

61-501

213



CANADA

QUARTERLY CORPORATION PROFITS 1950 - 1954



Published by Authority of
The Right Honourable C. D. Howe, Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Research and Development Division
and
General Assignments Division

6603-501
11-2-55

Price 40 cents

EDMOND CLOUTIER, C.M.G., O.A., D.S.P., Queen's Printer and Controller of Stationery, Ottawa, 1955.

OBSOLETE -

1951 - 1954 figures superseded by revised statistics in
61-003, Corporation Profits, 2nd quarter 1955.

1950 figures not comparable.

PREFACE

With this report the Dominion Bureau of Statistics commences regular publication of estimates of quarterly profits and other corporation financial data. These figures are in demand by government, private business, and other organizations and individuals interested in current economic conditions. Their publication on a quarterly basis will help to fill an important gap in current economic statistics.

The quarterly survey of corporation profits was started in 1951 in response to the need for up-to-date figures of profits for use in the quarterly estimates of Gross National Product and Gross National Expenditures. A committee was formed in 1949 to study the best method of obtaining quarterly profits estimates. Its recommendation was that they could only be obtained through quarterly surveys of the type now being carried out.

While the estimates contained in this publication are subject to fairly large sampling errors, they provide a good indication of the trend of profits. It is expected that the accuracy will be steadily increased as the survey continues and more companies participate.

The present report was prepared jointly by members of the Research and Development Division and the General Assignments Division of the Bureau. Future reports will be issued by the General Assignments Division.

The assistance of the many corporations who have cooperated with us by submitting returns regularly is gratefully acknowledged. Without their cooperation this report would not have been possible.

HERBERT MARSHALL,
Dominion Statistician.

Ottawa, March, 1955.

TABLE OF CONTENTS

	Page
Section I	
Introduction	7
Industrial Classification	7
Definition of Items	8
Interpretation of Quarterly Movements	10
Preparation of Estimates	11
Accuracy of Results	11
 Section II	
Table 1. Summary—Quarterly Corporation Profits, after Taxes, By Industry, 1950-1954	14
Table 2. Quarterly Corporation Profits and Related Data, All Industries, 1950-1954.....	14
Table 3. Quarterly Corporation Profits and Related Data, By Industry Group, 1950-1954	16
Mining, Quarrying and Oil Wells	16
Manufacturing	20
Foods and Beverages.....	16
Textile Products.....	16
Wood and Paper Products	16
Iron and Steel Products	18
Non-Ferrous Metal Products	18
Non-Metallic Mineral Products	18
Chemical Products	18
Other Manufacturing Industries	20
Transportation, Storage, Communication, Public Utilities.....	20
Wholesale Trade	20
Retail Trade	22
Finance, Insurance and Real Estate	22
Service	22
Other Non-Manufacturing Industries.....	22
Table 4. Canadian Dividends Received and Dividends Paid, Annual 1950-1952, By Industry	24
 Section III	
Selection of Sample.....	25
Calculation of Blow-Up Factors	25
Linking of Sample Data to Base Period Information	26
(a) Adjustment for Not-Fully Tabulated Companies	26
(b) Calendar Year Adjustment.....	26
(c) Adjustment to Control Data.....	26
(d) Other Adjustments	27
Questionnaire	
(a) Questionnaire Used in 1954	28
(b) Questionnaire to be Used in 1955	29

SECTION I

INTRODUCTION

This publication presents quarterly estimates of profits and other items for all companies incorporated in Canada, except Government-owned companies and incorporated co-operatives. Canadian unincorporated branches of foreign corporations are also included in the totals while foreign subsidiaries of Canadian corporations are excluded.

Estimates of quarterly corporation profits play an important part in the estimation of Canada's National Income and Gross National Product. The estimates in this report are incorporated in the bulletin "National Accounts, Income and Expenditure", issued quarterly by the Dominion Bureau of Statistics. The quarterly National Accounts contain an analysis and description of the main economic trends in the economy during the recent quarters.

Data are collected from a sample of corporations, and these are then adjusted to provide estimated totals for all corporations by broad industrial groups. Items shown in the tables include profits less

losses, depreciation, and taxes for all groups; sales for manufacturing, mining and trade corporations; and depletion for two groups where the amounts charged are significant in size. A copy of the questionnaire is shown in Section III.

In analysing the trend of corporation profits, seasonal movements are significant. Before two consecutive quarters can be compared, the same two quarters must be studied for previous years, in an effort to determine how much of the change between the two quarters under comparison is due to seasonal movements, and how much is due to an improvement or worsening of the general profits pattern of the industry.

Because the survey is carried out on a sample basis, the results are subject to sampling errors. In some groups these errors are quite large, but they will be reduced as more companies agree to participate in the sample. At the present time certain groups are combined as shown in the table below.

INDUSTRIAL CLASSIFICATION

The classification is based on the Standard Industrial Classification as printed in the Dominion Bureau of Statistics publication "Standard Industrial Classification Manual". As the data improve, it is

expected that more detailed groupings will be possible. The groups, with the Standard Industrial Classification code, are listed below:

Published Groupings	Major Standard Industrial Classification Groupings	S.I.C. Code No.
Mining, Quarrying and Oil Wells	Metal Mining	100 - 119
	Fuels	120 - 129
	Non-Metal Mining	130 - 149
	Quarrying, Clay and Sand Pits	150 - 169
	Prospecting	170 - 199
Manufacturing:		
Foods and Beverages	Foods and Beverages	200 - 229
Textile Products	Textile Products (except Clothing)	250 - 269
	Clothing (Textiles and Fur)	270 - 279
Wood and Paper Products	Wood Products	280 - 289
	Paper Products	290 - 299
	Printing, Publishing and Allied Industries	300 - 309
Iron and Steel Products	Iron and Steel Products	310 - 329
	Transportation Equipment	330 - 339
Non-Ferrous Metal Products	Non-Ferrous Metal Products	340 - 349
	Electrical Apparatus and Supplies	350 - 359
Non-Metallic Mineral Products	Non-Metallic Mineral Products	360 - 369
	Products of Petroleum and Coal	370 - 379
Chemical Products	Chemical Products	380 - 389
Other Manufacturing Industries	Miscellaneous Manufacturing Industries	390 - 399
	Tobacco and Tobacco Products	230 - 235
	Rubber Products	236 - 239
	Leather Products	240 - 249
Transportation, Storage, Communication and Public Utilities	Transportation	500 - 519
	Storage	520 - 539
	Communication	540 - 599
	Public Utility Operations	600 - 699

Published Groupings	Major Standard Industrial Classification Groupings	S.I.C. Code No.
Wholesale Trade	Trade: Wholesale Trade	700 - 729
Retail Trade	Trade: Retail Trade	730 - 799
Finance, Insurance and Real Estate	Finance, Insurance and Real Estate	800 - 899
Service	Community or Public Service	900 - 909
	Recreation Service	920 - 929
	Business Service	930 - 939
	Personal Service	940 - 949
Other Non-Manufacturing Industries	Agriculture	000 - 070
	Forestry	080 - 089
	Fishing and Trapping	090 - 099
	Construction	400 - 499

When corporations have two or more establishments which produce or process products classified into different industrial groups, the grouping above may be misleading. For example, pulp and paper mills do much of their own logging and any profits which they derive from this source are included with the profits of their main operations which are included in the "Wood and Paper Products" Group. Since a considerable part of the forestry operations in Canada are carried out by the pulp and paper companies the profits of the "Forestry" Group, included in "Other Non-Manufacturing Industries" Group are considerably understated.

Companies which are engaged in both mining and smelting are included in manufacturing if their smelting operations add more to their net value of production than their mining operations. Other industrial groups are not as much affected by companies which carry out varied types of activities, but all are affected to some degree.

When two or more companies combine their returns in a consolidated report another problem is

created. The base-year figures obtained from "Taxation Statistics"¹ are on an unconsolidated basis for 1952 and later years. The sample is used to establish a quarterly pattern for the years for which "Taxation Statistics" data are available and to project these figures to the more current periods. However, many of the companies reporting in the survey do so on a consolidated basis with the result that the projector is not consistent with the base. This introduces some error into the figures, but it is believed that the amount of the error is not serious, except for the item "Canadian dividends received". When a consolidated return is filed, inter-company transfers of dividends are cancelled out, and the level and trend of dividends paid and received are, therefore, considerably affected. For this reason, dividends paid and Canadian dividends received are not included in the quarterly figures for the individual groups in this publication. However, these figures are shown on an annual basis for the years 1950-1952 in the tables.

1. "Taxation Statistics" is an annual publication of the Department of National Revenue (Taxation Division).

DEFINITION OF ITEMS

1. Profits Before Taxes

The definitions of items in this report are based mainly on the accounting definitions used by corporations. However, as explained below, depletion charges are added back to net profits while Canadian dividends received are excluded from profits. The term "profits" as used throughout this report means the total profits of all companies earning profits less the losses of all companies incurring losses.

Cash dividends received are excluded from profits because profits are taken before payment of dividends, and if receipt of these dividends were included it would be counting them twice, once in the hands of the payer, and once in the hands of the receiver. Financial companies are most affected by this treatment, since large amounts of Canadian

dividends are received by companies in this grouping.

