

Foreign-Controlled Domestic Corporations, 1993

by James R. Hobbs

For 1993, the 54,001 domestic corporations each "controlled" by a foreign "person" generated \$1.3 trillion of total receipts and reported total assets amounting to \$2.1 trillion. (The term "person" includes an individual, partnership, corporation, estate, trust, or other entity. See the Explanation of Selected Terms section of this article for a discussion on foreign persons.) These corporations, 1.4 percent of the U.S. total, accounted for 10.2 percent of the receipts and 9.6 percent of the assets reported on U.S. corporation income tax returns [1]. They also represented 6.4 percent of the taxable income and 6.8 percent of the total income tax after credits reported by all corporations.

FCDC's accounted for 10.2 percent of the receipts and 6.4 percent of the taxable income reported on all 1993 U.S. corporation income tax returns.

The net income (less deficit) reported by foreign-controlled domestic corporations (FCDC's) for tax purposes under the Internal Revenue Code was \$11.2 billion for 1993. This increase over the 1992 amount of \$5.7 billion of net profits reflects the overall corporate performance [2]. The net income (less deficit) reported on all corporation income tax returns increased from \$402.0 billion for 1992 to \$498.2 billion for 1993.

Of all the FCDC's, 22,007 reported positive net income for 1993, totaling \$35.9 billion, a 12.1 percent increase over the \$32.0 billion of net income for 1992. The profitable companies for 1993 also reported \$28.0 billion of taxable income after statutory special deductions (i.e., "income subject to tax" shown in the statistics), 16.0 percent higher than their taxable income for 1992. The tax liability (i.e., "total income tax after credits") of FCDC's was \$8.2 billion, 15.0 percent greater than that for 1992.

For 1993, the 2,401 "large" companies (i.e., those with at least \$250 million of assets and/or with at least \$50 million of receipts) accounted for most of the key financial items of all FCDC's: 91.0 percent of total assets, 90.0 percent of total receipts, 86.4 percent of taxable income, and 85.6 percent of total income tax after credits. After an overview of all FCDC's, this article will focus on the large foreign-controlled domestic companies and compare them on an industry basis to large domestic corporations that were not controlled by foreign persons.

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 invest-

ment, the foreign investor has sufficient equity in the enterprise to control and participate in managing its operations [3]. In 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 several factors involved in the decision of a foreign investor to operate in the United States through either a domestic or foreign corporation [4]. This article focuses on domestic corporations that are controlled by a foreign person. Control is generally defined as ownership by any foreign person (or entity), 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 attribution are given in the Explanation of Selected Terms section.) There will be a separate tabulation in *Statistics of Income—1993, Corporation Income Tax Returns* (currently planned for publication in the Fall of 1996), covering branch operations of foreign corporations with income "effectively connected" with a U.S. trade or business [5].

This article includes two basic tables that show 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. Table 2 presents information on "large" FCDC's by both selected industrial groupings and selected countries. For comparison purposes, this table also contains data for large domestic corporations that were not controlled by foreign persons. Because FCDC's could not file Forms 1120S, *U.S. Income Tax Return for an S Corporation*, and Forms 1120F, *U.S. Income Tax Return of a Foreign Corporation*, these forms were excluded from the data for domestically-controlled corporations shown in Table 2.

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 1985-1993 period [6]. Total receipts of FCDC's grew from \$513.8 billion for 1985 to \$1,250.2 billion for 1993, a 143.3 percent increase using current dollars. In comparison, total receipts reported on all U.S. corporation income tax returns grew from \$8.4 trillion for 1985 to \$12.3 trillion for 1993, a 46.4 percent increase [7]. As a result of the rapid growth rate of

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FCDC's, their share of the receipts reported on all corporate returns increased from 6.1 percent for 1985 to 10.2 percent for 1993.

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 Form 1120, *U.S. 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. By 1993, this percentage had grown substantially.

The growth of FCDC's can be viewed more specifically on an industrial basis. The four most significant industrial sectors 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 1985-1993 period of FCDC's as a percentage of all corporations for these four sectors has been: for wholesale trade, 16.2 percent to 23.3 percent; for manufacturing, 7.2 percent to 13.0 percent; for finance, insurance, and real estate, 3.5 percent to 6.9 percent; and for services, 2.4 percent to 6.5 percent. FCDC's in all four groups made significant increases over this period.

There were an estimated 54,001 returns of foreign-controlled domestic corporations for 1993, an increase over the 49,943 returns for 1992. (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, between 1.1 and 1.4 percent for each year between 1985 and 1993. This is in contrast to the rising percentage of receipts over this period.

Industry Characteristics

For 1993, foreign-controlled domestic corporations were involved in every type of industrial activity, but, based on number of returns, 83 percent were concentrated in four industrial groupings: (1) finance, insurance, and real estate (16,967 returns); (2) wholesale trade (13,961 returns); (3) services (7,619 returns); and (4) manufacturing (6,289 returns). (In general, data are presented only for broad industrial classifications; they do not focus on more specific industrial subgroups underlying these broad classifications. The Data Sources and Limitations section discusses how returns are classified by industry.)

While the services industrial division comprised a substantial number of the total returns filed by FCDC's, these companies tend to have small amounts of receipts and assets when compared to companies in the other three groupings. For this reason, most of the remaining discus-

sion on industry characteristics will focus on companies classified in finance, insurance, and real estate; wholesale trade; and manufacturing.

Based on assets, two industrial sectors dominated the total for FCDC's for 1993. Finance, insurance, and real estate and manufacturing accounted for \$1.0 trillion and \$0.6 trillion of total assets, respectively, or 76.1 percent of the \$2.1 trillion of assets for all FCDC's. These two sectors 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 for FCDC's for 1993. Manufacturers reported \$0.5 trillion of receipts, while wholesalers reported \$0.4 trillion. These two groups accounted for 73.1 percent of the \$1.3 trillion of total receipts for all FCDC's. This percentage was substantially higher than the comparable one 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 and those primarily engaged in finance, insurance, and real estate activities differ significantly. FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (as of the end of their accounting periods), resulting in \$1.80 of receipts for each dollar of assets for 1993. Companies classified in finance, insurance, and real estate reported large amounts of assets, but relatively small amounts of receipts. These FCDC's produced only \$.13 of receipts for each dollar of assets. Other corporations in these two industrial categories had similar characteristics.

Even though foreign-controlled domestic corporations accounted for just one-tenth of the \$12.3 trillion of total receipts reported by all corporations filing U.S. income tax returns for 1993, these companies played disproportionately larger roles in certain industrial groups. For instance, FCDC's produced very substantial parts of the total receipts reported for mining (30.5 percent) and wholesale trade (23.3 percent). FCDC's also accounted for 13.0 percent of the receipts reported by all manufacturing companies. Conversely, FCDC involvement in the agriculture, forestry, and fishing; construction; transportation and public utilities; retail trade; services; and finance, insurance, and real estate industrial divisions was relatively low

Manufacturers and wholesalers accounted for 73.1 percent of the \$1.3 trillion of total receipts for all FCDC's.

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for 1993, accounting for only 1.6, 2.1, 2.5, 3.4, 6.5, and 6.9 percent, respectively, of the receipts for all companies classified in these categories.

While FCDC's accounted for 30.5 percent of the receipts for all mining companies for 1993, they are not a major focus of this article. In comparison to the four industrial groupings shown in Table 1, mining accounted for only 1.6 percent of the total FCDC returns for 1993, 2.8 percent of the total FCDC assets, and 2.7 percent of the total FCDC receipts.

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 mentioned here. FCDC's accounted for 23.3 percent of the receipts of all companies classified as wholesalers. This percentage may be subject to certain limitations. For example, certain U.S. companies (not foreign controlled) and their subsidiaries may have been involved in both the manufacturing and wholesaling of products and reported tax information for these activities on a single (consolidated) income tax return, which was classified under 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 are controlled by "persons" throughout the world. However, for 1993, owners from 10 countries controlled 62 percent of the 54,001 domestic corporations classified as 50-percent-or-more controlled by a foreign person (see Table 1). (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 33,330 corporations controlled by persons from these 10 countries accounted for 85 percent or more of the most significant financial items (such as, total assets, total receipts, total taxable income, and total income tax after credits) for all FCDC's.

Domestic corporations controlled by Japanese persons had assets of \$559 billion and total receipts of \$352 billion for 1993, amounts easily larger than those for any

other country. These assets and receipts represented about 27 and 28 percent 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 of the 1985-1992 period.) Finance, insurance, and real estate companies accounted for \$318 billion, 57 percent, of the Japanese-controlled assets. Nearly \$237 billion, 67 percent, of the Japanese receipts were produced by wholesale trade companies.

Although Japanese-controlled domestic corporations accounted for the largest part of the assets and receipts reported by all FCDC's, they did not file the largest number of returns, and they did not report the highest amounts of taxable income and total income tax after credits for 1993. Canadian-controlled domestic corporations filed the most returns, 10,135; Japanese-controlled domestic corporations were second with 7,355, and United Kingdom-controlled domestic corporations were third with 4,058. The U.K.-controlled companies reported the largest amounts of taxable income and total income taxes after credits (\$6.2 billion and \$2.0 billion, respectively), with Japanese-controlled companies second (\$4.2 billion and \$1.5 billion), and Netherlands-controlled companies third (\$3.8 billion and \$1.2 billion).

Domestic corporations controlled by persons in the United Kingdom accounted for the second largest amount (\$185 billion) of receipts for 1993, as well as the second largest for the 1985-1992 period as a whole. These receipts represented 15 percent of the 1993 receipts for all FCDC's. Most of the U.K. receipts, totaling \$96 billion, were produced by manufacturers.

For 1993, Japanese-controlled domestic corporations reported an overall net deficit of \$1.0 billion, while U.K.-controlled companies reported (positive) net income totaling \$5.1 billion. There are many factors that may have caused this large difference in "profits." Although these causal factors are beyond the scope of this article, it is noteworthy to look at the reported profits and losses on a country/industry basis. In the manufacturing industrial division, there were very large differences between the two countries. Japanese-controlled corporations reported a net deficit of \$0.1 billion on \$67.7 billion of receipts, while U.K.-controlled companies reported net income of \$3.5 billion on \$96.2 billion of receipts. There was also a substantial difference between the two countries in the finance, insurance, and real estate industrial division. Japanese-controlled corporations reported a net deficit of \$1.2 billion on \$22.3 billion of receipts, while U.K.-controlled companies reported net income of \$1.8 billion on

Domestic corporations controlled by Japanese persons represented 28 percent of the total receipts for all FCDC's.

\$27.2 billion of receipts. For the wholesale trade area, both Japanese- and U.K.-controlled companies reported \$0.5 billion of net profits, but on very different levels of receipts (\$236.9 billion for Japan and \$32.5 billion for the United Kingdom). Japanese- and U.K.-controlled companies classified in the services industrial sector had approximately the same amounts of receipts and profits.

