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UNITED STATES BUSINESS INVESTMENTS IN FOREIGN COUNTRIES:

A NOTE ON THE 1966 U.S. SURVEY QUESTIONNAIRE

OTTAWA

December, 1969

Foreign Investment Division,

Office of Economics,

Department of Industry, Trade and Commerce.

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SUMMARY

Extent of Cover

In 1967, the U.S. Department of Commerce carried out a survey of U.S. business investments in foreign countries for 1966. Investors in the U.S. were required to report on foreign organizations which were controlled by or associated with them.

Controlled organizations include foreign corporations, partnerships, branches, and also business enterprises owned outright by U.S. residents. The primary criterion for control is ownership of 25 per cent or more of the equity. These controlled organizations are either primary allied foreign organizations or secondary allied foreign organizations.

The controlling equity in a primary allied foreign organization may be owned by the reporting organization either alone, or in conjunction with affiliates whether domestic or foreign. The definition of an affiliate would include, among other things, a foreign corporation in which the reporter had a voting interest of 10 per cent or more, or a foreign corporation affiliated to the reporter through a U.S. investor who had a voting interest in both. A secondary organization is allied with the reporter either through a primary allied organization or through another secondary one.

The questions asked thus reach down through all the ramifications of U.S. foreign-controlled organizations in Canada, and take account of financial links through third countries.

Associated foreign organizations are related to the U.S. investor through ownership by the investor and his U.S. affiliates of between 10 and 25 per cent of the equity.

Information Required

Form A identified the reporter, and called for a list of allied and associated foreign organizations.

For each allied non-financial foreign organization, the respondent had to submit a separate copy of Form B Non-Financial. This required a considerable amount of information. Among other things, questions covered the total activities of the foreign affiliate in the following fields: financial ownership, balance sheet items, a detailed statement of income and of costs and expenses, and a reconciliation of earned surplus with capital surplus.

A statement was also required of investment by the parent organization in, and transactions with, the foreign organization. This parent might be either the respondent or a foreign organization through which the affiliate was controlled. Thus, all links down a chain of control by 25 per cent ownership were covered, irrespective of their nationality.

Additional details were required about a large affiliate, if it was more than 50 per cent owned. Its net sales of goods or services were reported, broken down by sales to the reporter or his affiliates, and sales to outside customers. These were cross-classified by local sales, exports to the U.S., and exports to other countries with a breakdown by five regions. Information was also required on total sales of the affiliate by major product or service. Other details included its imports, the number of U.S. personnel and other personnel employed, and the source and use of funds.

For each associated foreign organization, a copy of Form C was required. This was much less detailed than Form B. Among other things, it called for a statement of the percentage interest in the firm of the reporter and of other U.S. owners. Presumably, information about other U.S. owners would be taken from the associate's books. A copy of the latest balance sheets and income account was also required, as supplied to the respondent by the associate.

U.S. exports channelled through, or promoted by, foreign affiliates and branches were the subject of Forms E and E-S. A separate copy of Form E

was required in respect of each large non-financial allied foreign organization which was 50 per cent or more owned by the respondent. Form E covered all goods charged or consigned to the affiliate regardless of whether they were shipped to it or shipped directly to other foreign destinations. It also covered U.S. goods shipped to the affiliate, regardless of whether they were charged or consigned to it. One question asked for a breakdown of U.S. goods between those charged or consigned by the reporting company and those by other U.S. suppliers. To provide information about U.S. exports by others, the respondent would presumably have to use the books of the foreign affiliate.

Each respondent which exported more than \$100,000 of merchandise from the U.S. in 1966 had to submit Form E-S, which related solely to its own transactions.

I. INTRODUCTION

The U.S. "Survey of American Business Investments in Foreign Countries" for 1966 was carried out in 1967 by the Office of Business Economics, Department of Commerce. Its purpose was "to provide a complete and accurate account of the amount of such investments at the end of 1966, the net increase in investments during the year, the return on these investments, and certain aspects of their contributions to foreign economies as well as to our own".

