

Canadian corporations since intercorporate dividends cancel out for the corporate sector as a whole. Undistributed profits, that is, profits after taxes and dividends, were \$627,000,000 in 1949, a decrease of \$91,000,000 from the 1948 figure of \$716,000,000. This drop was caused by a decline of \$18,000,000 in profits after taxes and an increase of \$73,000,000 in cash dividends and charitable donations paid out. The large surpluses of recent years in combination with the growing depreciation reserves put corporations in a favourable position to replace and extend capital equipment and to build up inventories.

9.—Profits, Taxes and Dividends of Canadian Corporations, 1939-41 and 1943-49

(Millions of dollars)

NOTE.—Corporate profits before taxes include corporate taxable income, depletion charges and charitable donations, and are adjusted for corporate losses, renegotiation of war contracts, and conversion to a calendar year.

Item	1939	1940	1941	1943	1944	1945	1946	1947	1948	1949 ¹
Net profits of corporations ²	618	814	1,124	1,302	1,221	1,226	1,450	1,828	1,969	1,914
Income and excess profits taxes (excluding refundable portion of the excess profits tax).....	112	324	515	642	603	603	670	724	710	673
Net profits after taxes.....	506	490	609	660	618	623	780	1,104	1,259	1,241
Cash dividends paid abroad and to persons in Canada, and charitable donations.....	287	318	305	295	284	251	340	502	543	616
Undistributed profits (including refundable portion of the excess profits tax).....	219	172	304	365	334	372	440	602	716	625

¹ Subject to revision.

² Exclusive of Newfoundland.

³ National income estimate.

See Table 11 for adjustment for taxable profits.