Approximately 41 percent of all FCDC's had positive amounts of net income for 1993, and 30 percent reported U.S. income tax liabilities (i.e., total income tax after credits). The percentages of FCDC's that had net income and/or U.S. income tax liabilities varied considerably among countries, as well as between different industrial groups. Of the 10 countries shown in Table 1, Sweden had the lowest percentages of both companies with net income (16 percent) and with U.S. income tax liabilities (13 percent), while Germany had the highest percentages (56 and 51, respectively).

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. Income is reported in different manners for foreign branches and foreign subsidiaries of domestic corporations. "Total receipts" shown in this article include the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations from 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) [8]." See the Explanation of Selected Terms section.)

The receipts and deductions shown in this article for foreign-controlled domestic corporations do not include any amounts generated by their foreign parent companies. However, FCDC's could have had business transactions with their parent companies (and other related foreign persons), and FCDC receipts and deductions stemming from these transactions are included in the statistics [9].

Approximately 91 percent of the \$1.3 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 compa-

nies reported \$1.2 trillion of total deductions for 1993. Cost of sales and operations was 66 percent of the total.

It is noteworthy to look at the "gross profit" of FCDC's. Gross profit is defined here as the difference between business receipts and cost of sales and operations. The manufacturing and wholesale trade industrial groupings accounted for most of the reported amounts of business receipts and cost of sales and operations. Manufacturers had substantially higher gross profits than did wholesalers. As shown in column 28 of Table 1, for every dollar of business receipts, manufacturers reported \$.69 of cost of sales and operations. By comparison, wholesalers reported \$.86 of cost of sales and operations for each dollar of business receipts.

Total receipts less total deductions for FCDC's amounted to a positive \$10.2 billion for 1993. This is somewhat different from the \$11.2 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 non-taxable interest on State and local Government obligations and excludes the two items of constructive taxable income from related foreign corporations described herein. For 1993, FCDC's received \$0.6 billion of tax-exempt interest on State and local Government obligations and \$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 a positive \$11.2 billion for 1993, up from the \$5.7 billion for 1992. Net income (less deficit) reported on all corporation income tax returns also increased between 1992 and 1993, from \$402.0 billion to \$498.2 billion.

The overall increase in net income (less deficit) for 1993 resulted from the performance of three of the four principal industrial groups of FCDC's. Companies whose principal business activity was in manufacturing reported

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Net income (less deficit) reported for FCDC's increased from \$5.7 billion to \$11.2 billion for 1993, reflecting the overall corporate performance for that year.

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\$8.4 billion of positive net income (less deficit) for 1993, a significant rise from the \$5.1 billion of income reported for 1992. The finance, insurance, and real estate group also reported an increase in net income (\$2.8 billion) for 1993, as compared to \$0.4 billion for the previous year. The services sector assisted in the overall increase by reducing their net loss from \$1.8 billion for 1992 to \$0.7 billion for 1993. However, the performance of the wholesalers in regard to their reported amounts of net income (less deficit) remained static, at \$0.5 billion in net profits for both years.

The \$11.2 billion of net income (less deficit) was the result of 22,007 corporations reporting \$35.9 billion of (positive) profits and 31,994 companies reporting \$24.7 billion of deficits [10]. Thus, about 4 out of every 10 (40.8 percent) domestic corporations with foreign owners reported a (positive) profit for 1993. By comparison, 54.1 percent of all corporations filing U.S. income tax returns for the same year reported a profit. The percentage of FCDC's reporting a profit for 1993 was within the range of percentages for the 1985-1992 period as a whole, which varied between 38.7 percent and 43.3 percent.

The percentage of companies reporting (positive) profits varied among different industrial groups. About half of the FCDC's classified in manufacturing (50.1 percent) and in wholesale trade (47.6 percent) reported profits for 1993. However, only about one-third (34.1 percent) of the companies classified in finance, insurance, and real estate reported profits. Real estate companies primarily accounted for this low percentage, with only 4,038 of the 12,749 returns classified in this industry reporting profits (31.7 percent).

About six out of every 10 FCDC's reported a deficit for 1993. Collectively, these companies had \$24.7 billion in deficits, a small decrease from the \$26.4 billion of deficits reported for 1992. 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*. These forms are not included in the statistics for foreign-controlled domestic corporations. However, net operating losses carried forward to Tax Year 1993 from years prior to that time are included in the statistics as part of the computation of income subject to tax (discussed below).

Taxes

For 1993, foreign-controlled domestic corporations reported \$28.0 billion of "income subject to tax" (or

taxable income, i.e., the base on which tax was computed, for purposes of the statistics), resulting in nearly \$9.7 billion of "regular" tax. The \$10.4 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, the tax from the recapture of low-income housing credits, and the tax from the recapture of investment credits. The alternative minimum tax was \$0.7 billion for 1993. The remaining taxes comprised a very small amount of the total.

The difference between the \$35.9 billion of positive profits (or net income) and \$28.0 billion of income subject to tax was the result of statutory special deductions. These deductions were allowed for most corporations in computing their taxable income and included the deduction for "net operating losses" (NOL's) from other years. For 1993, the net operating loss deduction was \$7.0 billion and accounted for over 85 percent of the total statutory special deductions. (See the Explanation of Selected Terms section for a discussion of the net operating loss deduction.) FCDC's reduced their 1993 net income by 19.5 percent using NOL's carried over from prior years. NOL's carried back to 1993 from Tax Year 1994 and beyond are not included in the statistics shown in this article.

Tax credits totaling \$2.2 billion reduced the U.S. tax liability of foreign-controlled domestic corporations to \$8.2 billion for 1993. The largest credits claimed were \$1.5 billion of foreign tax credits and \$0.2 billion each of general business credits, prior-year minimum tax credits, and U.S. possessions tax credits. Other credits included the orphan drug research credit and the nonconventional source fuel credit. The \$8.2 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 the Internal Revenue Service as a result of examination or enforcement activities.

"Large" Foreign-Controlled Domestic Corporations

"Large" companies accounted for the majority of the key financial items of all FCDC's. For purposes of this article, large companies were those with at least \$250 million of total assets and/or \$50 million of business receipts. (Within the finance, insurance, and real estate industrial group, total receipts were used in place of business receipts for selecting the large 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 these large companies in order to obtain maximum coverage of four primary industrial sectors: manufacturing; wholesale

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trade; finance, insurance, and real estate; and services. As previously discussed, certain industries have different characteristics from other industries. For instance, companies classified in the wholesale trade industrial sector generally report large amounts of receipts as compared to their end-of-year assets. By comparison, corporations classified in the finance, insurance, and real estate industrial sector generally report large amounts of assets as compared to their receipts. If only assets or receipts were used to select the large companies, then one of these industrial sectors would have greater coverage in comparison to the other sector. Table 2 shows data for the large FCDC's by selected industrial sectors. This table also contains data for large 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 1993, large companies reported 91.0 percent of the total assets, 90.0 percent of the total receipts, 86.4 percent of the taxable income, and 85.6 percent of the total income tax after credits, of all the FCDC's. While accounting for most of these key financial items, these 2,401 companies comprised just 4.4 percent of the number of income tax returns filed by FCDC's.

Table 2 shows that there were 12,910 large domestic corporations that did not have controlling foreign owners for 1993. These companies accounted for even less of the number of income tax returns filed by domestic corporations without foreign owners (excluding Forms 1120S and 1120F), only 0.6 percent. However, like the FCDC's, the large companies comprised the majority of the key financial items of this group of returns: 87.7 percent of total assets, 75.3 percent of total receipts, 86.1 percent of taxable income, and 85.7 percent of total income tax after credits.

Large FCDC's generally report greater profits than do the smaller companies. For 1993, large FCDC's reported a combined positive amount of \$15.1 billion of net income (less deficit) while the smaller companies reported a combined loss of \$3.9 billion. Later in this article, the profitability of the large FCDC's will be compared to that of large domestically-controlled corporations.

Industry Characteristics

The industrial concentration of the large companies was somewhat different for the domestic corporations that were foreign controlled and those that were not. For 1993, 34.2 percent of the large domestic companies without foreign owners were classified in the finance, insurance, and real estate industrial sector. For the large FCDC's, this sector accounted for only 16.3 percent of the companies. Conversely, large FCDC's were more commonly classified in

the manufacturing (38.1 percent versus 24.9 percent) and wholesale trade (26.9 percent versus 11.7 percent) sectors as compared to the large domestic companies that were not foreign controlled.

Table 2 shows selected items and percentages for large domestic corporations, both foreign- and domestically-controlled. In comparing the percentages, or ratios, between the two groups of returns, this article will focus on each of the four industrial groupings shown in the table, rather than the data for all industries. By doing so, the effect of different financial characteristics in different industries (previously discussed) will be minimized.

In each of the four industrial groupings shown in Table 2, the percentage of returns reporting amounts of positive net income were substantially less for the FCDC's than for the domestically-controlled large companies. (See column 24 of the table.) The largest difference was in the finance, insurance, and real estate sector, with 85.7 percent of the domestically-controlled companies reporting profits, while only 62.4 percent of the FCDC's did so. The smallest difference was for wholesalers, 82.4 percent versus 71.8 percent.

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 were selected for the table based on the largest aggregated amounts of total receipts at the all-industries level. Within a given industrial grouping, domestic corporations controlled by owners in different foreign countries had very different percentages of profitable companies for 1993. For example, while 66.0 percent of large manufacturing FCDC's reported profits, this ranged from a high of 81.1 percent for Switzerland to a low of 56.1 percent for Japan.

Another key ratio is net income (less deficit) as a percentage of total receipts (column 30 of Table 2). Once again, for each of the four industrial sectors shown in this table, domestically-controlled companies reported significantly-higher percentages than did their foreign-controlled counterparts. The differences were: (1) for finance, insurance, and real estate, 11.1 percent for domestically-controlled companies as compared to 3.6 percent for FCDC's; (2) for manufacturing, 5.5 percent versus 1.9 percent; (3) for services, 4.6 percent versus 0.7 percent; and (4) for wholesale trade, 1.9 percent versus 0.2 percent. The range of values for this ratio was large among the different countries. For instance, while all large FCDC's

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classified in the finance, insurance, and real estate industrial sector reported 3.6 percent of their receipts as net positive profits, this ratio ranged from a high of 6.9 percent for the United Kingdom to a low of -0.6 percent for Japan.