Reports supplying this information were required of:-

"every corporation, partnership, estate or trust, individual, or any other person, or closely related group of persons subject to the jurisdiction of the United States, and ordinarily residing within the United States, having at the close of business on December 31, 1966:

- a. Control of a foreign business organization (including a foreign branch) owned directly or in conjunction with an affiliated person, foreign or domestic.
- b. Outright ownership of real property located outside the United States, except real property held for personal use and not productive of income.
- c. Ownership of a sole proprietorship type of business enterprise, located outside of the United States.
- d. Ownership of the voting stock of a foreign corporation to the extent of at least 10 per cent, but less than 25 per cent, or an analogous interest in an unincorporated foreign enterprise."

Replies to the various questionnaires were mandatory under Section 8(b) of the Bretton Woods Agreements Act.

U.S. involvements in different countries were treated in a like manner; a special status was not given to Canadian ventures.

The interest of the Foreign Investment Division in this survey was twofold. It wished to know the definitional basis of the U.S. census data, so as to facilitate their analysis. The definitions used previously in the U.S. published statistics are explained in the Division's memorandum "U.S. Direct Investment in Canada as Reported by U.S. Sources, 1946-1967". Sections II and III of this note are concerned with this objective.

It was also considered desirable to find out the amount of detail collected about U.S. business investments in Canada. Section III deals with this.

II. DEFINITIONS

The information in this section is taken from Survey of American Business Investments in Foreign Countries - Instructions and Regulations, which was issued by the Secretary of Commerce in 1967.

The main definitions needed for an understanding of the questionnaire are as follows;-

1. PERSON includes an individual, partnership, association, corporation, estate or trust, or other organization.
2. PERSON SUBJECT TO THE JURISDICTION OF THE UNITED STATES means
 - a) any citizen of the U.S. (but only citizens ordinarily resident in the U.S. are required to report)
 - b) any corporation or other organization created or organized under the laws of the U.S. or any State, territory, district, or possession thereof
 - c) any individual resident in the U.S. on 31 December, 1966, except as specifically excluded.
3. UNITED STATES means the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, and any territory or possession of the United States.
4. AFFILIATES means
 - a)
 - (i) individuals married to each other, their direct forebears, and their children,
 - (ii) brothers and sisters,
 - (iii) estates of persons, or trusts for the benefit of or created by persons, are deemed to be affiliates of such persons and of each other;
 - b) any group of U.S. persons who ordinarily exercise their voting rights in a foreign organization as a unit;
 - c) in relation to any corporation or other organization issuing stock or similar securities, any person who, directly or indirectly, owned, controlled, or held with power to vote, 10 per cent or more of the outstanding voting securities thereof;
 - d) as to any other organization, any person who owned or controlled 10 per cent or more of the comparable ownership rights therein.

Any corporation or other United States organization of which a person was an affiliate also shall be deemed to have been an affiliate of such person, and all persons who were direct affiliates of the same United States person shall be deemed to have been affiliates of each other.

5. CONTROLLED ORGANIZATION: "The ownership of 25 per cent or more of the voting securities of a corporation, or of similar certificates of ownership in other types of organizations, including direct branches of U.S. business firms, shall constitute a controlled organization for the purposes of this survey. Such a 'controlled' foreign organization shall be referred to as an allied foreign organization." "Please note that organizations in Canada are foreign organizations and are therefore reportable."