Depletion charges are added back to profits. It is considered that, although these are a real charge to individual firms, the exhaustion of natural resources should not be considered a charge against the National Income. However, for the two groups for which depletion charges are significant—mining and wood and paper products—depletion charges are shown in the tables.

Profits include both operating and non-operating income, but capital gains and losses are excluded. Special debits or credits made by corporations to current quarter income, which are not directly a charge to this income, are reversed. For example, if a company sets up a reserve for inventory price

changes by debiting profits and crediting inventory reserve, this entry is reversed. This reversal is made so that profits will reflect as far as possible only current results of operations.

Little information is available on the effect of year-end adjustments made by corporations to their profits estimates. Many companies do not submit their fourth quarter return until they have completed the annual audit of their books. In these cases the fourth quarter figure of profits (and of other items) which they submit is the difference between their audited annual figure of profits and their estimates for the first three quarters. Therefore, the fourth quarter estimates may not represent actual profits for the quarter.

2. Income Tax Liabilities

Starting with the first quarter of 1955 reporting companies will be asked to make quarterly estimates

of provision for income tax. Up to the present, income tax liabilities have been estimated using profits reported and average tax rates. These estimated tax liabilities represent accruals in each quarter and may differ considerably from actual tax payments. Included in this item are federal and provincial income taxes; provincial mining and logging taxes; and the 15% tax levied under Section 105 of the Income Tax Act.*

The table below gives the main features of income tax rates for the period 1950-1954.

* Under Section 105 of the Income Tax Act a company which has fulfilled the necessary conditions may, after paying the regular income tax on its profits, transfer to a tax-paid surplus an amount up to the total it distributes in cash dividends by paying a 15 p.c. tax on the portion of surplus transferred. This surplus can then, if so desired, be distributed in the form of redeemable stock dividends or funded debt, which is tax free in the hands of the recipient. Taxes paid under Section 105 were as follows for the years 1950-1953. 1950-\$54 million; 1951-\$48 million; 1952-\$10 million; 1953-\$10 million.

Year	Federal Rate ¹	Provincial Rate ²
1950-Jan. 1-Aug. 31	10 p.c. on first \$10,000 33 p.c. on the balance	7 p.c. in Ontario and Quebec 5 p.c. in other provinces
1950-Sept. 1-Dec. 31	15 p.c. on first \$10,000 38 p.c. on the balance	Unchanged
1951	15 p.c. on first \$10,000 45 p.c. on the balance	Unchanged
1952	22 p.c. on first \$10,000 52 p.c. on the balance Quebec - credit of 5 p.c. allowed (See footnote 2 below)	7 p.c. in Quebec
1953	20 p.c. on first \$20,000 49 p.c. on the balance Quebec - credit of 7 p.c. allowed (See footnote 2 below)	Unchanged
1954	Unchanged	Unchanged

1. The federal rate for 1952, 1953 and 1954 includes the 2 p.c. old age security tax. In 1950 and 1951 there was an additional 2 p.c. tax on companies submitting consolidated returns. Consolidated returns were not permitted for 1952 and later years.

2. In 1950 and 1951 the Federal Government collected the 5 p.c. provincial tax for the eight provinces which were a party to the Dominion-Provincial Tax Rental Agreements while Ontario and Quebec collected their own tax at the rate of 7 p.c. Since January 1, 1952, those provinces which have entered into tax agreements no longer levy corporation income tax. Quebec, which was the only province not entering an agreement, continues to levy its tax of 7 p.c. For 1952 the Federal Government allowed corporations operating in Quebec to claim a credit against their federal tax equal to 5 p.c. of their taxable income deemed to be earned in the Province of Quebec. Since January 1, 1953, most corporations operating in Quebec have been allowed to take a credit against their federal tax equal to 7 p.c. of their taxable income deemed to be earned in Quebec.

The estimation of tax liabilities involved two main problems. (1) Income taxes are assessed by the Department of National Revenue on an annual basis only. A company which makes a profit in one quarter would have no tax to pay if these profits were wiped out by losses in another quarter. For the quarterly profits survey, however, an estimate of taxes must be prepared each quarter without a precise knowledge of events in future quarters which will affect current tax liabilities. (2) Because profits under a certain level (\$20,000 in 1954) are taxed at a lower rate than profits above this level, the tax rate in each industry is dependent on the distribution of profits in the industry. For example, the average tax rate for profit companies in 1952 was 50 p.c. for the mining group in which large companies predominate, and 43.5 p.c. for the service group where the average size of company is much smaller. This means that the average rate must be computed for each industry.

The method used at present is to calculate for each reporting company, each quarter, the tax liability for the quarter, and thus obtain totals of tax liabilities for each industrial group. An allowance is then made for profits which are covered by losses in other quarters. This allowance is based on a comparison of losses as shown by the sample for the four quarters of 1952, and the total losses published in "Taxation Statistics" for that year. For 1950 and 1951 the same tax rate was used for the four quarters of each year.

3. Sales

On the questionnaire, sales are reported net of returned sales, allowances, and discounts, and exclusive of excise duties and sales and excise taxes. The sales figure in "Taxation Statistics" is used as a base for projecting the estimates obtained from the survey, and the "Taxation

Statistics" figure contains non-operating income as well as sales. Since non-operating income is small, compared with sales, this has very little effect on the estimates.

Sales estimates are presented for mining, manufacturing, wholesale trade, retail trade and the group composed of transportation, storage, communication and public utilities. The profit-sales ratio varies considerably from industry to industry. In general, the ratio for wholesale and retail trade is lower than that for manufacturing and some of the other groups. A shift in the ratio of profits to sales may be caused by a change in the importance of two sub-groups within an industrial group, one of which has a higher rate of profits on sales than the other.

4. Depreciation

Companies are now allowed to use depreciation estimates in their own accounts which may differ from those submitted for income tax purposes. However, the totals published in "Taxation Statistics" form the base for the estimates in this report, and the depreciation figures submitted in the survey are used only for interpolation and projection. The resulting estimates thus reflect the rates allowed by the Income Tax Act.

5. Depletion Charges

Depletion is shown only for the two industrial groups in which significant amounts of depletion are charged—mining and wood and paper products. The estimates of depletion shown in the tables are based on the amounts reported by the companies and are not related to the data contained in "Taxation Statistics".

INTERPRETATION OF QUARTERLY MOVEMENTS

It should be noted that, with the exception of 1950-51, total corporation profits appear to follow a fairly regular pattern from quarter to quarter. Total profits, before taxes, of the aggregate of all industries appear to reach a peak in the second quarter of each year (April to June) and then decline through the third and fourth quarters and the first quarter of the following year. In general, quarterly comparisons should be made with the same quarter of other years. In comparing data for consecutive quarters care should be taken to make an allowance for regular quarter-to-quarter movements.

The amount of movement from one quarter to the next in the series is dependent in part on the accounting methods of reporting firms with respect to

expenses. Some expenses, such as repairs, can be either deducted from gross income in the quarters in which they occur, or can be prorated over several quarters. Depreciation can be allocated fairly evenly by quarters, or can be based on production so that in those quarters where production is high, depreciation charged is also high.

No instructions were given to corporations as to whether to treat expenses on a cash or prorated basis. In a few cases where companies requested information they were asked to charge expenses as they occur, and not to prorate them. It appears that many of the larger firms prorate expenses but that the smaller ones, in general, do not.

PREPARATION OF ESTIMATES

In preparing the estimates of quarterly profits and other data contained in this report a stratified random sample of companies is used together with the summary corporation statistics contained in "Taxation Statistics". The figures in "Taxation Statistics" are on an annual basis and are available about two years after the year to which they refer. The sample results are used to allocate the annual totals by quarters and current figures are obtained by projection from this base.

The figures submitted by reporting companies are totalled by industry and size group and totals for all corporations are obtained by multiplying reported data by the ratio of sales of all companies in the base year to the sales of reporting corporations.

For more detailed information on sample selection and techniques of adjustment to benchmark data, see Section III.

ACCURACY OF RESULTS

There are four principal factors affecting the accuracy of the estimates. These are sampling errors, bias caused by non-response and by new firms not yet introduced into the sample, adjustments necessary to base-year data and the preliminary nature of reported figures.

Sampling Errors

The measurement of sampling error is a mathematical procedure, but the interpretation of the sampling error can be easily explained. Let us suppose that many samples are drawn from the same universe, and an estimate of total profits obtained from each sample. Then, if there is no bias, there will be a tendency for the estimates of profits to group themselves around the "true" figure, with most estimates fairly close; some further away; and a few estimates very far away from the "true" figure. Sampling can show how big this spread will be, and therefore statements can be made about the accuracy of the sample. For one sample, it cannot be said whether the estimates of profits are good or not, but the probability that the "true" profit will lie within a certain range can be stated. The size of this range depends on the type of sample used, the number of companies reporting and the distribution and amount of profits.