While the differences in the ratios between domestically-controlled large companies and their foreign-controlled counterparts for taxable income as a percentage of total receipts were also substantial, these differences were generally somewhat smaller than the differences discussed above for net income (less deficit) as a percentage of total receipts. However, in the finance, insurance, and real estate sector, the differences narrowed substantially. The difference in net income (less deficit) as a percentage of total receipts for this sector was 11.1 percent for domestically-controlled companies as compared to 3.6 percent for FCDC's. In calculating the taxable income as a percentage of the total receipts reported by these companies (Figure A), the difference had narrowed to 6.7 percent for domestically-controlled companies versus 4.9 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 the finance, insurance, and real estate sector.

Table 2 also includes the ratio of total income tax after credits to total receipts (column 37). The total income tax after credits reported by both domestically-controlled companies (\$95 billion) and by FCDC's (\$7 billion) represents the tax liability of these companies as originally reported on their 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 the Internal Revenue Service 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 the ratio of total income tax after credits to total receipts, it should also be noted that a small portion of total income tax after credits (for example, the recapture tax on investment credit) 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 ratio because the regular tax and the alternative minimum tax represented well over 99 percent of the total income tax for both domestically-controlled companies and for FCDC's.

In each of the four industrial sectors shown in Table 2, the ratio of total income tax after credits to total receipts was higher for domestically-controlled corporations than it was for FCDC's. The finance, insurance, and real estate sector had the highest ratios for both domestically-con-

The ratio of total income tax after credits to total receipts was higher in each of the four primary industrial sectors for "large" domestically-controlled corporations than it was for "large" FCDC's.

trolled corporations (2.1 percent) and for FCDC's (1.6 percent). While these ratios appear to be more similar than the ratios previously discussed, the large domestically-controlled corporations classified in this

sector reported about 26 percent more taxes after credits than did the FCDC's when based on the same level of receipts. The differences were significantly greater in this ratio between large domestically-controlled corporations and for large FCDC's in the other three industrial sectors. The differences were: (1) for services, 1.4 percent as compared to 0.4 percent; (2) for manufacturing, 1.2 percent versus 0.7 percent; and (3) for wholesale trade, 0.6 percent versus 0.3 percent. Thus, for services, as an example, large domestically-controlled corporations reported 226 percent more taxes after credits than did the large FCDC's when based on the same level of receipts.

The differences in financial characteristics of different industries once again becomes evident when reviewing the ratios shown in Table 2. For instance, when the ratio of net income (less deficit) to total receipts (column 30) is used, the finance, insurance, and real estate sector has a substantially higher ratio (3.6 percent for large FCDC's) than does the wholesale trade sector (0.2 percent). However, when total assets is used as the denominator in place of total receipts (column 28), the difference is much less significant (large FCDC's in finance, insurance, and real estate have a 0.5 percentage and those in wholesale trade have a 0.4 percentage). Because the breakdown of industrial activities is not the same for large 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.

Summary

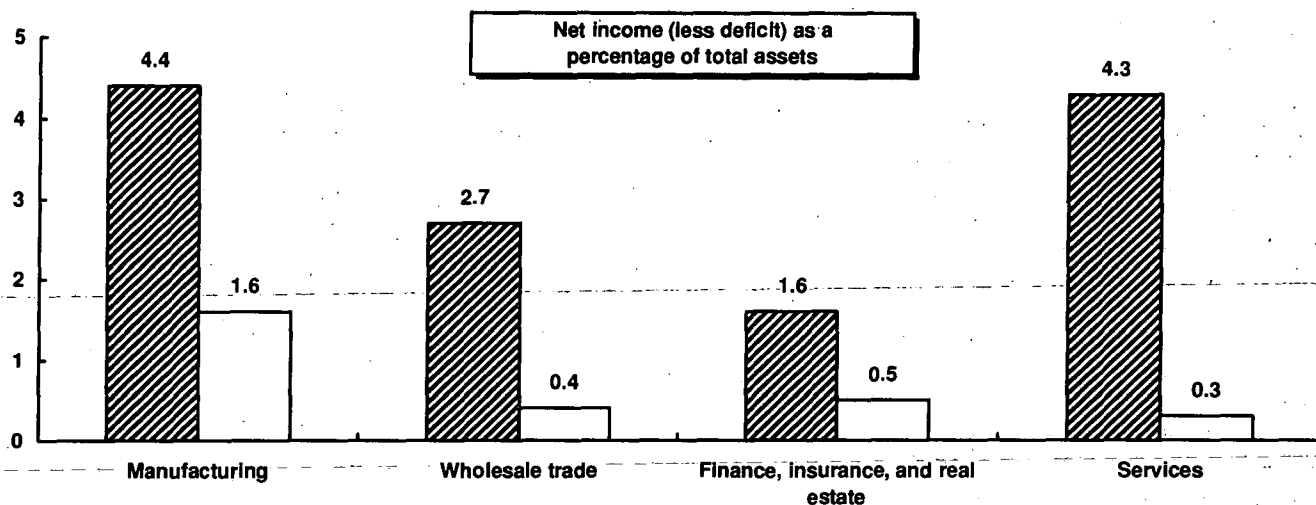
Direct foreign investment in the United States through FCDC's continued to grow for 1993. While total assets reported on all U.S. corporation income tax returns increased by 9.1 percent over the previous year, assets of domestic corporations controlled by foreign persons increased by 11.4 percent [11]. As a result, the percentage of total corporate assets accounted for by FCDC's increased to 9.6 percent. In addition, the share of total corporate receipts accounted for by FCDC's increased to 10.2 percent. Between 1992 and 1993, receipts reported by all corporations increased by 4.5 percent, while the receipts of FCDC's increased at a faster pace, by 5.5 percent.

Foreign-Controlled Domestic Corporations, 1993

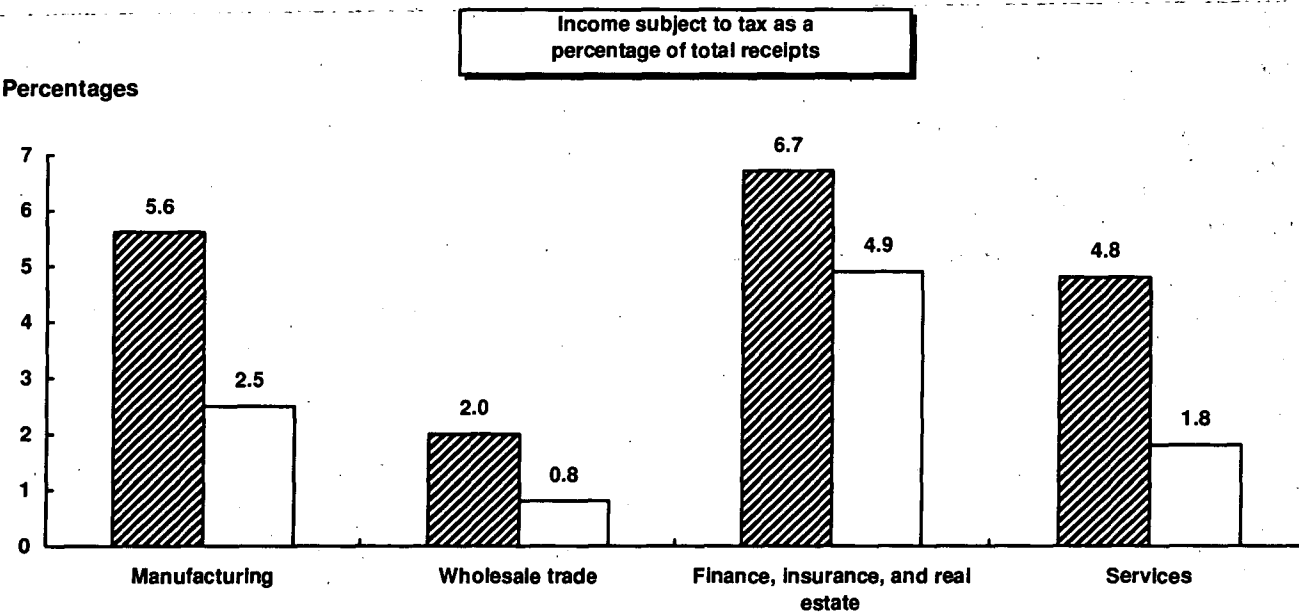
Figure A

Comparative Percentages for "Large" Corporations, 1993

Percentages



Percentages



Domestic corporations not foreign controlled
 Foreign-controlled domestic corporations

NOTES: "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 group). Data from corporations that filed Forms 1120S and 1120F are excluded from this figure.

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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 had total receipts of \$352 billion, 28.1 percent of the FCDC total. In addition, the United Kingdom, the Netherlands, and Germany accounted for 14.8, 12.3, and 10.1 percents, respectively, of the total.

The collective net income (less deficit) reported by foreign-controlled domestic corporations increased to \$11.2 billion, as compared to \$5.7 billion for 1992. This reflects both an increase in (positive) net income (from \$32.0 billion to \$35.9 billion) and a decrease in deficits (from \$26.4 to \$24.7 billion). Total income tax after credits moved in the same direction as net income, increasing from \$7.1 billion for 1992 to \$8.2 billion for 1993.

Of the 54,001 foreign-controlled domestic corporations, 2,401 "large" companies accounted for 85 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 an industry basis, in most cases the ratios related to profitability and taxable income (e.g., net income (less deficit) as a percentage of total assets, and income subject to tax as a percentage of total receipts) were substantially smaller for the FCDC's.

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—1993, 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.

Business Receipts.—These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of sales and operations" 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 statistics for "interest received." Also in the finance, insurance, and real estate industries, premium income of most insurance companies was included in business receipts.

Cost of Sales and Operations.—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 sales and operations 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 was defined by Internal Revenue Code section 63 and consisted of net income minus certain statutory special deductions. This item is often referred to as "taxable income" in this article. 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 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, it is also referred to as "profits." It reflects not only actual receipts, but "constructive" receipts as well (i.e., certain income from Controlled Foreign Corporations and from the foreign taxes deemed paid on foreign dividends received). Tax-exempt interest on State and local Government obligations is excluded from this item, but it 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 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." 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 (1993) tax year. Losses incurred after the 1993 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 1993 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 capital stock, plus paid-in or capital surplus, plus appropriated retained earnings, plus unappropriated retained earnings, less the cost of treasury stock. Treasury stock is common or preferred stock originally issued by the corporation which has been reacquired and was held at the end of the accounting period by the issuing corporation.

Number of Returns.—The data contained in this article include the number of returns filed for Tax Year 1993. For expeditious 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 IRS 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 for 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, 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 reserve for bad debts.

Total Income Tax After Credits.—For 1993, total income tax was primarily comprised of the regular tax imposed on corporate income subject to tax (93.1 percent of the total tax) and the alternative minimum tax (6.5 percent). 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. For 1993, the credits used to reduce total income tax primarily included the foreign tax credit (68.5 percent of the total credits), the prior-year minimum tax credit (10.6 percent), the general business credit (9.3 percent), and the U.S. possessions tax credit (9.2 percent). The statistics shown for this item may differ somewhat from the actual income tax collections and the final income tax liability of corporations for Tax Year 1993. 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 activities by IRS, or the use of

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carryback provisions for net operating losses and unused foreign tax and general business credits by taxpayers. This item is computed within the Statistics of Income corporate program [12].