6. PRIMARY ALLIED FOREIGN ORGANIZATION: includes;

a) Foreign corporations if

- (i) The reporting organization owns 25 per cent or more of the voting securities of the foreign corporation.
- (ii) The reporting organization owns less than 25 per cent of the voting securities of the foreign corporation; and affiliates, either domestic or foreign, of the reporting organization own additional voting securities in the foreign corporation which, when added to the amount owned by the reporter, total 25 per cent or more.
- (iii) The reporting organization owns none of the voting securities of a foreign corporation, but does own bonds, notes, or other certificates of indebtedness of the foreign corporation, or has direct dealings with the foreign corporation by exchange of merchandise or rendering services, or the foreign organization owns securities or obligations of the reporting company or its affiliates; and 25 per cent or more of the voting securities of the foreign corporation are owned by affiliates (domestic or foreign) of the reporter.

b) Partnership, if there is participation by a person subject to the jurisdiction of the U.S., whether general, special, limited or otherwise.

c) Branch - The interest of any person subject to the jurisdiction of the United States in property in any foreign country allocated to or held in the name or for the use of any branch, depot or office outside the United States maintained by such person for the transaction of any of his business. Foreign operations or activities conducted by U.S. corporations in their own names and not through foreign-incorporated companies are to be reported as branch operations. Unincorporated foreign business of mutual insurance companies should be treated as foreign branch activities of the U.S. business firm.

- d) A business enterprise or real property owned outright by a resident of the U.S.

7. SECONDARY ALLIED FOREIGN ORGANIZATION is

- a) A foreign organization allied with the reporter through the ownership of at least 25 per cent of its voting securities or other certificates of ownership, through a primary or other secondary allied foreign organization, after giving effect to the proportionate interest of the reporter in the voting securities of the primary or other secondary allied foreign organization.
- b) A branch of a primary allied foreign organization or of a secondary allied foreign organization engaged in a different type of business from, or located in a country foreign to the country of, the primary (or the secondary) allied foreign organization.
- c) If a foreign organization is qualified as a primary allied foreign organization because of share ownership by domestic or foreign affiliates of the reporter, it must also be reported as a secondary allied foreign organization to each of the reporter's foreign affiliates owning any of the voting securities of that foreign organization.
- d) Branches or subsidiaries of a primary allied foreign organization located in the same country and engaged in the same type of business as the primary organization may be included as part of the primary operation. If this is done, the total activities of the secondary, as well as the primary, must be submitted.

8. PARENT ORGANIZATION means the organization which owns a direct interest in the allied foreign organization. In the case of a secondary allied foreign organization, the parent is the primary foreign allied organization which owns voting securities of the secondary. An allied foreign organization may have more than one parent.

9. ASSOCIATED FOREIGN ORGANIZATION. "The ownership of at least 10 per cent but less than 25 per cent of the voting securities of a corporation, or of similar certificates of ownership in an unincorporated foreign organization, held directly by the reporter and its U.S. affiliates, shall constitute association with that organization for the purposes of this survey".

III. INFORMATION GATHERED ABOUT INDIVIDUAL U.S. ALLIED AND ASSOCIATED BUSINESS ORGANIZATIONS IN FOREIGN COUNTRIES

The purpose of this section of the report is to outline the nature of the detailed information collected by the U.S. authorities on U.S. allied and associated business establishments, in foreign countries, in the course of the 1966 survey. It is based on questionnaire BE-10, 1966, which consisted of forms A, B, C, D, E and E-S.

FORM A

Form A identified the reporter and required certain financial and general information about it. Information was required about any other person, affiliated group, or organization which might own or control the reporting organization. Financial data were required for the reporter and its domestic subsidiaries.

Information was required about the liquidation of foreign allied organizations between 1 January 1958 and 31 December 1966. (Presumably, this question tied in with a question asked in connection with the 1957 survey). If this had occurred, information was required, unless the information had already been reported to the Department of Commerce, on;-

- a. name of foreign organization,
- b. date of sale or liquidation,
- c. country,
- d. type of business,
- e. amount received from foreign purchaser,
- f. amount received in liquidation.

A summary was required of direct investment in foreign countries. In the case of allied foreign organizations, the name of each was required, together with its relationship with the reporter. For each one listed, information was required on;-

- a. country of incorporation,
- b. percentage of voting securities owned by the reporter or by an intermediate allied foreign organization.
- c. whether it was a primary or a secondary allied organization.