The sample was designed so that it is fairly certain (95 p.c.) that profits as estimated from the sample will be within 3 p.c. of the "true" figure. However, as not as many companies are reporting as are included in the sample design, the actual error is about double this figure, or about 6 p.c. If total profits in a certain quarter are estimated at \$600,000,000 it can be fairly sure that this is within \$36,000,000 (6 p.c.) of the "true" figure, provided that the sample is representative, and there are no other errors.

However, since reporting companies supply data for the corresponding quarter of the previous year at the same time as they report for the current quarter

and with the estimating techniques for non-reporting firms the same for each period, the percentage change from the same quarter of the previous year to the current quarter can be calculated with more precision than the absolute magnitude of profits in either period.

Bias

When reporting companies in a sample are not representative of all companies, there is the possibility that the totals obtained from the sample will be consistently too high or too low. When this occurs the sample is said to be "biased". If all the companies in the sample design filled in the questionnaire this would not be an important problem. However, many companies did not return completed questionnaires and these had to be replaced by other companies.

For the group of large corporations the response rate was about 70 p.c. A comparison of the average sales of reporting companies with estimated average sales for all companies in the group indicates that the companies replying are fairly typical of all the companies in the size group. For companies in the small size group the response rate was much lower, and the reporting companies are considerably above the average in size of sales. In the two intermediate size groups, there is a tendency for larger than average companies to reply, although it is less marked than for the small size group.

Since the sample is used only as a projector of base-year data, it does not matter significantly if its level is too high or too low. However, if the amount of bias changes in the two-year period between the base year and the current quarter, then the bias becomes a source of error. For example, suppose that there is a decline in profits, and that companies not filing questionnaires have larger profit declines than reporting companies. In this case, the sample will overstate profits. For the three years for which there is a check on the amount of bias—1950, 1951 and 1952—there is no evidence

that the possible change in bias has been a serious source of error.

Another type of bias occurs when there are many new corporations which do not appear in the sample design. For example, the base year is now 1952, and companies incorporated in 1953 and 1954 are not included in the totals, except as explained below.

The Bureau of Statistics attempts to keep a complete record of all new corporations, and these records are available for use in the sample. Most of these companies are small, and since many of them make losses in the first year or so of operation their total profits are not very significant. Each two years the sample will be revised to give these companies their proper weight in the sample design. When a large newly-incorporated company starts operations however, it is included as quickly as possible.

Other Factors Affecting Results

The base-year data as obtained from "Taxation Statistics" are not on a calendar year basis and do not cover all companies. Adjustments have to be made to take these factors into account.

The figures reported by corporations are tentative estimates in many cases and are subject to adjustment at the end of the year. Large year-end adjustments to profits are sometimes made for depreciation and pension funds since many companies do not make final decisions on the amount to be charged to these funds until the end of their fiscal year. Since a company reports profits twice for each year, once at the end of a quarter and once a year later, it has an opportunity to correct the previous year's distribution and these corrected figures are used when the data are revised.

