

12.—Estimated Canadian Investments Abroad, as at Dec. 31, 1950

NOTE.—Excludes investments of insurance companies, banks, government credits, and liquid reserves. Holdings of stocks are at book values as shown in the books of issuing companies; holdings of bonds are shown at par values. Foreign currencies were converted into Canadian dollars at current market rates.

Location of Investment	Direct Investments \$'000,000	Portfolio Investments			Total Investments \$'000,000
		Stocks \$'000,000	Bonds \$'000,000	Total \$'000,000	
United States.....	760	298	91	389	1,149
United Kingdom.....	64	19	18	37	101
Other Commonwealth countries.....	86	6	8	14	100
Other foreign countries.....	80	125	33	158	238
Totals.....	990	448	150	598	1,588

The privately owned Canadian investments abroad are chiefly in the United States, the total value of investments in that country at the end of 1950 being \$1,149,000,000. Investments in other foreign countries in 1950, chiefly in Latin America, were \$238,000,000, while investments in the United Kingdom were \$101,000,000, and in other Commonwealth countries \$100,000,000. These figures exclude the investments abroad of Canadian insurance companies and banks, as well as the official assets referred to in Table 12, and certain small amounts of miscellaneous investments that were difficult to evaluate.

Section 3.—Corporation Profits and Income to Shareholders

Estimates of corporation profits presented in this Section cover all Canadian corporations. The figures for the years 1944 to 1950 are based on the reports, *Taxation Statistics*, published by the Taxation Division, Department of National Revenue, Ottawa. Prior to 1944, corporation financial statistics were made the subject of a comprehensive study in the Department of National Revenue.

Profits of Canadian corporations are shown in Table 13 for selected years 1926-51. From a high of \$530,000,000 in 1929, they dropped to \$17,000,000 in 1932 but, with the exception of a decline in 1938, rose steadily from 1932 to 1942, the wartime peak. From 1944 to 1948 corporation profits showed a continuous increase and after a slight decline in 1949 they rose to \$2,850,000,000 in 1951.

During the period 1926 to 1939, tax liabilities were much more stable than profits, ranging from a low of \$32,000,000 in 1932 to a high of \$115,000,000 in 1939. After the outbreak of war, tax rates rose sharply, largely owing to the imposition of the excess profits tax, and ranged from 40 p.c. to 50 p.c. of profits during the war period. In 1948, tax liabilities were 35 p.c. of profits, but increases in the next three years brought the tax rate up to over 50 p.c. in 1950, a percentage about the same as the wartime high. Since profits in 1951 were well above the level of any previous year, liabilities in 1951 of \$1,444,000,000 were \$423,000,000 more than in 1950 and \$713,000,000 over those of 1949.

Dividends paid out by corporations (excluding dividends paid to other corporations) follow a more even course than profits or taxes. Thus, in 1932, when corporation profits after taxes were — \$15,000,000, dividends paid amounted to \$157,000,000; while in 1951 profits after taxes were \$1,406,000,000 and dividends paid were \$696,000,000.