In the case of associated foreign organizations, a list of names was required showing the country of incorporation of each and the percentage of voting stock owned by the reporter.

FORM B NON-FINANCIAL

Form B was used in connection with allied foreign organizations. (Associated foreign organizations were covered by Form C). For reporting purposes, these foreign enterprises were classified as financial, non-financial, or insurance organizations. Three separate versions of Form B were used; Form B Financial, Form B Non-Financial and Form B Insurance.

The Division's interests are primarily with the non-financial sector. This section of the report is therefore confined to Form B Non-Financial. It consists of three parts. Part I identifies the allied foreign organization being reported. Part II's title refers to financial schedules pertaining to the allied foreign organization, but actually this Part includes some general economic series. Part III deals with investment of the parent organization in, and transactions with, the allied foreign organization.

A separate copy of Form B Non-Financial was required for each allied foreign organization covered by the survey.

Part I: Identification of the Allied Foreign Organization

This part identified the U.S. reporter and the allied foreign organization about which it reported. Questions asked about the latter included the following:

- a. country of incorporation
- b. country of foreign operations

- c. if a secondary allied organization, the identity of the immediate parent organization
- d. period of formation or acquisition of the foreign organization
- e. type of organization
- f. type of business carried on
- g. the nature of any licensing agreement with the reporter
- h. if the allied foreign organization was a foreign corporation, information was required as to the ownership of the securities of that company by;--
 - (i) voting stock
 - (ii) non-voting stock
 - (iii) bonds, debentures or other long-term debt.

Ownership data for each class were to be supplied with reference to the absolute and percentage amounts held by:

- (i) the U.S. reporter
- (ii) U.S. affiliates (to be named)
- (iii) foreign affiliates (to be named)
- (iv) non-affiliated U.S. interests, and
- (v) non-affiliated foreign interests.

Part II: Financial Schedules Pertaining to the Allied Foreign Organizations

Replies to this part were to be based on the books of the allied foreign organization being reported. They were to be in the currency used in the books and also in the country of the parent organization.

1. Balance Sheets

The questionnaire required a detailed breakdown of;--

- a. assets,
- b. liabilities, and,
- c. net worth or shareholder's equity.

2. Addenda To Balance Sheets

More information (Addendum I) was required about an allied foreign organization if ownership by the reporter and its domestic or foreign affiliates was equal to, or greater than, 50 percent of the voting stock (or equivalent ownership in the case of non-corporate enterprise), and if either total revenues

of the affiliate were at least \$250,000 or its total assets were at least \$250,000. In such a case, information was required about its claims on, or investments in, other foreign affiliates of the reporter (50 per cent or more owned by the reporter) showing the claims on each such affiliate, broken down into;-

- a. accounts, notes, or advances (other than those arising from short-term trade); and
- b. other long-term investments (including ownership of capital stock).

Addendum II had to be answered by any firm required to answer Addendum I which was engaged in oil operations or mining. This asked for information on the value of property, plant, and equipment, as follows;-

- a. exploration and production of crude materials
- b. manufacturing, total
 - (i) refining plant
 - (ii) chemical plant
 - (iii) other (specify)
- c. marketing and distribution
- d. marine operations
- e. pipelines
- f. other (specify).

This information was required in the form of;-

- a. gross book value
- b. depreciation, depletion and amortization reserves,
- c. net book value.

3. Statement of Income

A detailed account of income and costs and expenses was required as follows;-

- a. income, total; with breakdown by

- (i) net sales of goods or services, total
 - (ii) dividends, interest, profits, royalties and fees received from foreign secondary operations
 - (iii) other income (identified)
- b. costs and expenses, total; with breakdown by
- (i) costs of goods and services purchased
 - (ii) compensation of employees
 - (iii) depreciation, amortization and retirement of property, plant and equipment
 - (iv) depletion of natural resources
 - (v) interest
 - (vi) taxes other than income taxes
 - (vii) provision for foreign income taxes
 - (viii) other costs and charges (specified)
- c. net income after foreign income taxes
- d. unrealized profit or loss on books of parent organization resulting from exchange revaluation
- e. net income after adjustment for exchange revaluation.