CHART - I

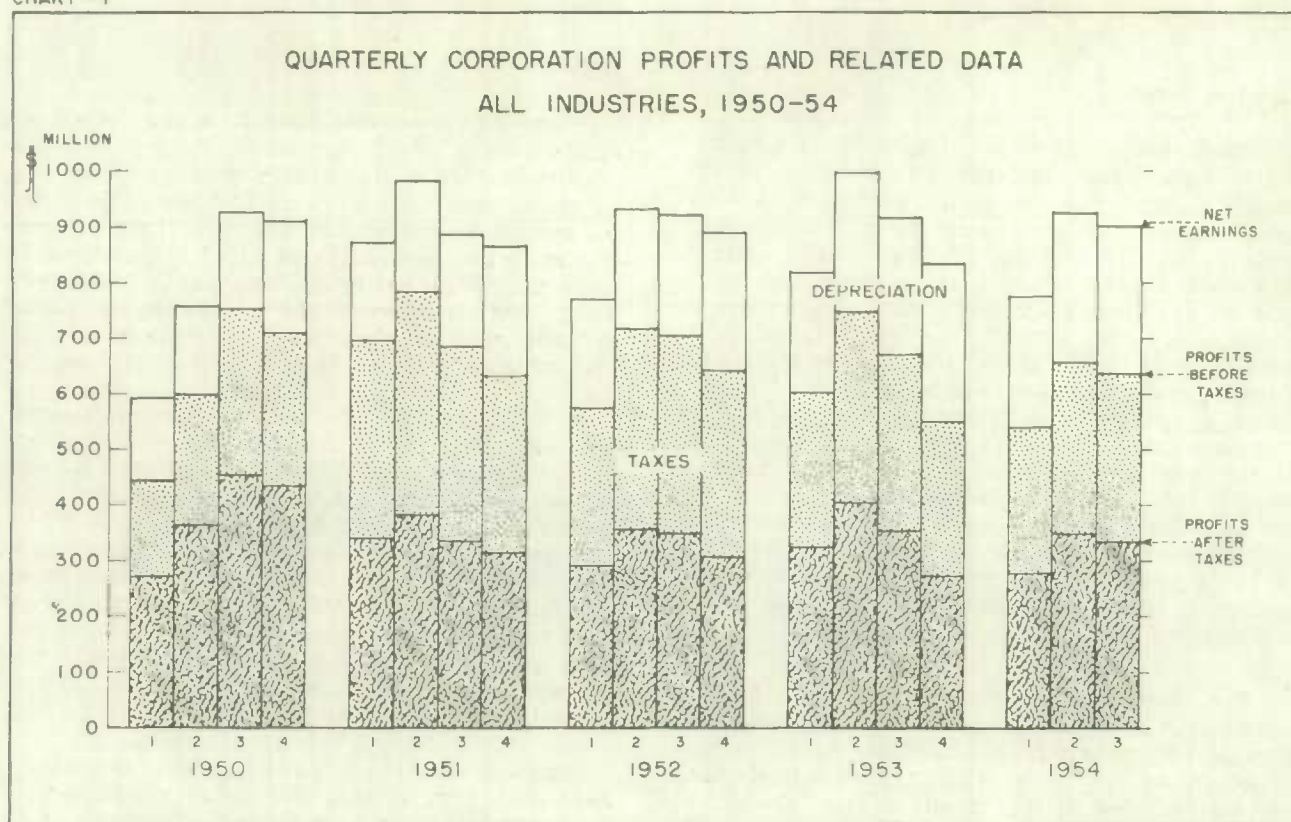


CHART - 2

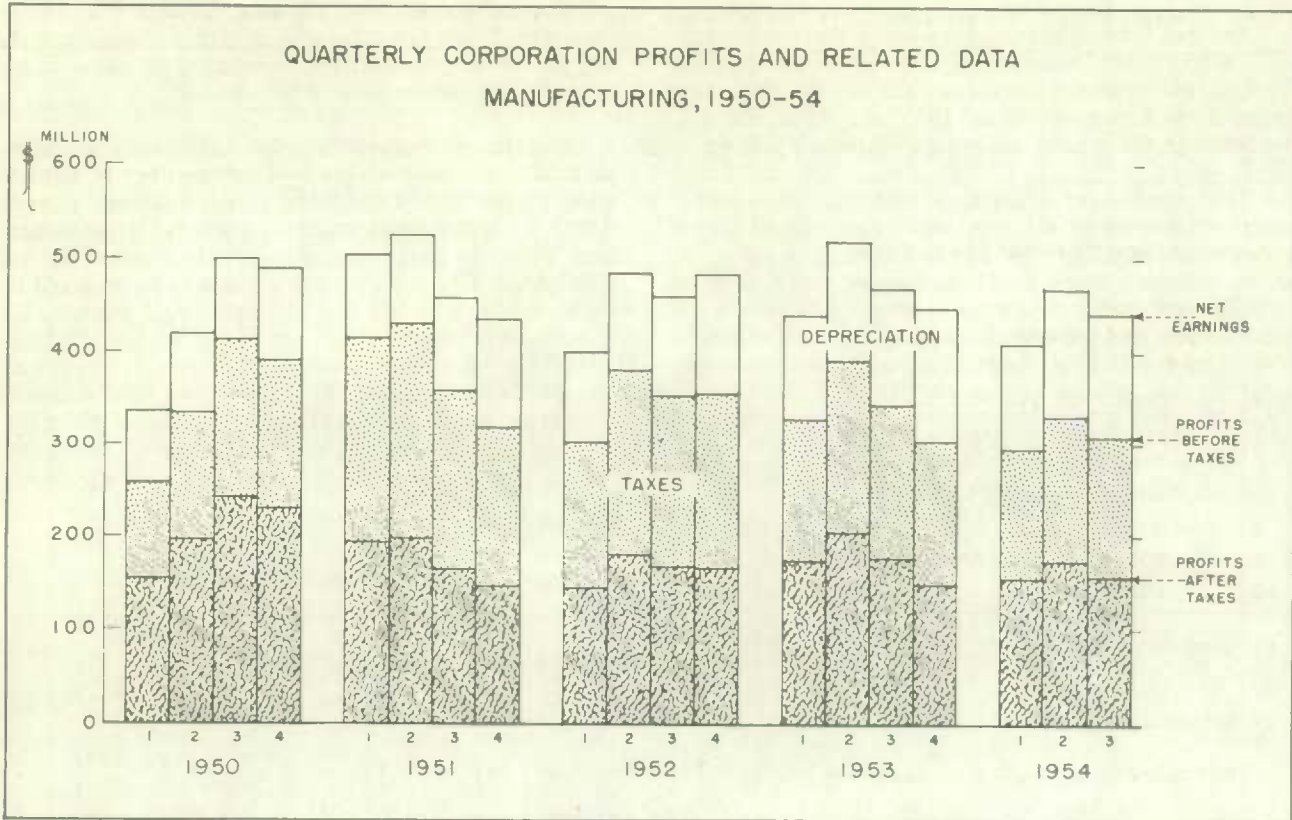
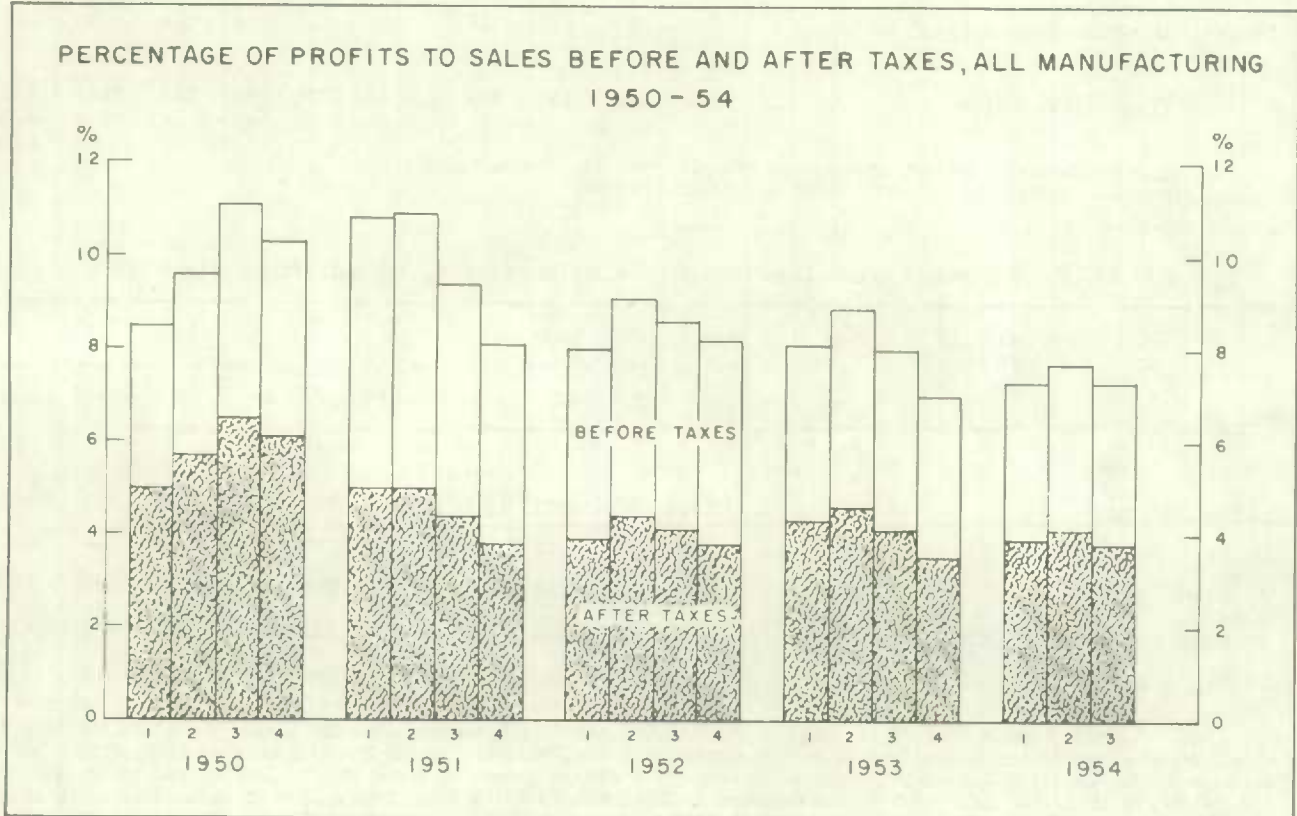


CHART - 3



SECTION II

TABLE 1. Summary-Quarterly Corporation Profits After Taxes, by Industry, 1950-1954

No.		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
1	Mining, Quarrying and Oil Wells	37	47	53	57	194	48	55	53	58	214
	Manufacturing:										
2	Foods and Beverages	16	20	31	29	96	17	22	18	18	75
3	Textile Products	12	11	18	18	59	12	6	1	1	20
4	Wood and Paper Products	43	54	62	66	225	54	60	54	53	221
5	Iron and Steel Products	39	56	57	52	204	52	53	42	34	181
6	Non-Ferrous Metal Products	16	22	22	23	83	20	20	14	12	66
7	Non-Metallic Mineral Products	11	15	25	17	68	13	17	17	16	63
8	Chemical Products	11	12	16	16	55	15	13	12	9	49
9	Other Manufacturing Industries ¹	6	7	12	10	35	11	8	7	5	31
10	Total	154	197	243	231	825	194	199	165	148	706
11	Transportation, Storage, Communication and Public Utilities	12	19	35	34	100	20	33	32	29	114
12	Wholesale Trade	21	34	39	40	134	28	39	30	25	122
13	Retail Trade	16	28	34	37	115	21	21	17	22	81
14	Finance, Insurance and Real Estate	21	22	27	20	90	21	21	22	18	82
15	Service	4	7	7	5	23	6	5	7	4	22
16	Other Non-Manufacturing Industries ²	7	10	17	10	44	2	9	10	9	30
17	Total All Industries	272	364	455	434	1,525	340	382	336	313	1,371

1. Includes Tobacco, Rubber, Leather and Miscellaneous Manufacturing Industries.

2. Includes Agriculture, Forestry, Fishing and Construction.

TABLE 2. Quarterly Corporation Profits and Related Data, All Industries, 1950-1954

No.		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
18	Net Earnings	592	759	927	910	3,188	873	980	887	866	3,606
19	Less: Depreciation	148	160	173	201	682	175	196	201	234	806
20	Profits Before Taxes	444	599	754	709	2,506	698	784	686	632	2,800
21	Less: Income Tax Liabilities	172	235	299	275	981	358	402	350	319	1,429
22	Profits After Taxes	272	364	455	434	1,525	340	382	336	313	1,371

N.B.: Totals of items for 1953 and 1954 in the "All Industry" table do not equal the sum of the totals for the individual groups. Preliminary indications, based on estimates of the National Income Section, are that total profits before taxes, and taxes for all industries may exceed the sum of the various groups by about \$11,000,000 per quarter in 1953 and \$14,000,000 in 1954. The figures have been adjusted by this amount leaving total profits after taxes unchanged. It is not possible at present to allocate the difference to the appropriate industrial groups. The second quarter bulletin for 1955 will contain adjusted figures for 1953 and 1954.

SECTION II

TABLE 1. Summary-Quarterly Corporation Profits After Taxes, by Industry, 1950-1954

1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
48	41	36	30	155	37	40	31	24	132	28	43	41	1
10	26	23	22	81	20	21	21	20	82	19	25	23	2
1	2	5	5	13	8	3	2	- 2	11	3	1	1	3
42	38	35	43	158	36	51	44	49	180	33	48	49	4
46	58	46	42	192	54	62	42	30	188	47	41	23	5
16	17	14	20	67	18	19	15	14	66	12	15	13	6
13	20	22	15	70	16	21	30	20	87	23	22	26	7
11	13	13	11	48	15	16	14	11	56	12	15	16	8
7	8	10	9	34	9	12	10	8	39	8	9	8	9
146	182	168	167	663	176	205	178	150	709	157	176	159	10
29	34	42	27	132	31	39	43	29	142	30	35	42	11
20	35	35	26	116	21	35	32	17	105	13	25	26	12
12	26	23	22	83	16	29	23	17	85	10	18	17	13
27	26	24	21	98	31	35	27	28	121	33	37	32	14
6	8	8	5	27	7	8	9	5	29	6	7	7	15
2	6	14	11	33	5	12	12	2	31	2	10	13	16
290	358	350	309	1,307	324	403	355	272	1,354	279	351	337	17

1. Includes Tobacco, Rubber, Leather and Miscellaneous Manufacturing Industries.
2. Includes Agriculture, Forestry, Fishing and Construction.