Total Receipts.—This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on an income tax return. It includes gross taxable receipts, before the deduction of cost of sales and operations and other ordinary and necessary business expenses. It also includes tax-exempt interest received from 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. This item is computed within the Statistics of Income corporate program [12].

Total Receipts Less Total Deductions.—This item differed from “net income (less deficit)” for statistical purposes in that it included nontaxable interest received on State and local Government obligations, and excluded constructive taxable income from related foreign corporations. This item is computed within the Statistics of Income corporate program [12].

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 1993 statistics include data from the small numbers of other 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 1120PC (*U.S. Property and Casualty Insurance Company Income Tax Return*).

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 1120PC

were sampled based solely on the size of total assets.

For 1993, the achieved sampling rates for Forms 1120 alone (the overwhelming majority of the returns used for 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 study at the 100-percent rate. For additional information on the sampling rates, see *Statistics of Income—1993, Corporation Income Tax Returns*.

Because the data presented are estimates based 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. For a general discussion of CV's, see the appendix to this publication. For a more detailed discussion of the CV's applicable to the corporation statistics, see *Statistics of Income—1993, Corporation Income Tax Returns*.

Nonsampling Limitations

Most of the data in this article relate to Tax Year 1993, which covers returns with accounting periods that ended in a 12-month span beginning in July 1993 and ending in June 1994. (The sampling frame for the 1993 statistics consisted of tax returns which posted to the IRS Business Master File between July 1993 and June 1995.) 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 1993, that span was from August 1992 through June 1994. Nevertheless, most of the income and expenses are, in fact, associated with Calendar Year 1993.

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 [13]. 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 [14, 15]. Taxpayers sometimes incorrectly answered these questions, or did not answer them at all. However, prior to tabulation, corporations with large amounts of assets and with changes in foreign ownership status between 1992 and 1993 were researched and verified. These large corporations have 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 assigned during statistical processing. This

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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 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 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] Internal Revenue Service, *Statistics of Income Bulletin*, Publication 1136, Spring 1996, Volume 15, Number 4, pp. 170-171.
- [2] For 1992 data covering FCDC's, see Hobbs, James R., "Foreign-Controlled Domestic Corporations, 1992," Internal Revenue Service, *Statistics of Income Bulletin*, Publication 1136, Fall 1995, Volume 15, Number 2, pp. 124-139.
- [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 corporations. 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] Internal Revenue Service, *Statistics of Income—1993, Corporation Income Tax Returns*, Publication 16.
- [6] For additional information on direct foreign investment in the United States, see Bureau of Economic Analysis (BEA), *United States Department of Commerce News*, "Foreign Investors' Spending to Acquire or Establish U.S. Businesses Continued to Increase in 1995," BEA 96-21, July 9, 1996. This news release presents data for 1989 to 1995 from surveys covering existing U.S. business enterprises in which foreign investors acquired, either directly or through their U.S. affiliates, at least a 10-percent ownership interest, as well as new U.S. business enterprises established by foreign investors or their U.S. affiliates. The data are for newly-acquired or established U.S. business enterprises with total assets greater than \$1 million or ownership of 200 acres or more of U.S. land.
- [7] Beginning with Tax-Year 1988, returns of Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations were not included in the totals for all U.S. corporation income tax returns. Previously, they were. 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.
- [8] In general, the computation of net income (less deficit) can be shown as follows:

Total Receipts	(Includes Business Receipts)
Less: Total Deductions	(Includes Cost of Sales and Operations)
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)	

- [9] For detailed information on transactions between FCDC's and their related foreign persons, see the data release entitled "Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 1991," Internal Revenue Service,

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Statistics of Income Bulletin, Publication 1136, Summer 1995, Volume 15, Number 1, pp. 88-98. While the above-mentioned data release provides more complete information on transactions between FCDC's and their related foreign persons, the reader may want to review columns 5 and 6 of Table 1 of this article for data on loans to and from the stockholders of FCDC's. At the end of their 1993 accounting periods, FCDC's had \$55.1 billion of outstanding loans from their stockholders, while making \$18.3 billion of loans to their stockholders. The principal stockholders of FCDC's are foreign "persons," usually foreign corporations.

- [10] The 31,994 companies reporting a deficit may include a small number of "break-even" companies, i.e., those whose receipts and deductions were equal.
- [11] The 11.4 percent increase between 1992 and 1993 in the assets of domestic corporations controlled by foreign persons, as well as the 9.1 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 11.4 percent to 9.1 percent (above) may be limited.
- [12] See Internal Revenue Service, *Statistics of Income*—

1993, Corporation Income Tax Returns, Documentation Guide, Document 6930, December 1995, for the computation of these items.

- [13] On Form 1120, Page 3, Schedule K, the actual questions were: "(10) Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% 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."
- [14] 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.
- [15] Statistics of Income also compiles statistics for the domestic corporations with 25 to 49 percent foreign owners. 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 1993, there were only 4,329 returns which indicated a level of foreign ownership between 25 and 49 percent. These companies reported \$213.3 billion of assets, \$72.8 billion of receipts, \$2.1 billion of taxable income, and \$0.6 billion of total income tax after credits. All of these amounts were small in comparison to data for the FCDC's.

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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			Total assets	Loans to stockholders	Loans from stockholders
	Total	With net income	With total income tax after credits			
	(1)	(2)	(3)	(4)	(5)	(6)
All industries ¹	54,001	22,007	16,393	2,097,338	18,270	55,057
Australia.....	602	213	207	63,238	*2,130	998
Belgium.....	571	152	132	17,598	*8	*36
Canada.....	10,135	4,175	3,036	182,734	437	6,360
France.....	2,542	1,249	897	99,092	2,003	3,449
Germany.....	3,593	2,015	1,819	147,837	222	1,878
Japan.....	7,355	2,570	1,948	559,462	869	14,572
Netherlands.....	2,157	818	479	320,558	1,192	4,446
Sweden.....	604	94	78	28,229	*1,182	513
Switzerland.....	1,713	943	602	118,910	183	3,550
United Kingdom.....	4,058	1,917	1,308	346,928	7,100	12,256
Manufacturing ²	6,289	3,189	2,830	596,032	1,686	18,519
Australia.....	37	30	31	9,302	*74	*70
Belgium.....	*20	*12	*12	*6,957	-	*5
Canada.....	1,360	822	821	53,990	194	2,133
France.....	242	155	126	45,579	211	1,410
Germany.....	542	397	367	56,693	70	699
Japan.....	979	358	312	57,993	47	1,451
Netherlands.....	206	84	88	127,447	*49	1,300
Sweden.....	96	47	47	9,419	*3	*264
Switzerland.....	322	179	160	46,135	83	2,433
United Kingdom.....	545	310	314	118,641	937	7,327
Wholesale trade ²	13,961	6,644	4,610	227,382	616	4,709
Australia.....	*292	*74	*74	*1,063	*3	*2
Belgium.....	217	37	*17	783	-	*22
Canada.....	1,534	531	474	6,077	*51	408
France.....	708	613	335	4,751	*30	*134
Germany.....	991	471	405	25,712	*92	613
Japan.....	2,200	1,095	689	128,902	249	1,523
Netherlands.....	652	186	138	10,949	*3	327
Sweden.....	37	*22	*11	2,664	*8	*18
Switzerland.....	268	230	154	3,627	*97	*108
United Kingdom.....	862	703	235	19,260	*39	913
Finance, Insurance, and real estate ²	16,967	5,791	4,370	999,712	15,160	22,131
Australia.....	133	17	14	8,717	*2,019	*437
Belgium.....	84	*80	*80	4,076	-	*10
Canada.....	3,934	1,243	813	97,045	89	2,577
France.....	442	114	92	34,987	*1,655	1,422
Germany.....	1,641	812	765	50,647	*5	171
Japan.....	2,469	719	627	318,003	494	8,929
Netherlands.....	511	237	169	155,808	*1,109	1,681
Sweden.....	61	17	*13	14,987	*1,164	*169
Switzerland.....	408	212	155	65,166	* ⁽³⁾	854
United Kingdom.....	759	287	201	158,226	5,914	2,146
Services ²	7,619	3,262	2,141	142,822	208	3,969
Australia.....	*87	*81	*81	*33,342	*1	*17
Belgium.....	*11	*9	*9	*198	* ⁽³⁾	-
Canada.....	1,517	739	203	5,497	*21	580
France.....	188	100	100	6,077	-	*94
Germany.....	242	217	199	2,868	*49	*155
Japan.....	775	226	194	43,012	*71	1,564
Netherlands.....	481	259	24	16,072	*3	537
Sweden.....	*195	*5	*5	*371	*7	*4
Switzerland.....	418	*97	*98	1,660	*2	*75
United Kingdom.....	794	437	398	19,971	*34	366

Footnotes at end of table.

