.....	2.27	7.12	5.72	0.62	1.95	1.57
Foreign-controlled domestic corporations¹.....	1.47	6.48	2.71	0.45	1.97	0.82
New corporations.....	0.95	2.93	1.91	0.28	0.87	0.57
Old corporations.....	1.50	6.81	2.76	0.46	2.07	0.84
Selected countries:						
Canada.....	1.73	5.59	4.01	0.50	1.63	1.17
New corporations.....	1.96	7.10	1.85	0.88	3.20	0.83
Old corporations.....	1.72	5.56	4.15	0.49	1.59	1.19
France.....	1.01	6.89	2.35	0.29	1.95	0.66
New corporations.....	9.86	19.73	11.24	3.47	6.95	3.96
Old corporations.....	0.93	6.47	2.18	0.26	1.79	0.60
Germanv.....	1.52	6.09	2.54	0.45	1.78	0.74
New corporations.....	3.19	7.77	3.98	1.04	2.53	1.30
Old corporations.....	1.51	6.06	2.52	0.44	1.77	0.74
Japan.....	1.20	7.37	1.75	0.37	2.28	0.54
New corporations.....	0.49	1.57	1.27	0.07	0.22	0.18
Old corporations.....	1.32	9.65	1.79	0.42	3.09	0.57
Netherlands.....	1.41	4.16	2.78	0.43	1.27	0.85
New corporations.....	1.59	8.21	5.96	0.54	2.79	2.03
Old corporations.....	1.40	4.09	2.72	0.43	1.24	0.83
Switzerland.....	0.76	5.41	1.96	0.23	1.68	0.61
New corporations.....	0.52	1.71	0.72	0.15	0.50	0.21
Old corporations.....	0.76	5.57	2.00	0.24	1.73	0.62
United Kingdom.....	2.19	10.28	4.65	0.69	3.25	1.47
New corporations.....	1.44	4.53	1.32	0.47	1.49	0.43
Old corporations.....	2.21	10.44	4.80	0.70	3.30	1.52
Manufacturing:						
Domestic corporations not foreign controlled.....	5.30	15.56	6.33	1.17	3.44	1.40
New corporations.....	6.65	22.40	6.37	1.58	5.31	1.51
Old corporations.....	5.26	15.36	6.33	1.16	3.39	1.40
Foreign-controlled domestic corporations¹.....	2.57	6.80	3.40	0.77	2.04	1.02
New corporations.....	2.62	5.57	3.98	0.64	1.36	0.97
Old corporations.....	2.57	6.86	3.38	0.78	2.08	1.02
Selected countries:						
Canada.....	2.59	4.82	4.96	0.68	1.27	1.31
New corporations.....	1.40	4.04	1.21	1.00	2.88	0.86
Old corporations.....	2.62	4.83	5.18	0.68	1.25	1.34
France.....	2.99	8.74	3.21	0.81	2.38	0.87
New corporations.....	12.13	30.48	11.45	4.26	10.71	4.02
Old corporations.....	2.71	7.96	2.92	0.71	2.08	0.76
Germany.....	2.04	4.90	2.60	0.65	1.56	0.83
New corporations.....	6.91	15.74	5.71	2.21	5.03	1.82
Old corporations.....	1.98	4.76	2.54	0.63	1.52	0.81
Japan.....	4.54	13.04	3.37	1.44	4.14	1.07
New corporations.....	11.59	46.70	13.96	0.70	2.81	0.84
Old corporations.....	4.21	11.92	3.07	1.48	4.18	1.08
Netherlands.....	1.70	3.28	2.74	0.45	0.86	0.72
New corporations.....	14.76	35.47	8.87	5.18	12.46	3.12
Old corporations.....	1.67	3.22	2.70	0.44	0.85	0.71
Switzerland.....	2.07	8.25	2.93	0.65	2.59	0.92
New corporations.....	9.62	47.94	2.67	1.88	9.34	0.52
Old corporations.....	2.06	8.22	2.94	0.65	2.59	0.92
United Kingdom.....	2.83	13.05	4.17	0.89	4.10	1.31
New corporations.....	1.44	4.10	1.17	0.44	1.26	0.36
Old corporations.....	2.86	13.31	4.26	0.90	4.17	1.34

** Not shown to avoid disclosure of information about specific corporations. However, the data are included in the appropriate totals.

¹ Includes industrial groups or countries, as appropriate, not specifically listed.

² Excludes interest received on State and local Government obligations, which totaled \$38 billion for domestic corporations not foreign controlled, and \$599 million for foreign-controlled domestic corporations.

³ For money amounts, less than \$500,000. For percentages, less than 0.005 percent.