4. Addendum to Statement of Income

Where ownership by the reporter and its domestic or foreign affiliates was equal to or greater than 50 percent of the voting stock, or equivalent, of the allied foreign organization being reported, and where either total revenues or total assets of the allied organization was at least \$250,000, information on the following items was also mandatory;

- a. net sales of goods or services, total; broken down by sales to reporter or its affiliates, and sales to outside customers. These were cross-classified by
- (i) local sales
 - (ii) exports to U.S.
 - (iii) exports to other countries, total; of which
 - (a) exports to Common Market Countries
 - (b) exports to other Europe
 - (c) exports to Canada (not applicable to Canadian respondents)
 - (d) exports to Latin America
 - (e) exports to other countries
- b. approximate amount of total sales by major product or service (to be specified by respondent)
- c. research and development costs

d. payroll costs (including capitalized portion) total; with breakdown by

- (i) wages
- (ii) salaries
- (iii) supplementary benefits

e. number of U.S. personnel and others employed by allied foreign organization (average for year), by

- (i) wage earners
- (ii) salaried employees
 - (a) managerial
 - (b) professional or technical
 - (c) other

f. imports of allied foreign organization

- (i) capital equipment imported, total; with breakdown by
 - (a) from the U.S.
 - (b) from other countries
- (ii) other imports, total; with breakdown by
 - (a) from the U.S.
 - (b) from other countries

5. Surplus Reconciliation

Where the allied foreign organization was a corporation, a detailed account was required of:

- a. earned surplus or retained earnings
- b. capital surplus

6. Sources and Uses of Funds of Allied Foreign Organization

Where ownership of the allied foreign organization by the reporter and its domestic or foreign affiliates was equal to or greater than 50 percent of the voting stock, or equivalent ownership interest in the case of non-corporate allied foreign organizations, and where either the net revenues or the net assets of the allied organization were at least \$250,000, detailed information on the sources and uses of funds of the allied foreign organization was required as follows:

- a. sources of funds, total; with breakdown by
 - (i) net income or deficit after taxes

- (ii) net funds from the U.S., total; with breakdown by
 - (a) parent company and U.S. affiliates
 - (b) other U.S. residents
- (iii) funds obtained in foreign countries net of repayments, total; with breakdown by
 - (a) liabilities to foreign subsidiaries or affiliates of U.S. reporter
 - (b) borrowing from foreign financial institutions, total; with breakdown by
 - (c) long-term
 - (d) short-term
 - (e) other foreign liabilities, total; with breakdown by
 - (f) long-term
 - (g) short-term
 - (h) sales or purchases of capital stock of the foreign company to or from foreigners.
- (iv) provision for depreciation
- (v) provision for depletion
- (vi) net book value of retirements and of sales of fixed assets
- (vii) other (specified)

b. uses of funds, total; with breakdown by

- (i) expenditure for property, plant and equipment, total; with breakdown by
 - (a) expenditures for property
 - (b) expenditures for plant
 - (c) expenditures for equipment (exclusive of lease or rental)
 - (d) expenditures for equipment for lease or rental to others
- (ii) net increase or decrease in inventories
- (iii) net increase or decrease in current receivables
- (iv) net increase or decrease in other short-term assets, total; with breakdown by
 - (a) cash or cash items
 - (b) other short-term assets
- (v) cash dividends and remitted profits
- (vi) other (specified)

Further information on the following items was required of petroleum and mining companies.

a. exploration and development expenditures, total; with breakdown by

- (i) charged against income
- (ii) capitalized

Part III: Investment of the Parent Organization in, and Transactions with, the Allied Foreign Organization.