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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	Net worth	Total receipts	Business receipts	Interest received	Total deductions	Cost of sales and operations
	(7)	(8)	(9)	(10)	(11)	(12)
All Industries ¹	465,641	1,250,151	1,141,891	59,638	1,239,943	822,700
Australia.....	26,295	19,159	16,747	N/A	18,901	11,693
Belgium.....	5,904	17,521	16,689	N/A	17,136	12,677
Canada.....	39,161	96,653	86,398	N/A	95,587	55,157
France.....	23,171	70,469	65,796	N/A	70,621	50,372
Germany.....	42,478	125,819	119,251	N/A	125,150	83,537
Japan.....	88,512	351,539	323,119	N/A	352,663	267,864
Netherlands.....	93,443	153,296	136,825	N/A	150,263	96,292
Sweden.....	6,375	25,778	24,094	N/A	25,562	16,319
Switzerland.....	22,041	58,856	53,783	N/A	57,970	28,929
United Kingdom.....	74,334	184,580	164,270	N/A	179,628	100,425
Manufacturing ²	200,118	505,790	483,025	7,107	498,202	331,111
Australia.....	4,390	7,792	7,452	N/A	7,744	5,770
Belgium.....	*2,540	*5,416	*5,099	N/A	*5,500	*3,822
Canada.....	19,694	44,958	43,437	N/A	44,390	30,980
France.....	16,194	36,187	34,184	N/A	36,227	23,901
Germany.....	23,073	55,268	53,328	N/A	54,338	36,790
Japan.....	17,672	67,736	66,339	N/A	67,890	53,400
Netherlands.....	62,185	82,524	79,312	N/A	80,897	58,945
Sweden.....	3,324	13,441	13,078	N/A	13,197	9,384
Switzerland.....	10,268	39,546	37,753	N/A	38,397	18,752
United Kingdom.....	22,908	96,154	89,993	N/A	93,638	52,377
Wholesale trade ²	42,249	408,355	397,682	3,636	407,943	340,129
Australia.....	*490	*1,089	*1,085	N/A	*1,082	*783
Belgium.....	392	1,679	1,656	N/A	1,652	1,434
Canada.....	1,552	11,077	10,864	N/A	11,034	8,898
France.....	1,465	7,528	7,320	N/A	7,437	5,992
Germany.....	5,325	37,546	36,087	N/A	38,548	30,185
Japan.....	24,361	236,909	230,601	N/A	236,383	200,560
Netherlands.....	1,491	19,808	19,397	N/A	19,668	16,182
Sweden.....	712	5,544	5,224	N/A	5,479	4,110
Switzerland.....	1,134	6,386	6,278	N/A	6,249	4,730
United Kingdom.....	4,180	32,527	31,690	N/A	32,007	26,204
Finance, insurance, and real estate ²	127,054	134,126	73,567	44,138	131,008	29,261
Australia.....	1,252	1,530	*692	N/A	1,449	*296
Belgium.....	291	137	*17	N/A	126	-
Canada.....	10,046	17,204	10,356	N/A	16,664	3,902
France.....	2,476	4,079	2,408	N/A	3,907	1,895
Germany.....	9,794	13,782	11,432	N/A	13,187	3,247
Japan.....	28,242	22,281	4,358	N/A	23,506	1,190
Netherlands.....	21,907	25,178	14,075	N/A	23,898	5,306
Sweden.....	2,058	5,309	4,375	N/A	5,418	*1,863
Switzerland.....	9,747	8,170	5,558	N/A	7,815	2,931
United Kingdom.....	25,072	27,160	16,222	N/A	25,383	7,189
Services ²	51,568	61,241	53,917	2,785	62,264	26,659
Australia.....	*13,421	*6,217	*5,220	N/A	*6,406	*3,260
Belgium.....	*33	*99	*97	N/A	*106	*59
Canada.....	1,305	4,889	4,545	N/A	4,908	1,287
France.....	1,440	3,215	2,844	N/A	3,420	1,064
Germany.....	460	2,081	1,830	N/A	2,030	687
Japan.....	16,937	13,667	11,653	N/A	13,698	5,748
Netherlands.....	5,743	8,190	6,988	N/A	8,323	3,509
Sweden.....	*50	*566	*547	N/A	*560	*357
Switzerland.....	218	1,167	1,092	N/A	1,209	551
United Kingdom.....	8,279	12,647	11,302	N/A	12,612	5,137

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

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 paid	Net income (less deficit)	Net income	Statutory special deductions		Income subject to tax
				Total	Net operating loss deduction	
	(13)	(14)	(15)	(16)	(17)	(18)
All industries ¹	61,272	11,194	35,929	8,210	7,004	27,951
Australia.....	2,001	268	675	193	161	489
Belgium.....	430	401	553	26	18	527
Canada.....	5,068	1,020	3,388	1,104	792	2,327
France.....	2,820	131	1,719	293	273	1,428
Germany.....	3,024	662	3,094	717	599	2,402
Japan.....	17,604	-998	5,946	1,752	1,682	4,219
Netherlands.....	8,821	2,945	4,527	791	581	3,810
Sweden.....	686	223	604	181	168	430
Switzerland.....	2,955	922	2,250	497	441	1,758
United Kingdom.....	11,792	5,066	7,636	1,444	1,179	6,224
Manufacturing ²	18,433	8,448	16,269	3,433	2,759	12,953
Australia.....	290	49	152	37	*35	*117
Belgium.....	*255	*84	*14	*13	*13	*9
Canada.....	1,327	575	1,215	569	314	687
France.....	1,159	32	991	137	127	855
Germany.....	1,207	995	1,722	391	305	1,354
Japan.....	1,452	-122	1,633	569	544	1,076
Netherlands.....	2,717	2,163	2,163	363	293	1,803
Sweden.....	287	277	362	92	87	273
Switzerland.....	1,631	1,203	1,492	178	160	1,314
United Kingdom.....	6,083	3,473	3,473	602	456	2,899
Wholesale trade ²	6,511	473	4,936	1,235	1,185	3,709
Australia.....	*16	*6	*32	*6	*6	*26
Belgium.....	11	26	29	*9	*2	*20
Canada.....	139	43	249	54	53	195
France.....	96	93	174	38	38	136
Germany.....	708	-980	547	199	193	349
Japan.....	3,785	547	1,892	443	432	1,456
Netherlands.....	291	142	307	64	51	242
Sweden.....	156	65	*104	*54	*54	*50
Switzerland.....	67	137	159	38	38	121
United Kingdom.....	616	533	762	132	128	631
Finance, insurance, and real estate ²	28,317	2,805	8,871	1,882	1,544	7,075
Australia.....	221	78	113	94	*65	*24
Belgium.....	*89	12	*12	*9	*9	*11
Canada.....	2,549	487	1,127	221	185	904
France.....	1,035	164	271	55	48	216
Germany.....	868	501	532	97	72	437
Japan.....	11,126	-1,244	1,411	250	229	1,167
Netherlands.....	4,967	1,183	1,575	180	106	1,452
Sweden.....	211	-135	103	*30	*23	*77
Switzerland.....	1,147	336	424	224	*186	204
United Kingdom.....	3,601	1,765	2,503	554	465	1,951
Services ²	4,650	-674	1,970	730	665	1,253
Australia.....	*1,376	*180	*15	*3	*3	*12
Belgium.....	*2	*7	*2	-	-	*2
Canada.....	286	-19	186	93	91	93
France.....	224	11	158	*13	*13	145
Germany.....	46	49	118	*6	*6	112
Japan.....	932	56	742	410	397	332
Netherlands.....	517	-129	171	91	41	*93
Sweden.....	*17	*6	*10	*4	*4	*6
Switzerland.....	47	-42	*14	*9	*9	*5
United Kingdom.....	749	71	403	70	70	333

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

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 tax before credits			Credits		Total income tax after credits
	Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(19)	(20)	(21)	(22)	(23)	
All Industries ¹	10,380	9,663	674	2,212	1,515	8,168
Australia.....	177	169	6	89	*83	88
Belgium.....	192	183	*8	*113	*109	79
Canada.....	837	795	38	64	8	773
France.....	516	493	21	122	93	394
Germany.....	936	827	105	168	92	768
Japan.....	1,717	1,458	254	207	161	1,510
Netherlands.....	1,398	1,327	65	198	67	1,200
Sweden.....	156	149	6	37	*28	119
Switzerland.....	646	610	33	113	40	533
United Kingdom.....	2,270	2,163	97	305	194	1,965
Manufacturing ²	4,750	4,503	225	1,318	892	3,432
Australia.....	45	*40	*4	*1	-	44
Belgium.....	*3	*(3)	*3	-	-	*3
Canada.....	252	237	14	20	3	232
France.....	314	297	16	80	56	235
Germany.....	504	469	33	105	64	399
Japan.....	412	373	37	38	15	374
Netherlands.....	659	629	27	120	10	539
Sweden.....	101	95	5	35	*27	65
Switzerland.....	473	458	14	109	*40	365
United Kingdom.....	1,067	1,008	53	167	82	900
Wholesale trade ²	1,513	1,264	243	75	42	1,437
Australia.....	*8	*8	*(3)	*1	*(3)	*7
Belgium.....	*7	*7	*(3)	*(3)	-	*7
Canada.....	69	65	3	*(3)	*(3)	69
France.....	46	46	*(3)	*4	*4	42
Germany.....	168	118	49	6	*(3)	161
Japan.....	664	501	160	25	16	639
Netherlands.....	99	83	16	*12	*2	88
Sweden.....	*17	*17	*(3)	*(3)	-	*17
Switzerland.....	44	41	3	*1	*(3)	43
United Kingdom.....	228	219	8	19	*17	209
Finance, insurance, and real estate ²	2,541	2,450	82	236	153	2,305
Australia.....	9	*8	*(3)	*(3)	*(3)	9
Belgium.....	*3	*3	*(3)	*(3)	-	*3
Canada.....	317	311	5	22	*(3)	295
France.....	77	75	2	34	*33	43
Germany.....	154	151	*3	*40	*23	115
Japan.....	435	404	32	50	36	385
Netherlands.....	512	506	4	26	*16	486
Sweden.....	*28	*27	*1	*1	*(3)	*27
Switzerland.....	86	71	*15	*3	*(3)	83
United Kingdom.....	697	681	14	39	33	659
Services ²	459	423	33	137	128	322
Australia.....	*4	*4	*(3)	*(3)	*(3)	*4
Belgium.....	*1	*1	-	*(3)	*(3)	*1
Canada.....	34	30	4	*2	*1	32
France.....	50	49	*(3)	*2	*(3)	48
Germany.....	38	38	*(3)	*2	*1	36
Japan.....	139	115	23	*86	*85	53
Netherlands.....	34	*32	*2	*6	*5	28
Sweden.....	*2	*2	*(3)	-	-	*2
Switzerland.....	*2	*2	*(3)	*1	-	*1
United Kingdom.....	116	113	3	34	30	83