TABLE 2. Quarterly Corporation Profits and Related Data, All Industries, 1950-1954

1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
770	932	922	891	3,515	819	997	918	836	3,570	774	925	902	18
195	214	218	248	875	218	249	247	286	1,000	234	268	264	19
575	718	704	643	2,640	601	748	671	550	2,570	540	657	638	20
285	360	354	334	1,333	277	345	316	278	1,216	261	306	301	21
290	358	350	309	1,307	324	403	355	272	1,354	279	351	337	22

- Note. 1. Depletion charges have not been deducted from profits.
2. Canadian Dividends Received are not included in profits.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954

No.	Mining, Quarrying and Oil Wells									
	1950					1951				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
	(Millions of Dollars)									
1 Sales	213	257	267	308	1,045	280	295	291	326	1,192
2 Net Earnings	61	76	85	92	314	90	102	100	111	403
3 Less: Depreciation	9	10	10	11	40	12	14	14	17	57
4 Profits Before Taxes	52	66	75	81	274	78	88	86	94	346
5 Less: Income Tax Liabilities	15	19	22	24	80	30	33	33	36	132
6 Profits After Taxes	37	47	53	57	194	48	55	53	58	214
7 Depletion Charged	2	2	5	3	12	2	2	2	2	8
	Foods and Beverages									
	1950					1951				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
	(Millions of Dollars)									
8 Sales	617	688	790	770	2,865	692	753	780	794	3,019
9 Net Earnings	37	44	65	61	207	45	58	50	51	204
10 Less: Depreciation	10	10	12	12	44	10	11	11	11	43
11 Profits Before Taxes	27	34	53	49	163	35	47	39	40	161
12 Less: Income Tax Liabilities	11	14	22	20	67	18	25	21	22	86
13 Profits After Taxes	16	20	31	29	96	17	22	18	18	75
	Textile Products									
	1950					1951				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
	(Millions of Dollars)									
14 Sales	297	304	341	380	1,322	389	343	315	319	1,366
15 Net Earnings	29	27	37	40	133	37	23	9	11	80
16 Less: Depreciation	9	8	8	9	34	6	7	6	8	27
17 Profits Before Taxes	20	19	29	31	99	31	16	3	3	53
18 Less: Income Tax Liabilities	8	8	11	13	40	19	10	2	2	33
19 Profits After Taxes	12	11	18	18	59	12	6	1	1	20
	Wood and Paper Products									
	1950					1951				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
	(Millions of Dollars)									
20 Sales	600	663	682	700	2,645	703	755	726	740	2,924
21 Net Earnings	93	114	127	139	473	139	155	144	145	583
22 Less: Depreciation	20	22	22	28	92	25	27	27	31	110
23 Profits Before Taxes	73	92	105	111	381	114	128	117	114	473
24 Less: Income Tax Liabilities	30	38	43	45	156	60	68	63	61	252
25 Profits After Taxes	43	54	62	66	225	54	60	54	53	221
26 Depletion Charged	1	2	4	1	8	1	2	2	3	8

Note. 1. Depletion charges have not been deducted from profits.
2. Canadian Dividends Received are not included in profits.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954

Mining, Quarrying and Oil Wells													
1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
348	336	324	342	1,350	328	338	328	316	1,310	321	331	350	1
96	85	76	69	326	77	79	71	63	290	71	90	89	2
17	17	17	17	68	19	17	20	24	80	24	23	25	3
79	68	59	52	258	58	62	51	39	210	47	67	64	4
31	27	23	22	103	21	22	20	15	78	19	24	23	5
48	41	36	30	155	37	40	31	24	132	28	43	41	6
1	1	2	2	6	1	1	2	2	6	2	1	2	7
Foods and Beverages													
1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
680	791	789	821	3,081	704	795	811	816	3,126	709	802	812	8
33	66	59	60	218	58	63	63	66	250	50	60	59	9
11	11	11	13	46	11	13	13	17	54	12	13	14	10
22	55	48	47	172	47	50	50	49	196	38	47	45	11
12	29	25	25	91	27	29	29	29	114	19	22	22	12
10	26	23	22	81	20	21	21	20	82	19	25	23	13
Textile Products													
1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
345	344	325	359	1,373	351	323	315	311	1,300	302	297	305	14
14	14	18	18	64	21	14	13	8	56	12	10	11	15
8	7	7	7	29	7	7	7	7	28	5	7	7	16
6	7	11	11	35	14	7	6	1	28	7	3	4	17
5	5	6	6	22	6	4	4	3	17	4	2	3	18
1	2	5	5	13	8	3	2	- 2	11	3	1	1	19
Wood and Paper Products													
1952					1953					1954			No.
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
695	692	695	737	2,819	691	735	757	755	2,938	728	779	801	20
111	102	101	118	432	93	119	109	122	443	86	116	119	21
25	25	28	29	107	26	26	28	30	110	26	28	30	22
86	77	73	89	325	67	93	81	92	333	60	88	89	23
44	39	38	46	167	31	42	37	43	153	27	40	40	24
42	38	35	43	158	36	51	44	49	180	33	48	49	25
2	2	2	2	8	2	3	2	2	9	2	3	2	26

Note. 1. Depletion charges have not been deducted from profits.
2. Canadian Dividends Received are not included in profits.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Continued

No.		Iron and Steel Products									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
1	Sales	708	840	838	876	3,262	945	986	934	872	3,737
2	Net Earnings	82	111	114	108	415	130	133	112	96	471
3	Less: Depreciation	15	16	18	19	68	19	19	23	24	85
4	Profits Before Taxes	67	95	96	89	347	111	114	89	72	386
5	Less: Income Tax Liabilities	28	39	39	37	143	59	61	47	38	205
6	Profits After Taxes	39	56	57	52	204	52	53	42	34	181
		Non-Ferrous Metal Products									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
7	Sales	238	278	300	350	1,166	330	350	321	360	1,361
8	Net Earnings	32	44	44	49	169	48	52	41	44	185
9	Less: Depreciation	6	7	6	10	29	7	9	9	18	43
10	Profits Before Taxes	26	37	38	39	140	41	43	32	26	142
11	Less: Income Tax Liabilities	10	15	16	16	57	21	23	18	14	76
12	Profits After Taxes	16	22	22	23	83	20	20	14	12	66
		Non-Metallic Mineral Products									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
13	Sales	231	292	334	314	1,171	277	340	375	344	1,336
14	Net Earnings	28	37	54	40	159	39	49	49	47	184
15	Less: Depreciation	10	11	11	12	44	11	12	13	13	49
16	Profits Before Taxes	18	26	43	28	115	28	37	36	34	135
17	Less: Income Tax Liabilities	7	11	18	11	47	15	20	19	18	72
18	Profits After Taxes	11	15	25	17	68	13	17	17	16	63
		Chemical Products									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
19	Sales	175	201	217	213	806	225	231	216	207	879
20	Net Earnings	22	27	33	32	114	38	35	34	26	133
21	Less: Depreciation	5	6	6	6	23	6	6	7	7	26
22	Profits Before Taxes	17	21	27	26	91	32	29	27	19	107
23	Less: Income Tax Liabilities	6	9	11	10	36	17	16	15	10	58
24	Profits After Taxes	11	12	16	16	55	15	13	12	9	49

Note. 1. Depletion charges have not been deducted from profits.

1. Depletion charges have not been deducted from profits.
2. Canadian Dividends Received are not included in profits.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Continued

Iron and Steel Products													No
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
949	1,148	1,079	1,165	4,341	1,142	1,312	1,127	1,118	4,699	1,111	1,140	991	1
112	148	122	125	507	120	155	110	97	482	120	121	88	2
22	24	23	31	100	25	38	29	36	128	27	39	36	3
90	124	99	94	407	95	117	81	61	354	93	82	52	4
44	66	53	52	215	41	55	39	31	166	46	41	29	5
46	58	46	42	192	54	62	42	30	188	47	41	23	6
Non-Ferrous Metal Products													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
341	357	340	422	1,460	369	397	376	435	1,577	362	379	377	
44	46	44	56	190	48	52	45	47	192	39	46	41	8
11	11	14	15	51	15	16	16	19	66	15	18	16	9
33	35	30	41	139	33	36	29	28	126	24	28	25	10
17	18	16	21	72	15	17	14	14	60	12	13	12	11
16	17	14	20	67	18	19	15	14	66	12	15	13	12
Non-Metallic Mineral Products													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
317	366	393	377	1,453	336	390	440	422	1,588	375	394	438	
40	53	59	51	203	45	54	72	61	232	55	59	67	14
12	12	13	19	56	14	14	16	23	67	16	17	17	15
28	41	46	32	147	31	40	56	38	165	39	42	50	16
15	21	24	17	77	15	19	26	18	78	16	20	24	17
13	20	22	15	70	16	21	30	20	87	23	22	26	18
Chemical Products													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
229	249	239	244	961	248	266	252	250	1,016	251	273	268	
28	34	34	33	129	34	37	35	28	134	30	36	38	20
6	8	8	9	31	9	9	10	9	37	9	10	9	21
22	26	26	24	98	25	28	25	19	97	21	26	29	22
11	13	13	13	50	10	12	11	8	41	9	11	13	23
11	13	13	11	48	15	16	14	11	56	12	15	16	24

Note. 1. Depletion charges have not been deducted from profits.
2. Canadian Dividends Received are not included in profits.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Continued