If the allied foreign organization being reported had been identified as a primary, the parent organization would be the reporter. If it had been

identified as a secondary allied foreign organization, the parent would be the primary allied foreign organization concerned. Data were requested as of December 31, 1966, and December 31, 1965, or as of the close of the organization's fiscal year closest to these dates.

1. Investment of the Parent Organization in the Allied Foreign Organization

This information was required as carried on the books of, and in the currency of, the parent and allied foreign organizations. The information requested in the case of a foreign-incorporated enterprise was as follows:

- a. current liabilities owed to the parent,
- b. long-term debt owed to the parent,
- c. common stock owned by the parent,
- d. preferred stock owned by the parent,
- e. parent's equity in surplus (deficit), total; with breakdown by
 - (i) capital surplus
 - (ii) earned surplus (deficit),
- f. parent's equity in surplus and other reserves (specified)
- g. other (specified).

For all items except (a) there was a request for the percentage which the parent's interest was of the total concept at issue.

In the case of a branch, the home office account was requested.

If it happened that the parent acquired or sold stock of the allied foreign organization during the year being surveyed, details of the transaction were required. This additional information covered:

- a. means of settlement
- b. identification of second parties
 - (i) foreign owner (yes or no)
 - (ii) U.S. owner - (name and address)

2. Investment of the Allied Foreign Organization in the Parent Company

Information was requested on the following, as carried on the books of, and in the currency of, the parent and allied foreign organizations.

- a. stock (including percentage owned)
- b. long-term debt (including percentage owned)
- c. intercompany accounts, notes, and advances
- d. other (specified)

3. Receipts or Payments by the Parent Organization of Income, Royalties and Fees, and the Parent's Equity in Earnings (or Loss) of the Allied Foreign Organization

This question refers to amounts actually received from, paid to, or entered into inter-company accounts of, the allied foreign organization.

Information was required on:

- a. cash dividends on common stock
- b. cash dividends on preferred stock
- c. interest on bonds, notes, advances, etc.
- d. royalties, license fees, and other receipts for the use of intangible property
- e. rentals for the use of tangible property
- f. charges for services rendered, including management, allocated expenses, etc.
- g. in the case of motion picture distributors, the U.S. share of film or television tape rentals.

This information was required according to:

- a. receipts
 - (i) net after withholding tax
 - (ii) tax withheld
- b. payments
 - (i) net after withholding tax
 - (ii) tax withheld

Data were also requested on

- a. parent's equity in net income (or loss) of foreign incorporated allied organizations, or
- b. net income (or loss) of foreign branches or properties

In the case of non-financial allied foreign organizations in which the reporter directly and through domestic affiliates owned 50 percent or more of the voting stock, or equivalent, the information on Form B was supplemented by Form E, which is described below.

FORM C

A copy of Form C was required in respect of each identified associated foreign organization (see definition - Section III) requesting information not unlike that required about the allied foreign organization. Form C consists of six parts.

Part I: Identification of the Associated Foreign Organization

This sector identified the reporter and the associated foreign organization being reported. Questions asked about the associate included the following:

- a. country of incorporation
- b. country of main operations
- c. principal type of business
- d. year of acquisition by reporter of stock or analogous interest
- e. percent of voting stock or analogous interest owned by the reporter, by other U.S. owners

Part II: Financial Statements of the Associated Foreign Organization

A copy of the latest balance sheets and income account were to be furnished by the reporter in the form supplied to it by the identified associated foreign enterprise.

Part III: Investment of the Reporter in the Associated Foreign Organization

Data were to be supplied as of December 31, 1966 and December 31, 1965 or fiscal years ending closest to these dates. Information in the specified

currencies was requested on the following items as recorded on the books of the foreign organization.

- a. voting stock owned by the reporter
- b. other stock owned by the reporter
- c. reporter's equity in accumulated surplus (or deficit)
- d. accounts, notes, bonds, or debentures held by the reporter
- e. other (specified)

Part IV: Investment of the Associated Foreign Organization in the Reporter

This question applied only to respondents which were corporations.