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

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			
	Number of returns with net income	Number of returns with total income tax after credits	Net worth "DB" total assets	Cost of sales and operations "DB" business receipts
	"DB" total number of returns			
	(25)	(26)	(27)	(28)
All industries ¹.....	40.75	30.36	22.20	72.05
Australia.....	35.38	34.39	41.58	69.82
Belgium.....	26.62	23.12	33.55	75.96
Canada.....	41.19	29.96	21.43	63.84
France.....	49.13	35.29	23.38	76.56
Germany.....	56.08	50.63	28.73	70.05
Japan.....	34.94	26.49	15.82	82.90
Netherlands.....	37.92	22.21	29.15	70.38
Sweden.....	15.56	12.91	22.58	67.73
Switzerland.....	55.05	35.14	18.54	53.79
United Kingdom.....	47.24	32.23	21.43	61.13
Manufacturing ².....	50.71	45.00	33.58	68.55
Australia.....	81.08	83.78	47.19	77.43
Belgium.....	*60.00	*60.00	*36.51	*74.96
Canada.....	60.44	60.37	36.48	71.32
France.....	64.05	52.07	35.53	69.92
Germany.....	73.25	67.71	40.70	68.99
Japan.....	36.57	31.87	30.47	80.50
Netherlands.....	40.78	42.72	48.79	74.32
Sweden.....	48.96	48.96	35.29	71.75
Switzerland.....	55.59	49.69	22.26	49.67
United Kingdom.....	56.88	57.61	19.31	58.20
Wholesale trade ².....	47.59	33.02	18.58	85.53
Australia.....	*25.34	*25.34	*46.10	*72.17
Belgium.....	17.05	*7.83	50.06	86.59
Canada.....	34.62	30.90	25.54	81.90
France.....	86.58	47.32	30.84	81.86
Germany.....	47.53	40.87	20.71	83.65
Japan.....	49.77	31.32	18.90	86.97
Netherlands.....	28.53	21.17	13.62	83.43
Sweden.....	*59.46	*29.73	26.73	78.68
Switzerland.....	85.82	57.46	31.27	75.34
United Kingdom.....	81.55	27.26	21.70	82.69
Finance, insurance, and real estate ².....	34.13	25.76	12.71	39.77
Australia.....	12.78	10.53	14.36	*42.77
Belgium.....	*95.24	*95.24	7.14	*0.00
Canada.....	31.60	20.67	10.35	37.68
France.....	25.79	20.81	7.08	78.70
Germany.....	49.48	46.62	19.34	28.40
Japan.....	29.12	25.39	8.88	27.31
Netherlands.....	46.38	33.07	14.06	37.70
Sweden.....	27.87	*21.31	13.73	*42.58
Switzerland.....	51.96	37.99	14.96	52.73
United Kingdom.....	37.81	26.48	15.85	44.32
Services ².....	42.81	28.10	36.11	49.44
Australia.....	*93.10	*93.10	*40.25	*62.45
Belgium.....	*81.81	*81.81	*16.67	*60.82
Canada.....	48.71	13.38	23.74	28.32
France.....	53.19	53.19	23.70	37.41
Germany.....	89.67	82.23	16.04	37.54
Japan.....	29.16	25.03	39.38	49.33
Netherlands.....	53.85	4.99	35.73	50.21
Sweden.....	*2.56	*2.56	*13.48	*65.27
Switzerland.....	*23.21	*23.44	13.13	50.46
United Kingdom.....	55.04	50.13	41.46	45.45

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

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	
	(29)	(30)	(31)	(32)
All Industries ¹.....	0.53	2.40	0.90	19.49
Australia.....	0.42	1.02	1.40	23.85
Belgium.....	2.28	6.79	2.29	3.25
Canada.....	0.56	2.60	1.06	23.38
France.....	0.13	0.57	0.19	15.88
Germany.....	0.45	1.56	0.53	19.36
Japan.....	-0.18	-1.13	-0.28	28.29
Netherlands.....	0.92	3.15	1.92	12.83
Sweden.....	0.79	3.50	0.87	27.81
Switzerland.....	0.78	4.18	1.57	19.60
United Kingdom.....	1.46	6.82	2.74	15.44
Manufacturing ².....	1.42	4.22	1.67	16.96
Australia.....	0.53	1.12	0.63	*23.03
Belgium.....	*-1.21	*-3.31	*-1.55	*92.86
Canada.....	1.07	2.92	1.28	25.84
France.....	0.07	0.20	0.09	12.82
Germany.....	1.76	4.31	1.80	17.71
Japan.....	-0.21	-0.69	-0.18	33.31
Netherlands.....	1.70	3.48	2.62	13.55
Sweden.....	2.94	8.33	2.06	24.03
Switzerland.....	2.61	11.72	3.04	10.72
United Kingdom.....	2.93	15.16	3.61	13.13
Wholesale trade ².....	0.21	1.12	0.12	24.01
Australia.....	*0.56	*1.22	*0.55	*18.75
Belgium.....	3.32	6.63	1.55	*6.90
Canada.....	0.71	2.77	0.39	21.29
France.....	1.96	6.35	1.24	21.84
Germany.....	-3.81	-18.40	-2.61	35.28
Japan.....	0.42	2.25	0.23	22.83
Netherlands.....	1.30	9.52	0.72	16.61
Sweden.....	2.44	9.13	1.17	*51.92
Switzerland.....	3.78	12.08	2.15	23.90
United Kingdom.....	2.77	12.75	1.64	16.80
Finance, insurance, and real estate ².....	0.28	2.21	2.09	17.41
Australia.....	0.89	6.23	5.10	*57.52
Belgium.....	0.29	4.12	8.76	*4.31
Canada.....	0.50	4.85	2.83	16.42
France.....	0.47	6.62	4.02	17.71
Germany.....	0.99	5.12	3.64	13.53
Japan.....	-0.39	-4.40	-5.58	16.23
Netherlands.....	0.76	5.40	4.70	6.73
Sweden.....	-0.90	-6.56	-2.54	*22.33
Switzerland.....	0.52	3.45	4.11	*43.87
United Kingdom.....	1.12	7.04	6.50	18.58
Services ².....	-0.47	-1.31	-1.10	33.76
Australia.....	*-0.54	*-1.34	*-2.90	*20.00
Belgium.....	*-3.54	*-21.21	*-7.07	*0.00
Canada.....	-0.35	-1.46	-0.39	48.92
France.....	0.18	0.76	0.34	*8.23
Germany.....	1.71	10.65	2.35	*5.08
Japan.....	0.13	0.33	0.41	53.50
Netherlands.....	-0.80	-2.25	-1.58	23.98
Sweden.....	*1.62	*12.00	*1.06	*40.00
Switzerland.....	-2.53	-19.27	-3.60	*64.29
United Kingdom.....	0.36	0.86	0.56	17.37

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

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 income tax after credits "DB"			
	Total assets (33)	Net worth (34)	Total receipts (35)	Total income tax before credits (36)
All Industries ¹	0.39	1.75	0.65	78.69
Australia.....	0.14	0.33	0.46	49.72
Belgium.....	0.45	1.34	0.45	41.15
Canada.....	0.42	1.97	0.80	92.35
France.....	0.40	1.70	0.56	76.36
Germany.....	0.52	1.81	0.61	82.05
Japan.....	0.27	1.71	0.43	87.94
Netherlands.....	0.37	1.28	0.78	85.84
Sweden.....	0.42	1.87	0.46	76.28
Switzerland.....	0.45	2.42	0.91	82.51
United Kingdom.....	0.57	2.64	1.06	86.56
Manufacturing ²	0.58	1.71	0.68	72.25
Australia.....	0.47	1.00	0.56	97.78
Belgium.....	*0.04	*0.12	*0.06	*100.00
Canada.....	0.43	1.18	0.52	92.06
France.....	0.52	1.45	0.65	74.84
Germany.....	0.70	1.73	0.72	79.17
Japan.....	0.64	2.12	0.55	90.78
Netherlands.....	0.42	0.87	0.65	81.79
Sweden.....	0.69	1.96	0.48	64.36
Switzerland.....	0.79	3.55	0.92	77.17
United Kingdom.....	0.76	3.93	0.94	84.35
Wholesale trade ²	0.63	3.40	0.35	94.98
Australia.....	*0.66	*1.43	*0.64	*87.50
Belgium.....	*0.89	*1.79	*0.42	*100.00
Canada.....	1.14	4.45	0.62	100.00
France.....	0.88	2.87	0.56	91.30
Germany.....	0.63	3.02	0.43	95.83
Japan.....	0.50	2.62	0.27	96.23
Netherlands.....	0.80	5.90	0.44	88.89
Sweden.....	*0.64	*2.39	*0.31	*100.00
Switzerland.....	1.19	3.79	0.67	97.73
United Kingdom.....	1.09	5.00	0.64	91.67
Finance, insurance, and real estate ²	0.23	1.81	1.72	90.71
Australia.....	0.10	0.72	0.59	100.00
Belgium.....	*0.07	*1.03	*2.19	*100.00
Canada.....	0.30	2.94	1.71	93.06
France.....	0.12	1.74	1.05	55.84
Germany.....	0.23	1.17	0.83	74.68
Japan.....	0.12	1.36	1.73	88.51
Netherlands.....	0.31	2.22	1.93	94.92
Sweden.....	*0.18	*1.31	*0.51	*96.43
Switzerland.....	0.13	0.85	1.02	96.51
United Kingdom.....	0.42	2.63	2.43	94.55
Services ²	0.23	0.62	0.53	70.15
Australia.....	*0.01	*0.03	*0.06	*100.00
Belgium.....	*0.51	*3.03	*1.01	*100.00
Canada.....	0.58	2.45	0.65	94.12
France.....	0.79	3.33	1.49	96.00
Germany.....	1.26	7.83	1.73	94.74
Japan.....	0.12	0.31	0.39	38.13
Netherlands.....	0.17	0.49	0.34	82.35
Sweden.....	*0.54	*4.00	*0.35	*100.00
Switzerland.....	*0.06	*0.46	*0.09	*50.00
United Kingdom.....	0.42	1.00	0.66	71.55

N/A: Not available. Also, those amounts of "interest received" shown in column 10 exclude interest received on State and local Government obligations.
 "DB": Divided by.

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

¹ Includes industrial groups and countries not specifically listed.

² Includes countries not specifically listed.

³ Less than \$500,000.

NOTE: This table presents separate data for the 10 largest countries, based on total receipts (column 8) for 1993, at the all-industries level.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Number of returns			Total assets	Net worth	Total receipts
	Total	With net income	With total income tax after credits			
	(1)	(2)	(3)	(4)	(5)	(6)
All industries¹:						
Domestic corporations not foreign controlled.....	12,910	10,445	8,981	16,524,141	5,017,860	6,747,913
Foreign-controlled domestic corporations, total ² ...	2,401	1,551	1,620	1,908,852	423,808	1,125,230
Canada.....	237	146	156	163,120	34,243	83,454
France.....	144	101	103	90,840	21,075	63,962
Germany.....	197	152	156	135,184	37,768	113,581
Japan.....	640	382	410	505,017	77,466	324,186
Netherlands.....	217	141	150	310,253	92,192	147,180
Switzerland.....	109	82	85	112,254	20,301	52,396
United Kingdom.....	303	206	215	328,951	69,778	173,170
Manufacturing:						
Domestic corporations not foreign controlled.....	3,213	2,531	2,586	3,248,490	1,085,903	2,643,577
Foreign-controlled domestic corporations, total ² ...	914	603	637	563,944	191,750	471,771
Canada.....	103	69	68	51,226	18,884	41,060
France.....	65	43	46	43,474	15,482	33,795
Germany.....	96	75	80	51,643	21,005	49,316
Japan.....	214	120	131	50,518	16,150	61,324
Netherlands.....	73	48	51	126,069	61,801	81,350
Switzerland.....	53	43	44	43,771	9,540	36,699
United Kingdom.....	128	90	96	115,623	22,399	93,259
Wholesale trade:						
Domestic corporations not foreign controlled.....	1,511	1,245	1,233	350,018	74,473	497,769
Foreign-controlled domestic corporations, total ² ...	645	463	466	199,959	40,072	361,536
Canada.....	30	14	17	4,602	1,365	7,696
France.....	22	19	19	3,606	1,269	5,701
Germany.....	61	47	45	22,499	4,508	32,877
Japan.....	244	178	188	120,681	23,281	224,513
Netherlands.....	39	29	30	9,724	1,325	17,635
Switzerland.....	24	23	23	2,664	1,000	4,380
United Kingdom.....	39	26	24	17,850	3,798	30,105
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	4,415	3,783	2,208	10,250,284	2,941,340	1,489,980
Foreign-controlled domestic corporations, total ² ...	391	244	248	913,623	103,513	124,146
Canada.....	39	26	27	87,519	7,807	15,736
France.....	26	17	18	32,655	1,853	3,731
Germany.....	18	16	16	47,565	8,274	13,430
Japan.....	102	45	46	290,635	21,306	20,125
Netherlands.....	36	26	26	151,356	21,476	24,469
Switzerland.....	13	11	11	63,366	9,236	7,851
United Kingdom.....	66	50	52	150,408	22,652	26,221
Services:						
Domestic corporations not foreign controlled.....	887	651	657	321,432	119,648	298,278
Foreign-controlled domestic corporations, total ² ...	156	88	92	119,843	47,678	44,494
Canada.....	20	14	15	3,479	981	3,108
France.....	10	6	6	4,275	967	2,071
Germany.....	6	5	5	2,341	388	1,466
Japan.....	32	13	16	35,503	15,581	11,141
Netherlands.....	30	19	18	14,508	5,624	7,391
Switzerland.....	3	**	**	931	82	428
United Kingdom.....	32	20	20	16,811	7,288	9,334