No.		Other Manufacturing Industries*									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
1	Sales	172	191	214	228	805	230	217	195	195	837
2	Net Earnings	14	16	26	21	77	28	21	20	15	84
3	Less: Depreciation	4	4	4	3	15	4	4	4	4	16
4	Profits Before Taxes	10	12	22	18	62	24	17	16	11	68
5	Less: Income Tax Liabilities	4	5	10	8	27	13	9	9	6	37
6	Profits After Taxes	6	7	12	10	35	11	8	7	5	31
		Total - Manufacturing									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
7	Sales	3,038	3,457	3,716	3,831	14,042	3,791	3,975	3,862	3,831	15,459
8	Net Earnings	337	420	500	490	1,747	504	526	459	435	1,924
9	Less: Depreciation	79	84	87	99	349	88	95	100	116	399
10	Profits Before Taxes	258	336	413	391	1,398	416	431	359	319	1,525
11	Less: Income Tax Liabilities	104	139	170	160	573	222	232	194	171	819
12	Profits After Taxes	154	197	243	231	825	194	199	165	148	706
		Transportation, Storage, Communication and Public Utilities									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
13	Sales	364	386	421	432	1,603	411	448	423	463	1,745
14	Net Earnings	47	62	90	94	293	84	111	108	110	413
15	Less: Depreciation	26	29	30	39	124	36	42	41	49	168
16	Profits Before Taxes	21	33	60	55	169	48	69	67	61	245
17	Less: Income Tax Liabilities	9	14	25	21	69	28	36	35	32	131
18	Profits After Taxes	12	19	35	34	100	20	33	32	29	114
		Wholesale Trade									
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
19	Sales	989	1,373	1,558	1,716	5,636	1,675	2,210	1,973	1,986	7,844
20	Net Earnings	41	64	74	78	257	65	90	72	65	292
21	Less: Depreciation	7	8	9	13	37	8	10	10	14	42
22	Profits Before Taxes	34	56	65	65	220	57	80	62	51	250
23	Less: Income Tax Liabilities	13	22	26	25	86	29	41	32	26	128
24	Profits After Taxes	21	34	39	40	134	28	39	30	25	122

Note: 1. Depletion charges have not been deducted from profits.

2. Canadian Dividends Received are not included in profits.

* Miscellaneous Manufacturing Industries includes Tobacco, Rubber and Leather Products in addition to the Standard Industrial Classification group entitled "Miscellaneous Manufacturing Industries".

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Continued

Other Manufacturing Industries*													No.
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
220	235	243	240	938	234	251	238	233	956	221	235	237	1
18	21	24	23	86	21	25	22	19	87	18	20	19	2
3	4	3	4	14	4	4	4	4	16	4	4	4	3
15	17	21	19	72	17	21	18	15	71	14	16	15	4
8	9	11	10	38	8	9	8	7	32	6	7	7	5
7	8	10	9	34	9	12	10	8	39	8	9	8	6
Total — Manufacturing													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
3,776	4,182	4,103	4,365	16,426	4,075	4,469	4,316	4,340	17,200	4,059	4,299	4,229	
400	484	461	484	1,829	440	519	469	448	1,876	410	468	442	8
98	102	107	127	434	111	127	123	145	506	114	136	133	9
302	382	354	357	1,395	329	392	346	303	1,370	296	332	309	10
156	200	186	190	732	153	187	168	153	661	139	156	150	11
146	182	168	167	663	176	205	178	150	709	157	176	159	12
Transportation, Storage, Communication and Public Utilities													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
483	518	539	539	2,079	442	504	515	494	1,955	443	481	495	
95	111	129	110	445	99	118	127	112	456	100	112	125	14
40	43	45	54	182	42	47	50	58	197	44	49	50	15
55	68	84	56	263	57	71	77	54	259	56	63	75	16
26	34	42	29	131	26	32	34	25	117	26	28	33	17
29	34	42	27	132	31	39	43	29	142	30	35	42	18
Wholesale Trade													
1952					1953					1954			
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
(Millions of Dollars)													
1,620	1,804	1,749	1,807	6,980	1,707	1,848	1,757	1,830	7,142	1,641	1,817	1,778	
53	82	82	71	288	51	81	72	50	254	42	68	64	20
10	13	12	14	49	12	18	15	15	60	15	20	16	21
43	69	70	57	239	39	63	57	35	194	27	48	48	22
23	34	35	31	123	18	28	25	18	89	14	23	22	23
20	35	35	26	116	21	35	32	17	105	13	25	26	24

Note: 1. Depletion charges have not been deducted from profits.

2. Canadian Dividends Received are not included in profits.

* Miscellaneous Manufacturing Industries includes Tobacco, Rubber and Leather Products in addition to the Standard Industrial Classification group entitled "Miscellaneous Manufacturing Industries".

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Concluded

		Retail Trade									
No.		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
1	Sales	1,026	1,287	1,308	1,387	5,008	1,235	1,273	1,189	1,321	5,018
2	Net Earnings	35	54	67	72	228	51	52	44	54	201
3	Less: Depreciation	9	9	12	12	42	9	10	11	11	41
4	Profits Before Taxes	26	45	55	60	186	42	42	33	43	160
5	Less: Income Tax Liabilities	10	17	21	23	71	21	21	16	21	79
6	Profits After Taxes	16	28	34	37	115	21	21	17	22	81
Finance, Insurance and Real Estate											
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
7	Net Earnings	40	44	54	42	180	50	50	53	44	197
8	Less: Depreciation	6	7	8	8	29	7	8	8	8	31
9	Profits Before Taxes	34	37	46	34	151	43	42	45	36	166
10	Less: Income Tax Liabilities	13	15	19	14	61	22	21	23	18	84
11	Profits After Taxes	21	22	27	20	90	21	21	22	18	82
Service											
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
12	Net Earnings	12	16	19	15	62	18	17	19	14	68
13	Less: Depreciation	5	6	7	7	25	7	6	6	6	25
14	Profits Before Taxes	7	10	12	8	37	11	11	13	8	43
15	Less: Income Tax Liabilities	3	3	5	3	14	5	6	6	4	21
16	Profits After Taxes	4	7	7	5	23	6	5	7	4	22
Other Non-Manufacturing*											
		1950					1951				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
		(Millions of Dollars)									
17	Net Earnings	19	23	38	27	107	11	32	32	33	108
18	Less: Depreciation	7	7	10	12	36	8	11	11	13	43
19	Profits Before Taxes	12	16	28	15	71	3	21	21	20	65
20	Less: Income Tax Liabilities	5	6	11	5	27	1	12	11	11	35
21	Profits After Taxes	7	10	17	10	44	2	9	10	9	30

Note. 1. Depletion charges have not been deducted from profits.

2. Canadian Dividends Received are not included in profits.

* Miscellaneous Non-Manufacturing includes Agriculture, Forestry, Fishing and Construction.

TABLE 3. Quarterly Corporation Profits and Related Data, by Industry, 1950-1954 - Concluded

Retail Trade														No.
1952					1953					1954				
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)														
1,197	1,447	1,377	1,484	5,505	1,300	1,549	1,417	1,468	5,734	1,293	1,494	1,408	1	
33	59	54	55	201	38	60	50	49	197	33	49	45	2	
9	10	11	11	41	10	11	11	14	46	12	13	12	3	
24	49	43	44	160	28	49	39	35	151	21	36	33	4	
12	23	20	22	77	12	20	16	18	66	11	18	16	5	
12	26	23	22	83	16	29	23	17	85	10	18	17	6	
Finance, Insurance and Real Estate														
1952					1953					1954				
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)														
62	59	55	50	226	65	70	58	62	255	70	74	65		7
8	7	6	6	27	8	7	7	8	30	9	7	7	8	
54	52	49	44	199	57	63	51	54	225	61	67	58	9	
27	26	25	23	101	26	28	24	26	104	28	30	26	10	
27	26	24	21	98	31	35	27	28	121	33	37	32	11	
Service														
1952					1953					1954				
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)														
18	21	22	17	78	18	21	22	16	77	18	19	21		12
6	6	7	6	25	6	7	7	7	27	7	7	7	13	
12	15	15	11	53	12	14	15	9	50	11	12	14	14	
6	7	7	6	26	5	6	6	4	21	5	5	7	15	
6	8	8	5	27	7	8	9	5	29	6	7	7	16	
Other Non-Manufacturing*														
1952					1953					1954				
1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)														
13	31	43	35	122	20	38	38	25	121	16	31	37		17
7	16	13	13	49	10	15	14	15	54	9	13	14	18	
6	15	30	22	73	10	23	24	10	67	7	18	23	19	
4	9	16	11	40	5	11	12	8	36	5	8	10	20	
2	6	14	11	33	5	12	12	2	31	2	10	13	21	

Note. 1. Depletion charges have not been deducted from profits.

2. Canadian Dividends Received are not included in profits.

* Miscellaneous Non-Manufacturing includes Agriculture, Forestry, Fishing and Construction.