Foreign-Controlled Domestic Corporations, 1995

Table 2.--"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued

[Money amounts are in millions of dollars]

Selected industrial groupings and countries, age, and control status	Percentages--Continued					
	Income subject to tax "DB"			Total income tax after credits "DB"		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
(55)	(56)	(57)	(58)	(59)	(60)	
Wholesale trade:						
Domestic corporations not foreign controlled.....	3.25	13.68	2.11	0.97	4.07	0.63
New corporations.....	3.54	9.72	1.26	1.15	3.14	0.41
Old corporations.....	3.24	13.99	2.19	0.96	4.15	0.65
Foreign-controlled domestic corporations¹.....	2.20	13.18	1.23	0.69	4.16	0.39
New corporations.....	0.85	6.08	0.55	0.29	2.10	0.19
Old corporations.....	2.35	13.85	1.30	0.74	4.35	0.41
Selected countries:						
Canada.....	3.23	12.67	1.56	1.18	4.64	0.57
New corporations.....	5.94	28.13	2.82	1.97	9.32	0.94
Old corporations.....	2.64	9.96	1.28	1.01	3.82	0.49
France.....	5.48	16.17	2.23	1.82	5.38	0.74
New corporations.....	8.70	17.71	22.32	3.04	6.18	7.79
Old corporations.....	5.30	16.05	2.06	1.75	5.31	0.68
Germany.....	2.83	19.96	2.24	0.67	4.70	0.53
New corporations.....	--	--	--	0.02	0.05	0.04
Old corporations.....	2.94	22.28	2.27	0.69	5.25	0.53
Japan.....	1.49	9.59	0.81	0.45	2.92	0.25
New corporations.....	0.30	2.97	0.20	0.10	1.05	0.07
Old corporations.....	1.65	10.14	0.88	0.50	3.08	0.27
Netherlands.....	2.21	29.22	1.64	0.79	10.50	0.59
New corporations.....	11.83	63.75	2.55	4.02	21.67	0.87
Old corporations.....	2.18	28.94	1.63	0.78	10.41	0.58
Switzerland.....	2.40	5.95	1.44	0.82	2.05	0.50
New corporations.....	2.19	19.80	0.68	0.73	6.59	0.23
Old corporations.....	2.41	5.73	1.53	0.83	1.98	0.53
United Kingdom.....	5.02	21.53	3.65	1.67	7.15	1.21
New corporations.....	0.22	0.75	0.16	0.09	0.31	0.07
Old corporations.....	5.99	27.01	4.33	1.98	8.95	1.43
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	0.94	3.01	6.89	0.29	0.94	2.15
New corporations.....	0.72	1.62	5.35	0.23	0.52	1.72
Old corporations.....	0.95	3.09	6.95	0.29	0.96	2.16
Foreign-controlled domestic corporations¹.....	0.62	5.93	4.24	0.20	1.91	1.36
New corporations.....	0.35	3.47	2.88	0.13	1.34	1.12
Old corporations.....	0.63	6.02	4.28	0.20	1.93	1.37
Selected countries:						
Canada.....	0.72	8.08	4.38	0.24	2.73	1.48
New corporations.....	(³)	0.01	0.01	(³)	(³)	0.01
Old corporations.....	0.73	8.45	4.42	0.25	2.86	1.49
France.....	0.25	2.82	1.81	0.06	0.69	0.45
New corporations.....	3.31	3.35	91.44	1.13	1.15	31.31
Old corporations.....	0.24	2.80	1.76	0.06	0.68	0.43
Germany.....	0.31	2.48	2.20	0.10	0.77	0.69
New corporations.....	--	--	--	0.09	0.23	0.33
Old corporations.....	0.31	2.51	2.22	0.10	0.78	0.69
Japan.....	0.55	7.74	6.08	0.16	2.29	1.80
New corporations.....	0.17	4.74	2.33	0.08	2.28	1.12
Old corporations.....	0.59	7.86	6.32	0.17	2.29	1.84
Netherlands.....	0.97	5.85	5.23	0.34	2.06	1.84
New corporations.....	0.51	7.67	4.67	0.18	2.70	1.64
Old corporations.....	0.99	5.81	5.25	0.35	2.04	1.84
Switzerland.....	0.12	1.50	0.62	0.03	0.34	0.14
New corporations.....	0.49	1.23	1.53	0.16	0.41	0.51
Old corporations.....	0.11	1.52	0.60	0.02	0.33	0.13
United Kingdom.....	1.43	9.82	7.93	0.48	3.28	2.65
New corporations.....	3.50	12.58	12.48	1.23	4.42	4.38
Old corporations.....	1.41	9.77	7.87	0.47	3.26	2.62

NOTES: "DB" is the abbreviation for "divided by." This table presents separate data for the seven largest countries, based on total receipts (column 14) for 1995, at the all-industries level. "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). Data from corporations that filed Forms 1120S are excluded from this table. "New" corporations were those with dates of incorporation between 1993 and 1996; "old" corporations were those with dates of incorporation prior to 1993. Percentages were calculated using unrounded data.