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Business receipts	Total deductions	Cost of sales and operations	Total receipts less total deductions	Constructive taxable income	Net income (less deficit)
	(7)	(8)	(9)	(10)	(11)	(12)
All Industries¹:						
Domestic corporations not foreign controlled.....	5,672,193	6,341,653	3,613,727	406,260	34,439	404,144
Foreign-controlled domestic corporations, total ² ...	1,026,687	1,110,985	744,213	14,245	1,417	15,098
Canada.....	74,294	82,006	47,326	1,447	8	1,401
France.....	59,836	64,093	46,782	-131	313	154
Germany.....	107,561	113,204	75,442	377	121	353
Japan.....	298,300	323,291	250,248	895	161	1,002
Netherlands.....	131,273	143,784	92,786	3,396	33	3,301
Switzerland.....	47,700	51,617	24,897	778	57	815
United Kingdom.....	153,972	168,051	94,992	5,119	135	5,179
Manufacturing:						
Domestic corporations not foreign controlled.....	2,439,208	2,522,695	1,654,283	120,882	24,766	144,170
Foreign-controlled domestic corporations, total ² ...	449,771	463,403	307,072	8,058	873	8,912
Canada.....	39,613	40,487	28,159	573	8	579
France.....	31,867	33,836	22,350	-41	72	30
Germany.....	47,536	48,595	32,719	721	68	788
Japan.....	60,068	61,202	48,559	123	39	154
Netherlands.....	78,223	79,637	58,187	1,713	5	1,718
Switzerland.....	34,955	35,561	16,822	1,138	57	1,192
United Kingdom.....	87,217	90,652	50,455	2,607	80	2,684
Wholesale trade:						
Domestic corporations not foreign controlled.....	480,916	489,225	415,983	8,544	988	9,382
Foreign-controlled domestic corporations, total ² ...	351,866	360,905	304,258	631	78	694
Canada.....	7,515	7,650	6,195	46	-	46
France.....	5,550	5,617	4,722	84	2	85
Germany.....	31,540	33,908	26,891	-1,031	23	-1,008
Japan.....	218,606	223,990	191,225	523	28	546
Netherlands.....	17,279	17,479	14,583	155	2	157
Switzerland.....	4,294	4,274	3,259	105	-	105
United Kingdom.....	29,311	29,582	24,531	522	14	536
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	746,908	1,298,862	459,471	191,118	6,682	165,027
Foreign-controlled domestic corporations, total ² ...	68,465	119,258	27,633	4,889	86	4,448
Canada.....	9,626	15,144	3,709	592	(³)	539
France.....	2,247	3,535	1,851	195	21	189
Germany.....	11,240	12,899	3,210	532	30	418
Japan.....	3,500	20,215	950	-91	3	-128
Netherlands.....	13,600	23,100	5,188	1,368	22	1,263
Switzerland.....	5,366	7,456	2,829	395	-	377
United Kingdom.....	15,754	24,352	7,044	1,869	4	1,803
Services:						
Domestic corporations not foreign controlled.....	275,902	284,469	106,114	13,809	457	13,707
Foreign-controlled domestic corporations, total ² ...	38,700	44,530	19,888	-35	350	314
Canada.....	2,869	3,027	769	82	-	81
France.....	1,895	2,328	809	-257	217	-40
Germany.....	1,242	1,409	426	57	-	57
Japan.....	9,473	10,817	4,876	324	86	410
Netherlands.....	6,257	7,363	3,158	28	3	30
Switzerland.....	367	441	254	-12	-	-12
United Kingdom.....	8,371	9,354	4,351	-20	36	16

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Net income	Deficit	Statutory special deductions		Income subject to tax
			Total	Net operating loss deduction	
	(13)	(14)	(15)	(16)	(17)
All industries¹:					
Domestic corporations not foreign controlled.....	450,846	46,702	101,165	22,529	350,343
Foreign-controlled domestic corporations, total ²	30,229	15,132	6,309	5,218	24,136
Canada.....	2,684	1,283	817	532	1,909
France.....	1,363	1,209	182	166	1,182
Germany.....	2,392	2,039	562	448	1,852
Japan.....	4,900	3,897	1,392	1,338	3,532
Netherlands.....	4,231	930	691	482	3,614
Switzerland.....	1,886	1,072	388	341	1,498
United Kingdom.....	6,917	1,739	1,253	995	5,695
Manufacturing:					
Domestic corporations not foreign controlled.....	161,932	17,762	14,120	7,382	148,398
Foreign-controlled domestic corporations, total ²	14,645	5,732	2,882	2,218	11,878
Canada.....	1,033	453	509	253	566
France.....	883	852	104	95	779
Germany.....	1,386	598	323	239	1,084
Japan.....	1,389	1,235	452	427	949
Netherlands.....	2,137	419	356	285	1,784
Switzerland.....	1,359	167	148	134	1,210
United Kingdom.....	3,356	673	573	426	2,812
Wholesale trade:					
Domestic corporations not foreign controlled.....	10,505	1,123	582	389	9,940
Foreign-controlled domestic corporations, total ²	3,733	3,039	883	841	2,858
Canada.....	146	100	9	9	137
France.....	109	24	16	16	93
Germany.....	351	1,359	143	137	208
Japan.....	1,562	1,016	359	348	1,209
Netherlands.....	221	64	55	41	167
Switzerland.....	111	6	21	20	90
United Kingdom.....	682	146	116	111	568
Finance, insurance, and real estate:					
Domestic corporations not foreign controlled.....	177,846	12,818	78,853	8,967	99,614
Foreign-controlled domestic corporations, total ²	7,425	2,977	1,370	1,103	6,129
Canada.....	915	376	121	104	793
France.....	207	18	30	25	178
Germany.....	419	1	77	53	343
Japan.....	1,142	1,270	160	142	988
Netherlands.....	1,483	220	142	69	1,398
Switzerland.....	397	19	215	184	181
United Kingdom.....	2,244	441	484	401	1,760
Services:					
Domestic corporations not foreign controlled.....	15,881	2,173	1,664	1,278	14,224
Foreign-controlled domestic corporations, total ²	1,358	1,043	559	509	812
Canada.....	117	36	55	55	62
France.....	75	115	6	6	69
Germany.....	85	28	3	3	82
Japan.....	626	216	378	378	248
Netherlands.....	155	124	79	29	89
Switzerland.....	1	14	1	1	-
United Kingdom.....	233	217	32	32	201

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Income tax before credits			Credits		Total income tax after credits
	Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(18)	(19)	(20)	(21)	(22)	
All industries¹:						
Domestic corporations not foreign controlled.....	126,288	122,168	3,689	31,202	21,155	95,086
Foreign-controlled domestic corporations, total ² ...	9,059	8,411	609	2,071	1,428	6,988
Canada.....	695	664	27	60	7	634
France.....	432	411	18	117	93	314
Germany.....	747	644	99	154	84	593
Japan.....	1,469	1,228	236	176	140	1,293
Netherlands.....	1,329	1,262	62	182	52	1,148
Switzerland.....	555	522	31	106	40	449
United Kingdom.....	2,087	1,987	90	268	167	1,819
Manufacturing:						
Domestic corporations not foreign controlled.....	53,089	51,792	1,070	22,004	15,405	31,085
Foreign-controlled domestic corporations, total ² ...	4,362	4,140	201	1,281	886	3,082
Canada.....	210	196	13	19	3	191
France.....	287	272	14	77	56	210
Germany.....	408	377	28	99	62	309
Japan.....	362	330	31	29	13	333
Netherlands.....	652	623	26	119	10	533
Switzerland.....	437	422	12	103	40	333
United Kingdom.....	1,037	980	51	163	81	874
Wholesale trade:						
Domestic corporations not foreign controlled.....	3,494	3,451	31	464	354	3,031
Foreign-controlled domestic corporations, total ² ...	1,233	991	236	63	35	1,169
Canada.....	49	47	1	(³)	(³)	49
France.....	33	32	(³)	4	4	29
Germany.....	120	72	48	6	(³)	114
Japan.....	581	419	158	17	11	563
Netherlands.....	74	58	16	10	(³)	64
Switzerland.....	33	31	2	1	(³)	33
United Kingdom.....	206	198	7	18	17	188
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	36,000	34,711	1,256	5,298	3,946	30,701
Foreign-controlled domestic corporations, total ² ...	2,209	2,140	62	176	99	2,033
Canada.....	280	277	2	22	(³)	258
France.....	64	62	2	34	33	30
Germany.....	122	120	2	33	17	89
Japan.....	367	345	24	41	28	326
Netherlands.....	493	489	2	18	8	475
Switzerland.....	78	63	15	2	(³)	76
United Kingdom.....	630	615	11	11	8	619
Services:						
Domestic corporations not foreign controlled.....	5,035	4,950	65	860	546	4,176
Foreign-controlled domestic corporations, total ² ...	313	282	28	119	115	193
Canada.....	25	21	4	1	(³)	24
France.....	24	24	(³)	(³)	(³)	24
Germany.....	29	28	(³)	2	1	27
Japan.....	109	87	21	79	79	29
Netherlands.....	33	31	1	5	5	27
Switzerland.....	(³)	-	(³)	-	-	(³)
United Kingdom.....	73	70	2	31	29	41

