

Undistributed corporation profits reached a peak in 1948 of \$788,000,000 and were lower in the three following years as a result of higher taxes and larger dividend payments. The low point of the series was reached in 1932 when corporations paid out in taxes and dividends \$172,000,000 more than they earned in profits.

**Analysis by Industries.**—Detailed data on profits by industries are available only for the years since 1944. Corporation profits as shown in Table 14 do not agree with those in the national accounts since the national accounts figures include depletion charges and charitable donations. Adjustments are made for renegotiation of war contracts and for conversion to a calendar-year basis in Table 14 and it should be noted that federal income taxes only are deducted from profits in arriving at profits after taxes. Provincial taxes were not significant in amount in the years 1944 to 1946 but, beginning with 1947, they were levied at the rate of 7 p.c. of profits in Ontario and Quebec and at 5 p.c. in the other provinces. Profits of Newfoundland corporations are included for 1950 only.

Between 1949 and 1950, profits of all corporations before taxes increased 28.7 p.c. Of the 34 sub-groups listed in the table, only five showed decreases. The most significant increases were in the other metal mining, pulp and paper, wood and wood products, petroleum products, rubber, machinery, chemicals, paints and drugs, automobiles, transportation communication and storage, wholesale trade and other financial institutions groups. The most significant declines were in transportation equipment except automobiles, and the chartered banks and insurance companies groups.

The structure of profits after taxes is very similar to that before taxes, since the rate increased only slightly between 1949 and 1950.

### 13.—Profits, Taxes and Dividends of Canadian Corporations, Selected Years, 1926-51

(Millions of dollars)

Item	1926	1929	1932	1933	1939	1942	1944	1946	1949	1950	1951
Corporation profits before taxes <sup>1</sup> .....	403	530	17	128	689	1,292	1,221	1,455	1,906	2,450	2,850
Deduct: income and excess profits taxes.....	34	48	32	37	115	629	598	654	731	1,023 <sup>2</sup>	1,444 <sup>2</sup>
Corporation profits after taxes..	369	482	-15	91	574	663	623	801	1,175	1,427	1,406
Deduct: dividends paid and charitable donations.....	190	271	157	168	302	308	282	390	568	681	696
Undistributed corporation profits.....	179	211	-172	-77	272	355	341	411	607	746	710

<sup>1</sup> Includes corporate taxable income, depletion charges and charitable donations, and are adjusted for corporate losses, renegotiation of war contracts and conversion to a calendar-year basis. <sup>2</sup> Includes elective tax on undistributed income of \$54,000,000 in 1950 and \$48,000,000 in 1951.