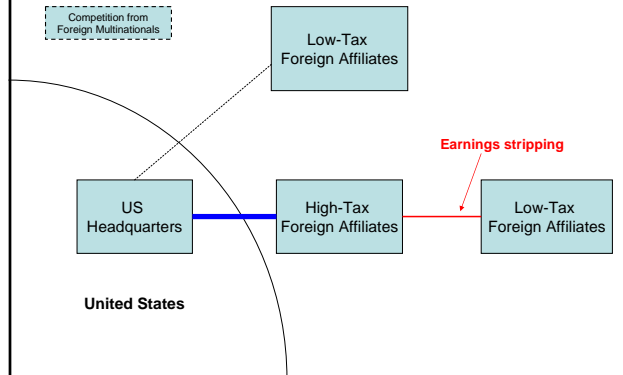


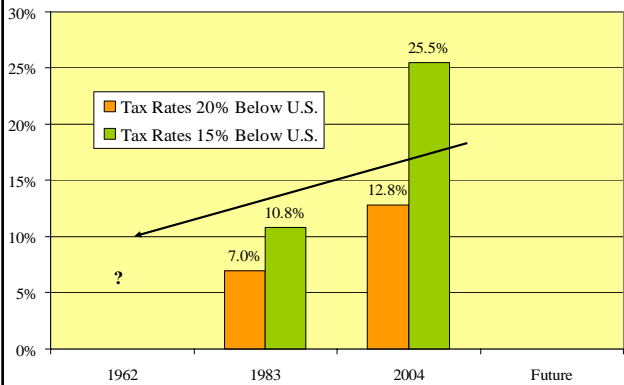
# “A Challenge to Conventional International Tax Wisdom”

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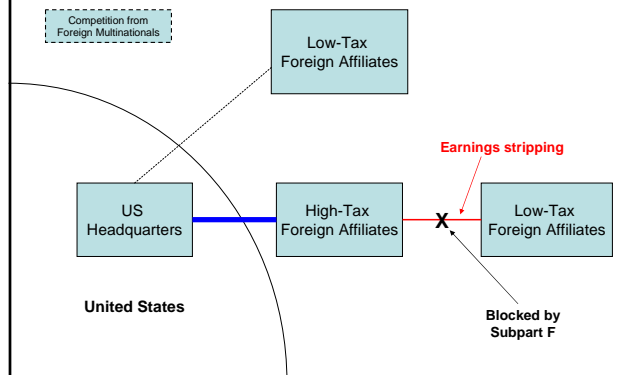
## U.S. International Tax: 1962 View

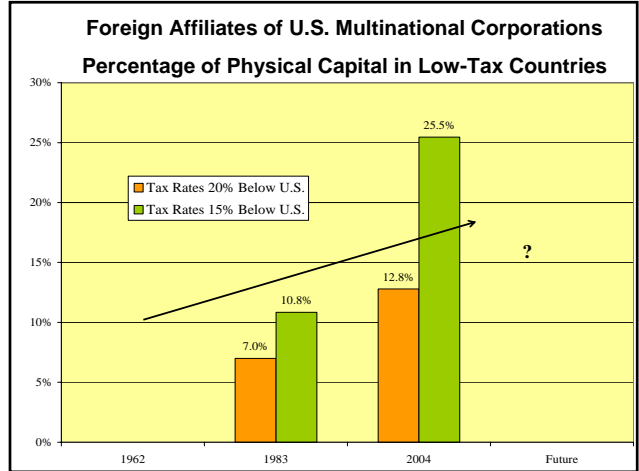
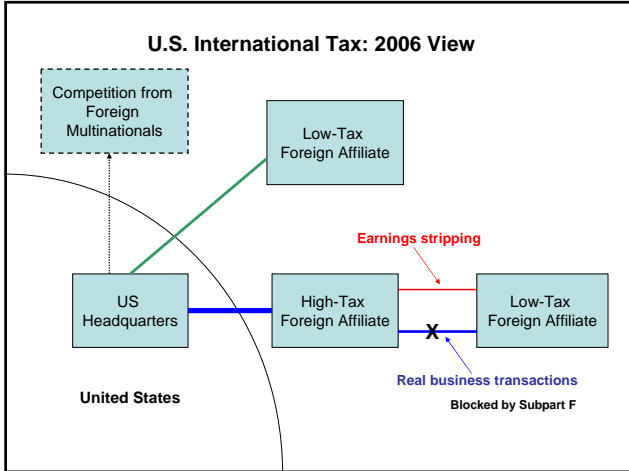


**Foreign Affiliates of U.S. Multinational Corporations  
 Percentage of Physical Capital in Low-Tax Countries**



## U.S. International Tax: 1962 View





### Balance of Trade in Goods of the United States with Foreign Affiliates of U.S. Corporations, 2004

(Dollar amounts in billions)

	Exports of Goods from United States to Foreign Affiliates	Imports of Goods Shipped by Affiliates to United States	U.S. Trade Balance with Foreign Affiliates	Effective Tax Rate
All Countries	184.1	231.5	-47.4	28%
Top 10 Importing into U.S.	105.4	174.8	-69.4	21%
Top Importers Less Canada and Mexico	17.1	49.1	-32.0	12%
Top 10 Receiving Exports from U.S.	51.4	25.5	25.9	28%