Respondents which were not corporations had to submit Form D instead. Information on the following items was required as it appeared on the books of the reporter for the surveyed calendar or company fiscal year:

- a. voting stock owned by the associated foreign organization
- b. other (specified)

Part V: Income and Fees Received From the Associated Foreign Organization in 1966 or Fiscal Year Ended Nearest That Date

This question referred to income and fees whether actually transferred, or charged to the account of the associated foreign organization. Information on the following items was required as it appeared on the books of the reporter according to gross, foreign withholding taxes, and net data.

- a. dividends
- b. interest
- c. royalties and patent fees
- d. management fees, service charges, allocated expenses, etc. (specified)

Part VI: Net Income or Loss of Associated Foreign Organization

Data were required on the reporter's equity in net income (or loss) of the identified associated foreign enterprise for 1966 or fiscal year ended nearest that date.

FORM D

Any reporter which returned a copy of Form C had, if not a corporation, to use Form D instead of answering part 4 of Form C. Form D asked for the investment of the associated foreign organization in the reporter. The reporter was free to choose the format for the information.

FORM E

The purpose of Form E was to obtain data on the extent to which United States exports from the reporting company and other U.S. sources were channelled through, and promoted by, the foreign affiliates and branches of U.S. firms. (For definition of United States, see Section II). Form E was required in respect of each non-financial allied foreign organization in which the reporter directly and through domestic affiliates owned 50 percent or more of the voting stock, or an equivalent ownership interest in unincorporated enterprises, and which had total transactions in United States exports exceeding \$100,000 in calendar year 1966 (or nearest fiscal year). The following information was required.

Part I: All U.S. Goods Charged to the Reported Affiliate on the Books of U.S. Suppliers or Consigned to the Reported Affiliate to be Sold on a Commission Basis

All charges and consignments were to be reported regardless of whether the exports were physically shipped from the U.S. to the affiliate being reported, or from the U.S. directly to other foreign destinations. An itemized account was required, cross-classified by ultimate destination as follows:

- a. export shipments to the country in which the affiliate was organized
- b. export shipments to reporter's affiliates in all other countries
- c. export shipments to non-affiliated residents of all other countries

The data were to be submitted on the following basis:

- a. all U.S. goods charged on the books of U.S. suppliers to this affiliate

- (i) as charged on reporter's books
 - (a) products of the reporting company
 - (b) products of other U.S. suppliers
- (ii) charged on the books of other U.S. suppliers
- b. all U.S. goods consigned to this affiliate by U.S. suppliers to be sold on a commission basis
 - (i) consigned by the reporter
 - (a) products of the reporting company
 - (b) products of other U.S. suppliers

Valuation was to be at the reporter's declared export values (f.a.s. U.S. border point or port of exportation).

Part II: All U.S. Goods Actually Shipped to the Affiliate Being Reported by Suppliers in the U.S.

All shipments of U.S. exports to the identified foreign affiliate were to be reported, regardless of whether the goods were charged or consigned by U.S. suppliers to this affiliate or to other foreign affiliates of the reporter. Valuation was to be at the reporter's declared export value. All such export shipments were to be itemized by type of goods as follows:

- a. for processing or assembly, total; with breakdown by
 - (i) parts, components, or other manufactured goods
 - (ii) crude or unmanufactured materials or supplies
- b. for resale without further manufacture, total; with breakdown by
 - (i) manufactured goods
 - (ii) crude or unmanufactured materials
- c. for lease or rental, total; with breakdown by
 - (i) charged by this affiliate to capital account
 - (ii) other equipment for lease or rental
- d. capital equipment and machinery for use by the foreign affiliate being reported (excluding items reported under c.), total; with breakdown by
 - (i) charged by this affiliate to capital account
 - (ii) other capital equipment and machinery
- e. other purchases of U.S. goods (specified).