TABLE 4. Canadian Dividends Received and Dividends Paid, Annual, by Industry, 1950-1952

	Canadian Dividends Received			Dividends Paid		
	1950	1951	1952	1950	1951	1952
	(Millions of Dollars)					
Mining, Quarrying and Oil Wells	16	21	46	130	161	152
Manufacturing:						
Foods and Beverages	7	8	6	67	57	67
Textile Products	4	3	3	24	17	18
Wood and Paper Products	26	27	19	123	109	82
Iron and Steel Products	7	7	8	110	102	81
Non-Ferrous Metal Products	5	7	4	58	38	31
Non-Metallic Mineral Products	5	7	4	44	38	39
Chemical Products	3	2	2	42	31	21
Other Manufacturing Industries	4	3	3	21	22	18
Total — Manufacturing	61	64	49	489	414	357
Transportation, Storage, Communication and Public Utilities	27	30	24	86	102	97
Wholesale Trade	16	7	7	42	39	36
Retail Trade	7	5	9	30	24	29
Finance, Insurance and Real Estate	129	134	130	123	149	159
Service	3	2	2	11	10	12
Other Non-Manufacturing Industries	1	2	5	12	7	9
Total-All Industries	260	265	272	923	906	851

SECTION III

SELECTION OF SAMPLE

The companies included in this sample survey were selected from the more than 40,000 active incorporated firms in Canada. Preliminary investigation indicated that, with the information already available from the Bureau and other sources, it would be possible to make a selection of corporations which would be sufficiently representative of the whole.

A study of the larger corporations showed that about 800 corporations account for about two-thirds of the profits earned by all corporations. It was felt that satisfactory estimates could be obtained by sampling the medium-sized and smaller firms but that complete coverage of the very large firms would be required.

The sample is of the stratified random type with the stratification based on estimates of total assets as of 1951. Four strata are used: \$5,000,000 and over; \$1,000,000 to \$5,000,000; \$250,000 to \$1,000,000 and less than \$250,000. For the sample selection a complete coverage of the first stratum is required while the sampling ratios, applied within the three remaining strata, are successively smaller.

Under the original design, estimates of profits would be within 3 p.c. of the "true" figure 95 p.c. of the time. However, since not all companies in the original sample are completing questionnaires quarterly, the actual error is about 6 p.c., as already indicated.

CALCULATION OF BLOW-UP FACTORS

Blow-up factors are calculated separately for each of the four size groups within each industrial group. Ratios used are based on the latest available annual data on sales, or shipments where applicable, and on other appropriate data in groups where sales are either not suitable or not available. The ratio for most size and industry groups is as follows:

$$\frac{\text{Sales or shipments of all companies in each size group}}{\text{Sales or shipments of reporting companies in each size group}}$$

Sales were used since they give more accurate totals than numbers of companies. As explained in the section on bias due to non-response, the companies which reply are, in general, larger than average companies. If the ratio of the total number of companies in the size group to the number reporting were used the totals obtained would be too high. The use of sales tends to give better levels although there is still some overstatement of profits. Since the sample is used only to project base-year figures, any overstatement of profits resulting from the application of the weighting factor is not reflected in the published estimates. In a few cases it has been found that arbitrary adjustments must be made to the blow-up factors. The making of such adjustments is avoided as much as possible, since there is always the chance that by making an adjustment, the error in the totals is being increased. But if, for example, a small company reports \$1,000,000 paid in dividends in a certain quarter, while the average for the companies in the group is \$5,000, the results obtained after inflation are completely unrealistic. In this case, the \$1,000,000 is usually entered without any blow-up factor, on the assumption that it is a unique case. Over the long run this will probably understate somewhat the amount of dividends paid, since companies not reporting in the sample no doubt occasionally pay similarly large amounts.

As mentioned previously, the use of this type of correction is kept to an absolute minimum and resorted to only when the results are obviously incorrect.

The computation of the blow-up factors is greatly complicated by the fact that many companies file consolidated returns in the corporation profits sample while the data published in "Taxation Statistics" are compiled almost completely from unconsolidated reports and are, therefore, not comparable. Many of these same firms complete D.B.S. Census of Industry questionnaires on an establishment basis. All three sources of information must be used in arriving at the blow-up factors.

When a company files a consolidated return it is necessary to adjust the base data to agree with the way in which the company completes the questionnaire. For example, if a manufacturing company has a separately incorporated retail outlet which is included in a consolidated return, the sales of the outlet must be removed from the retail trade universe, and the manufacturing universe adjusted to allow for it.

These adjustments to the universe must necessarily be rough. In the case above, if all the sales of the manufacturing establishment are made through the retail trade establishment, the sales of the manufacturing establishment as shown in an unconsolidated report, must be removed entirely and replaced by the sales of the retail establishment in order to avoid double counting. If only part of the sales of the manufacturing establishment are made through the retail outlet, then that part made elsewhere must be left in manufacturing. Since precise information of this type is not usually available, the adjustment has been made only in the more obvious cases, and there is, therefore, some double counting of sales in the universe used for the sample.

LINKING OF SAMPLE DATA TO BASE PERIOD INFORMATION

The sample data are not used directly to provide estimates, but are used as a projector for data provided in "Taxation Statistics". However, several adjustments must be made to the "Taxation Statistics" data before they can be used as a base for the sample. The two most important adjustments are those for "not fully tabulated companies" and for calendar year, while there are a few other miscellaneous adjustments.

Each three months, companies in the sample submit data for two quarters—the current quarter and the same quarter of the previous year. From these returns, totals are obtained for both quarters by industrial group, and the percentage change calculated. For 1953 these percentage changes were applied to the 1952 base figures to obtain quarterly estimates for 1953. In 1954, the same procedure was followed, with the percentage changes being applied to the 1953 figures. It will thus be seen that any errors in 1953 are carried forward into 1954. In general, because of this double linking, figures for the current year will be subject to more revision than the figures for other years.

(a) Adjustment For Not-Fully Tabulated Companies

A fully tabulated company is one for which complete data on balance sheet and income items are available. Only profits and tax liabilities are published for the not fully tabulated companies. Categories in which companies are not fully tabulated are listed below:

- (a) Banks and life insurance companies
- (b) Co-operatives
- (c) Personal corporations
- (d) Inactive companies
- (e) Companies which file interim returns
- (f) Exempt mines

Since co-operatives, personal corporations and inactive companies are not covered by the survey, these cause no problem. Banks and insurance companies are estimated separately from data supplied by the Bank of Canada and the Department of Insurance and are added to the total of other financial companies. Estimates for items other than profits are made for mines exempt from income tax, which are not fully tabulated, on the basis of the relationship of profits to these items as obtained for fully-tabulated companies.

Interim returns occur when a company has filed its profits and tax estimates, but has not filed a complete return by the close-off date for inclusion in "Taxation Statistics". Data pertaining to the fully tabulated returns must, therefore, be adjusted upward to allow for the companies for which only profit or loss information is available. The adjustment is as follows for depreciation and other items,

Profits of all active taxable companies x total of
item reported by profit companies

Profits of fully tabulated companies

plus

Losses of all active taxable companies x total of
item reported for loss companies

Losses of fully tabulated companies

This adjustment is made by industry group for each of the required items. On the average it amounts to less than 1 p.c. The adjustment, of course, does not apply to profits.

(b) Calendar Year Adjustment

The figures published in "Taxation Statistics" are on a "taxation year" basis; that is, the figures for all companies whose fiscal years end in a given calendar year are included in that year. Thus, if a company has a fiscal year ending June 30, 1953, it will be included with taxation year 1953, although half of its activities took place in 1952.

To make a correction for the year, for example, 1953, that part of profits included in 1953 which should be included in 1952 must be subtracted from 1953; while that part of 1953 profits earned in the fiscal year ending in 1954 must be subtracted from 1954 and put in 1953. In order that an adjustment of this type can be made the Department of National Revenue codes each company according to the month in which its fiscal year ends. The results are shown for the total of all industries in "Taxation Statistics". Unpublished totals by industry are available for use in the quarterly profits survey. It is assumed that one-twelfth of annual profits or losses accrue each month, and adjustments are made on this basis.

This method of correction has unavoidable defects. For example, in a period when profits are increasing rapidly, as in 1950, the assumption that profits of a company are earned equally in all 12 months is not correct, and the amount which is deducted from 1950 and added back to 1949 is overstated. When profits are dropping, the reverse occurs. However, tests have been made which indicate that the amount of error arising from this source is relatively small.

(c) Adjustment to Control Data

The quarterly totals obtained from the sample for the years 1950, 1951 and 1952, have been adjusted to agree with annual control totals based on "Taxation Statistics" data. If, for example, the total for the four quarters of the year for an industry group is 10 p.c. less than the control total, each quarter is raised 10 p.c. Difficulty arises when, in

making this adjustment, the trend between the fourth quarter of one year and the first quarter of the following year is changed. Where the adjustment causes a radical change in the relationship between the two quarters further adjustments are made to preserve more closely the trend indicated by the figures supplied by the reporting companies.

In this bulletin the 1950 and 1951 estimates are final, the 1952 estimates are subject to a relatively small error, and the 1953 and 1954 estimates may be subject to major revisions. Since base-year figures are obtained from "Taxation Statistics", final estimates cannot be made for any year until this publication has been issued and all the necessary computations made to adjust the data to a calendar-year basis. It is expected that the second quarter bulletin for each year will contain revised figures based on the latest issue of "Taxation Statistics". Because the sample has not sufficient coverage, the adjustments at present may be quite large in some groups. The amount of adjustment necessary each year will decrease as improvements are made in the sample.

