

Profits, before taxes of Canadian corporations, are shown in Table 14 for selected years 1929-53. From a pre-war peak of \$530,000,000 in 1929, they dropped to \$17,000,000 in 1932, and then, with the exception of a decline in 1938, rose steadily from 1932 to 1942, the wartime peak. From 1944 to 1951, they rose fairly steadily, but in 1952 and 1953 there were declines of 6 p.c. and 3 p.c., respectively. In 1953, corporation profits before taxes were \$2,550,000,000, down \$260,000,000 from the record \$2,810,000,000 in 1951.

Corporation profits taxes, which were relatively low during the period 1929 to 1939, ranged from 40 p.c. to 50 p.c. of profits during the war period. After the War they dropped to 35 p.c. of profits in 1948, but were over 50 p.c. in both 1951 and 1952; in 1953 they declined to 46 p.c. It should be noted that the elective tax on undistributed income amounted to \$54,000,000 in 1950, the year in which the tax was initiated, \$48,000,000 in 1951, but only \$10,000,000 in both 1952 and 1953.

Dividends paid by corporations (excluding dividends paid to other Canadian corporations) reached a peak in 1950 of \$681,000,000 and were \$643,000,000 in 1953. Undistributed corporation profits also reached a peak in 1950, but declined in both 1951 and 1952. In 1953, however, the decline in income-tax payments from 1952 much more than offset a small increase in dividend payments, and undistributed profits increased from \$634,000,000 in 1952 to \$643,000,000 in 1953.

#### 14.—Profits, Taxes and Dividends of Canadian Corporations, 1929-53

(Millions of dollars)

Item	1929	1932	1939	1942	1944	1946	1949	1950	1951	1952	1953
Corporation profits before taxes <sup>1</sup> .....	530	17	689	1,292	1,221	1,455	1,906	2,506	2,810	2,640	2,550
Deduct: income and excess profits taxes <sup>2</sup> .....	48	32	115	629	598	654	731	981	1,429	1,333	1,174
Corporation profits after taxes.....	482	-15	574	663	623	801	1,175	1,525	1,381	1,307	1,376
Deduct: dividends paid and charitable donations.....	271	157	302	308	282	390	568	681	660	634	643
Undistributed corporation profits.....	211	-172	272	355	341	411	607	844	721	673	733

<sup>1</sup> Include 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, \$48,000,000 in 1951, \$10,000,000 in 1952, and \$10,000,000 in 1953.

**Analysis by Industries.**—Detailed data on profits by industries are available from 1944. Corporation profits as shown in Table 15 do not agree with those in the national accounts since the national accounts figures include depletion charges and charitable donations. National accounts figures are also adjusted for renegotiation of war contracts and for conversion to a calendar-year basis. Provincial taxes and the elective tax on undistributed income are not deducted in arriving at net profits after taxes, since these are not available by industry. It may be noted that the 1952 profits-after-tax figures in Table 15 include tax liabilities of the agreeing provinces since, in that year, they were combined with federal tax liabilities. Profits of Newfoundland corporations are included for 1950 and later years.