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Percentages			
	Number of returns with net income	Number of returns with total income tax after credits	Net worth "DB" total assets	Cost of sales and operations "DB" business receipts
	(24)	(25)	(26)	(27)
All Industries¹:				
Domestic corporations not foreign controlled.....	80.91	69.57	30.37	63.71
Foreign-controlled domestic corporations, total ² ...	64.60	67.47	22.20	72.49
Canada.....	61.60	65.82	20.99	63.70
France.....	70.14	71.53	23.20	78.18
Germany.....	77.16	79.19	27.94	70.14
Japan.....	59.69	64.06	15.34	83.89
Netherlands.....	64.98	69.12	29.72	70.68
Switzerland.....	75.23	77.98	18.08	52.19
United Kingdom.....	67.99	70.96	21.21	61.69
Manufacturing:				
Domestic corporations not foreign controlled.....	78.77	80.49	33.43	67.82
Foreign-controlled domestic corporations, total ² ...	65.97	69.69	34.00	68.27
Canada.....	66.99	66.02	36.86	71.09
France.....	66.15	70.77	35.61	70.14
Germany.....	78.13	83.33	40.67	68.83
Japan.....	56.07	61.21	31.97	80.84
Netherlands.....	65.75	69.86	49.02	74.39
Switzerland.....	81.13	83.02	21.80	48.12
United Kingdom.....	70.31	75.00	19.37	57.85
Wholesale trade:				
Domestic corporations not foreign controlled.....	82.40	81.60	21.28	86.50
Foreign-controlled domestic corporations, total ² ...	71.78	72.25	20.04	86.47
Canada.....	46.67	56.67	29.66	82.44
France.....	86.36	86.36	35.19	85.08
Germany.....	77.05	73.77	20.04	85.26
Japan.....	72.95	77.05	19.29	87.47
Netherlands.....	74.36	76.92	13.63	84.40
Switzerland.....	95.83	95.83	37.54	75.90
United Kingdom.....	66.67	61.54	21.28	83.69
Finance, insurance, and real estate:				
Domestic corporations not foreign controlled.....	85.69	50.01	28.70	61.52
Foreign-controlled domestic corporations, total ² ...	62.40	63.43	11.33	40.36
Canada.....	66.67	69.23	8.92	38.53
France.....	65.38	69.23	5.67	82.38
Germany.....	88.89	88.89	17.40	28.56
Japan.....	44.12	45.10	7.33	27.14
Netherlands.....	72.22	72.22	14.19	38.15
Switzerland.....	84.62	84.62	14.58	52.72
United Kingdom.....	75.76	78.79	15.06	44.71
Services:				
Domestic corporations not foreign controlled.....	73.39	74.07	37.22	38.46
Foreign-controlled domestic corporations, total ² ...	56.41	58.97	39.78	51.39
Canada.....	70.00	75.00	28.20	26.80
France.....	60.00	60.00	22.62	42.69
Germany.....	83.33	83.33	16.57	34.30
Japan.....	40.63	50.00	43.89	51.47
Netherlands.....	63.33	60.00	38.76	50.47
Switzerland.....	**	**	8.81	69.21
United Kingdom.....	62.50	62.50	43.35	51.98

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected countries	Percentages -- Continued			
	Net income (less deficit) "DB"			Net operating loss deduction "DB" net income
	Total assets	Net worth	Total receipts	
	(28)	(29)	(30)	(31)
All industries¹:				
Domestic corporations not foreign controlled.....	2.45	8.05	5.99	5.00
Foreign-controlled domestic corporations, total ² ...	0.79	3.56	1.34	17.26
Canada.....	0.86	4.09	1.68	19.82
France.....	0.17	0.73	0.24	12.18
Germany.....	0.26	0.93	0.31	18.73
Japan.....	0.20	1.29	0.31	27.31
Netherlands.....	1.06	3.58	2.24	11.39
Switzerland.....	0.73	4.01	1.56	18.08
United Kingdom.....	1.57	7.42	2.99	14.38
Manufacturing:				
Domestic corporations not foreign controlled.....	4.44	13.28	5.45	4.56
Foreign-controlled domestic corporations, total ² ...	1.58	4.65	1.89	15.15
Canada.....	1.13	3.07	1.41	24.49
France.....	0.07	0.19	0.09	10.76
Germany.....	1.53	3.75	1.60	17.24
Japan.....	0.30	0.95	0.25	30.74
Netherlands.....	1.36	2.78	2.11	13.34
Switzerland.....	2.72	12.49	3.25	9.86
United Kingdom.....	2.32	11.98	2.88	12.69
Wholesale trade:				
Domestic corporations not foreign controlled.....	2.68	12.60	1.88	3.70
Foreign-controlled domestic corporations, total ² ...	0.35	1.73	0.19	22.53
Canada.....	1.00	3.37	0.60	6.16
France.....	2.36	6.70	1.49	14.68
Germany.....	-4.48	-22.36	-3.07	39.03
Japan.....	0.45	2.35	0.24	22.28
Netherlands.....	1.61	11.85	0.89	18.55
Switzerland.....	3.94	10.50	2.40	18.02
United Kingdom.....	3.00	14.11	1.78	16.28
Finance, insurance, and real estate:				
Domestic corporations not foreign controlled.....	1.61	5.61	11.08	5.04
Foreign-controlled domestic corporations, total ² ...	0.49	4.30	3.58	14.86
Canada.....	0.62	6.90	3.43	11.37
France.....	0.58	10.20	5.07	12.08
Germany.....	0.88	5.05	3.11	12.65
Japan.....	-0.04	-0.60	-0.64	12.43
Netherlands.....	0.83	5.88	5.16	4.65
Switzerland.....	0.59	4.08	4.80	46.35
United Kingdom.....	1.20	7.96	6.88	17.87
Services:				
Domestic corporations not foreign controlled.....	4.26	11.46	4.60	8.05
Foreign-controlled domestic corporations, total ² ...	0.26	0.66	0.71	37.48
Canada.....	2.33	8.26	2.61	47.01
France.....	-0.94	-4.14	-1.93	8.00
Germany.....	2.43	14.69	3.89	3.53
Japan.....	1.15	2.63	3.68	60.38
Netherlands.....	0.21	0.53	0.41	18.71
Switzerland.....	-1.29	-14.63	-2.80	100.00
United Kingdom.....	0.10	0.22	0.17	13.73

Footnotes at end of table.

Foreign-Controlled Domestic Corporations, 1993

Table 2. -- Large Foreign-Controlled Domestic Corporations Compared to Other Large 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, type of corporation, and selected 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
	(32)	(33)	(34)	(35)	(36)	(37)
All Industries¹:						
Domestic corporations not foreign controlled.....	2.12	6.98	5.19	0.58	1.89	1.41
Foreign-controlled domestic corporations, total ² ...	1.26	5.70	2.14	0.37	1.65	0.62
Canada.....	1.17	5.57	2.29	0.39	1.85	0.76
France.....	1.30	5.61	1.85	0.35	1.49	0.49
Germany.....	1.37	4.90	1.63	0.44	1.57	0.52
Japan.....	0.70	4.56	1.09	0.26	1.67	0.40
Netherlands.....	1.16	3.92	2.46	0.37	1.25	0.78
Switzerland.....	1.33	7.38	2.86	0.40	2.21	0.86
United Kingdom.....	1.73	8.16	3.29	0.55	2.61	1.05
Manufacturing:						
Domestic corporations not foreign controlled.....	4.57	13.67	5.61	0.96	2.86	1.18
Foreign-controlled domestic corporations, total ² ...	2.11	6.19	2.52	0.55	1.61	0.65
Canada.....	1.10	3.00	1.38	0.37	1.01	0.47
France.....	1.79	5.03	2.31	0.48	1.36	0.62
Germany.....	2.10	5.16	2.20	0.60	1.47	0.63
Japan.....	1.88	5.88	1.55	0.66	2.06	0.54
Netherlands.....	1.42	2.89	2.19	0.42	0.86	0.66
Switzerland.....	2.76	12.68	3.30	0.76	3.49	0.91
United Kingdom.....	2.43	12.55	3.02	0.76	3.90	0.94
Wholesale trade:						
Domestic corporations not foreign controlled.....	2.84	13.35	2.00	0.87	4.07	0.61
Foreign-controlled domestic corporations, total ² ...	1.43	7.13	0.79	0.58	2.92	0.32
Canada.....	2.98	10.04	1.78	1.06	3.59	0.64
France.....	2.58	7.33	1.63	0.80	2.29	0.51
Germany.....	0.92	4.61	0.63	0.51	2.53	0.35
Japan.....	1.00	5.19	0.54	0.47	2.42	0.25
Netherlands.....	1.72	12.60	0.95	0.66	4.83	0.36
Switzerland.....	3.38	9.00	2.05	1.24	3.30	0.75
United Kingdom.....	3.18	14.96	1.89	1.05	4.95	0.62
Finance, insurance, and real estate:						
Domestic corporations not foreign controlled.....	0.97	3.39	6.69	0.30	1.04	2.06
Foreign-controlled domestic corporations, total ² ...	0.67	5.92	4.94	0.22	1.96	1.64
Canada.....	0.91	10.16	5.04	0.29	3.30	1.64
France.....	0.55	9.61	4.77	0.09	1.62	0.80
Germany.....	0.72	4.15	2.55	0.19	1.08	0.66
Japan.....	0.34	4.64	4.91	0.11	1.53	1.62
Netherlands.....	0.92	6.51	5.71	0.31	2.21	1.94
Switzerland.....	0.29	1.96	2.31	0.12	0.82	0.97
United Kingdom.....	1.17	7.77	6.71	0.41	2.73	2.36
Services:						
Domestic corporations not foreign controlled.....	4.43	11.89	4.77	1.30	3.49	1.40
Foreign-controlled domestic corporations, total ² ...	0.68	1.70	1.82	0.16	0.40	0.43
Canada.....	1.78	6.32	1.99	0.69	2.45	0.77
France.....	1.61	7.14	3.33	0.56	2.48	1.16
Germany.....	3.50	21.13	5.59	1.15	6.96	1.84
Japan.....	0.70	1.59	2.23	0.08	0.19	0.26
Netherlands.....	0.61	1.58	1.20	0.19	0.48	0.37
Switzerland.....	0.00	0.00	0.00	0.01	0.07	0.01
United Kingdom.....	1.20	2.76	2.15	0.24	0.56	0.44

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

"DB": Divided by.

¹ Includes industrial groups not specifically listed.

² Includes countries not specifically listed.

³ Less than \$500,000.

NOTES: This table presents separate data for the 7 largest countries, based on total receipts (column 6) for 1993, 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 group). Data from corporations that filed Forms 1120S and 1120F are excluded from this table.