Preliminary estimates for 1953 of profits before taxes, prepared by the National Income Section, average about \$11,000,000 per quarter higher than the total of all industry groups in the sample. An adjustment for this has been made in the figures of the table covering all industries but not in the tables showing the industry detail since sufficient information is not yet available for this to be done.

(d) Other Adjustments

The industrial code used to group companies in "Taxation Statistics" is based on the Department of Labour code, while the coding used for the quarterly corporation profits sample is the more recent Standard Industrial Classification (SIC). For broad groups such as are used in the survey the two codes

coincide quite well. The major change which must be made is to transfer companies engaged in repair services from the services group in which they are classified in "Taxation Statistics" to appropriate manufacturing groups. Corrections were not made for other differences, which are minor in scope.

Since the SIC is on an establishment basis and the financial information collected in this report is necessarily on a company basis, classification cannot be precise. Where a company carries on two or more activities it is classified to the group in which it has the greatest production. A further complication results from the consolidation of reports of related companies. Many companies report to the quarterly profits survey on a consolidated basis, while the data contained in "Taxation Statistics" have been compiled since 1952 on a non-consolidated basis.

The items most affected by this difference in procedure are Canadian dividends paid and Canadian dividends received. In the financial group, dividends received form an important part of income, particularly of the income of holding companies. Since many of these are classified with other groups when returns are consolidated, the figures obtained from the sample for dividends received and paid are much smaller than those shown by "Taxation Statistics".

Dividends paid, and Canadian dividends received are not shown in the quarterly tables because of the problems caused by consolidated returns. The financial group is particularly affected by this since about half the net income of financial companies is received in the form of Canadian dividends. Persons interested in data on dividends received and paid can obtain an idea of their magnitude from Table 4 which gives annual data for these items for the years 1950, 1951 and 1952. An estimate of retained earnings for these years can be obtained by adding Canadian dividends received to the annual profits, after taxes, shown in Table 1, and subtracting dividends paid.

QUARTERLY CORPORATION PROFITS REPORT

General Assignments Division
Dominion Bureau of Statistics, Ottawa, Canada

For period indicated at the bottom right hand corner

CONFIDENTIAL: All replies will be treated as strictly confidential. Figures for all firms within broad lines of business will be combined, and totals only will be shown. Your report will not be used for income tax purposes or divulged to any other government department.

Mail one copy of this report within 14 days to: General Assignments Division, Dominion Bureau of Statistics, Ottawa.

The period covered by this return should be the company quarter ending within the three month period specified at the bottom right hand corner, or within ten days after that period. Give also the same period in the preceding year.

INSTRUCTIONS	Please indicate quarterly period covered by your report: from	to	
<p>1. A single independent corporation should complete and file this report.</p> <p>2. A parent corporation of a group of affiliated companies should complete and file either</p> <p>(a) separate reports for the parent and each subsidiary company, or if these are not readily available,</p> <p>(b) one consolidated or combined report.</p> <p>Subsidiaries located outside Canada should be excluded.</p> <p>Subsidiaries which are not covered by a parent company reporting to the Quarterly Corporation Profits Survey should file a separate report.</p> <p>3. Subsidiaries whose reports are included in that of the parent company should notify the General Assignments Division to this effect, indicating the name and address of the parent company, providing the parent company is located in Canada.</p> <p>4. If the parent company is located outside of Canada the subsidiary should file a report.</p> <p align="center">NET SALES</p> <p>(a) Construction Companies, Use gross revenues before deduction of direct costs.</p> <p>(b) Financial Companies and Non Financial Companies operating on a commission basis. Record commissions received.</p>	1. Net profit or loss before income taxes	1954	(omit cents)
	(a) Enter net operating profit or loss before income tax provision, but after provision for all charges including depreciation, pension funds, depletion and bad debts. Please enter loss figures in red. Do not include here non-operating income included in Item 1(b).	1953	
	(b) Enter non-operating income, including cash dividends received. Do not include stock dividends received, or profit from sale of fixed assets, investments, etc.	1954	
		1953	
	(c) Enter amount credited or debited to inventory reserve or special and contingency reserves in calculating profit in 1(a) above. Please enter debit figures in red.	1954	
		1953	
	2. Cash dividends received and included in profits above excluding those received from subsidiary companies covered by this report.	1954	
	(a) Dividends received from controlled or wholly owned subsidiaries outside Canada.	1953	
	(b) Other dividends received from outside Canada.	1954	
		1953	
	(c) Dividends received from companies in Canada.	1954	
		1953	
3. Cash dividends paid	1954		
Enter cash dividends paid during the quarter on all classes of capital stock.	1953		
4. Depreciation	1954		
Enter the amount of depreciation (capital cost allowance) deducted in calculating net profit or loss as reported in Item 1(a).	1953		
5. Depletion	1954		
Enter the amount of depletion deducted, if any, in calculating net profit or loss as reported in Item 1.	1953		
Note. This question applies mainly to mining, lumbering and oil producing companies.			
This space for department use only			
6. Net sales	1954		
Enter gross sales less returned sales, allowances and discounts, and exclusive of excise duties, and sales and excise taxes. Construction companies and companies operating on a commission basis should read special instructions on the left side of the forms.	1953		
<p>7. Comparability with same quarter last year. <input type="checkbox"/> No Change <input type="checkbox"/> Change as Noted on Back of Form</p> <p>State on the back of this form any changes in size of operations, or type of operations, due to sale of a major part of assets, merger, etc.</p>			

CERTIFICATE: The information given above is correct to the best of my knowledge and belief.

Signed..... Position..... Date.....
6603-1-1: 27-1-54
Calendar Quarter

QUARTERLY CORPORATION PROFITS REPORT

General Assignments Division
Dominion Bureau of Statistics, Ottawa, Canada

For period indicated at the bottom right hand corner

CONFIDENTIAL: All replies will be treated as strictly confidential. Figures for all firms within broad lines of business will be combined, and totals only will be shown. Your report will not be used for income tax purposes or divulged to any other government department.

INSTRUCTIONS	Please indicate quarterly period covered by your report: from		to		
	1954	1955			
<p>The period covered by this return should be the company quarter ending within the three month period specified at the bottom right hand corner, or within ten days after that period. Give also the same period in the preceding year.</p> <p>1. Mail one copy of this report within 14 days to: General Assignments Division, Dominion Bureau of Statistics, Ottawa.</p> <p>2. A single independent corporation should complete and file this report.</p> <p>3. A parent corporation of a group of affiliated companies should complete and file either (a) separate reports for the parent and each subsidiary company, or if these are not readily available, (b) one consolidated or combined report.</p> <p>Subsidiaries located outside Canada should be excluded.</p> <p>Subsidiaries which are not covered by a parent company reporting to the Quarterly Corporation Profits Survey file a separate report.</p> <p>4. Subsidiaries whose reports are included in that of the parent company should notify the General Assignments Division to this effect, indicating the name and address of the parent company, providing the parent company is located in Canada.</p> <p>5. If the parent company is located outside of Canada the subsidiary should file a report.</p>	<p>1. NET SALES - Gross sales less returns, allowances and discounts, and exclusive of excise duties, and sales and excise taxes.</p> <p>NOTE: Construction Companies report gross revenues before deduction of direct costs. Companies operating on a commission basis report commissions received</p>				
	<p>NOTES - (1) ENTER LOSSES IN RED or circle figure. (2) Dividends received should be entered under Item 3 even though they may be the major portion or only income received by the corporation.</p>				
	<p>2. OPERATING INCOME after all charges except depreciation and depletion charges, income taxes, transfer of funds to inventory or special and contingency reserves</p>				
	<p>3. OTHER INCOME (a) Dividends received (i) From subsidiary companies outside Canada (ii) From other companies outside Canada (iii) From all companies in Canada (b) Other non-operating income</p>				
	<p>4. TOTAL INCOME (Item 2 plus item 3)</p>				
	<p>5. LESS: (a) Depreciation charged (b) Depletion charged (c) Amount credited or debited to inventory or special and contingency reserves. Enter debit figures in RED.</p>				
	<p>6. PROFIT before Income Taxes (Item 4 less Item 5)</p>				
	<p>7. LESS: Provision for Income Tax. If you do not estimate income tax quarterly show one quarter of estimated annual tax</p>				
	<p>8. NET PROFIT (Item 6 less Item 7)</p>				
	<p>THIS SPACE FOR DEPARTMENT USE ONLY</p>				
	<p>9. DIVIDENDS (a) Cash dividends paid (b) Stock dividends issued under Section 105 (formerly 95A) of Income Tax Act</p>				
	<p>10. SPECIAL 15% TAX on undistributed income under Section 105 (formerly 95A) of Income Tax Act</p>				

11. Comparability with same quarter last year.

☐ No change

☐ Change as noted on back of form

State on the back of this form any changes in size of operations, or type of operations, due to sale of a major part of assets, merger, etc.

CERTIFICATE: The information given above is correct to the best of my knowledge and belief.

Signed _____ Position _____ Date _____

6603-1.1: 27-1-55

Calendar Quarter

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010638637