These data were to be cross-classified as follows:

- a. all U.S. goods shipped to this affiliate and charged or consigned to it by U.S. suppliers
 - (i) charged or consigned by the reporter
 - (a) products of the reporting company
 - (b) products of other U.S. suppliers
 - (ii) charged or consigned by other U.S. suppliers
- b. all U.S. goods shipped to this affiliate but charged or consigned to another of the reporter's affiliates by U.S. suppliers
 - (i) charged or consigned by reporter to its other foreign affiliates
 - (a) products of the reporting company
 - (b) products of other U.S. suppliers
 - (ii) charged or consigned by other U.S. suppliers to reporter's other foreign affiliates

FORM E-S

Form E-S was required from each respondent who had total merchandise exports from the U.S. exceeding \$100,000 in 1966. Its cover thus differed from that of Form E in two respects;-

- a. it was a consolidated report for all transactions by the reporter,
- b. the cover was wider because there was a limit of \$100,000 on the reporter's exports, not \$100,000 on the transactions in exports of each allied foreign organization.

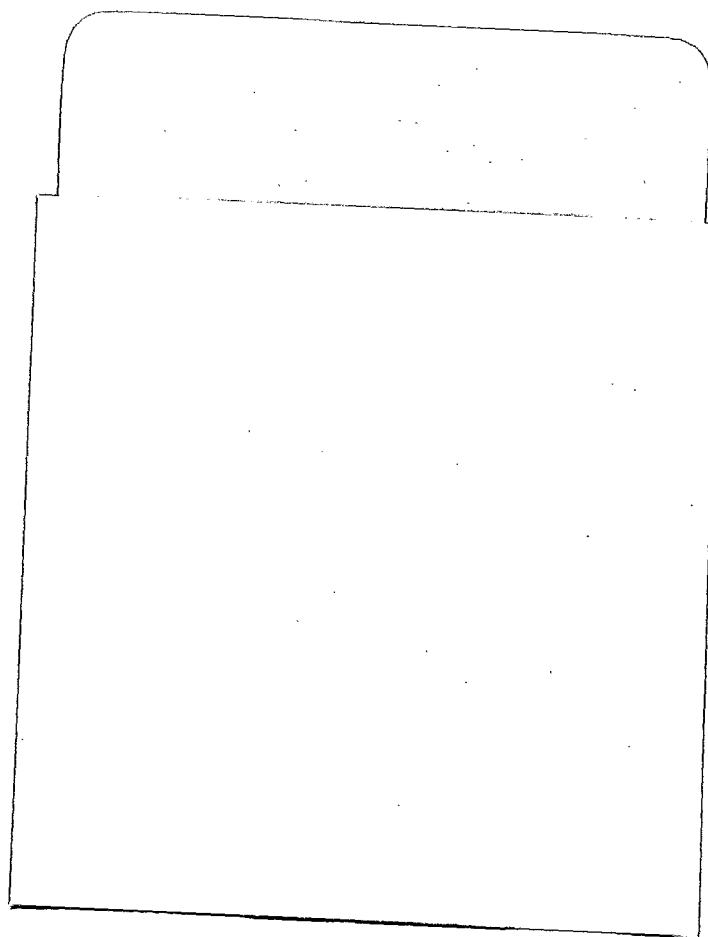
A separate entry was required for each country to which total export shipments exceeded \$100,000. Data for the other countries were merged.

The reporter was asked for the total value of U.S. exports charged on his books to foreign residents, or consigned by him to foreigners to be sold on a commission basis, by countries of ultimate destination. This total was broken down by four components;-

- a. shipments to affiliates in the countries listed
 - (i) products of the reporter
 - (ii) products of other U.S. suppliers
- b. shipments to other foreign residents in the countries listed
 - (i) products of the reporter
 - (ii) products of other U.S. suppliers

The shipments to other foreign residents included exports charged or consigned to foreign affiliates but actually shipped from the U.S. to unaffiliated customers in third countries.

In addition, the reporter was asked to state the value of products of his company charged on his books to domestic residents but shipped by him to foreign residents.



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