



The Daily

Statistics Canada

Wednesday, November 24, 2004

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Canadian corporate operating profits were unchanged at \$51.3 billion in the third quarter, following four quarters of growth. Despite the pause, profits remained at record high levels, fostered by strength in the metals, energy and manufacturing industries.
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The proportion of daily smokers who quit has risen steadily over four successive two-year periods since the mid-1990s. During the same time frame, the proportion of former daily smokers who started smoking again in each two-year period remained stable.

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Perspectives on Labour and Income

November 2004 online edition

The November 2004 online edition of *Perspectives on Labour and Income*, released today, contains two articles. "Employment trends in nursing" looks at changes in employment between 1987 and 2003 for the two regulated nursing professions: registered nurses and licensed practical nurses, and compares them with the unregulated nurse aides and orderlies group. Also, available free in this issue is "2002 Income: An overview." The article provides a brief look at the income of various family types in 2002, highlighting changes since 1980.

The November 2004 online edition of *Perspectives on Labour and Income*, Vol. 5, no. 11 (75-001-XIE, \$6/\$52) is now available. See *How to order products*.

For more information, contact Henry Pold (613-951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.



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New products

10

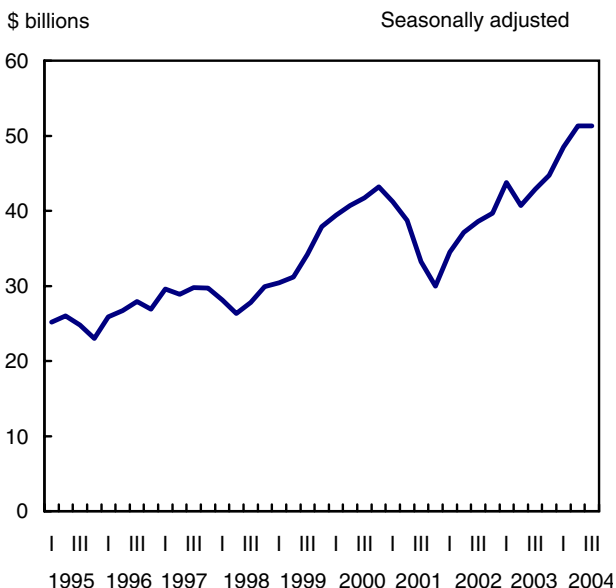
Major releases

Financial statistics for enterprises

Third quarter 2004 (preliminary)

On a year-over-year basis, third quarter operating profits were up 19.7%, a slowdown from the 26.0% gain in the second quarter but the ninth consecutive year-over-year advance.

Profits at record high but growth stalls



The non-financial industries lost some ground in the third quarter, as profits slipped 0.6% from the previous quarter to \$38.6 billion. One-time charges to operating profits in both the telecommunications and motor vehicle and parts manufacturing industries trimmed third quarter results. Excluding these two industries, the non-financial profits rose by 2.7%.

In the financial sector, profits climbed 2.1% in the third quarter, mainly due to gains by insurance carriers. Chartered bank profits were little changed from the previous quarter.

Metal profits glitter

Strong global demand, particularly for nickel, copper and zinc, boosted profits of metal mining companies

Note to readers

These quarterly financial statistics cover the activities of all corporations in Canada, excluding government controlled and not-for-profit corporations.

Operating profits represent the profits earned from normal business activities, excluding interest expense on borrowing and valuation adjustments. For non-financial industries, operating profits exclude interest and dividend revenue and capital gains/losses. For financial industries, interest and dividend revenue, capital gains/losses and interest paid on deposits are included in the calculation of operating profits.

to \$1.2 billion in the third quarter, 63.1% ahead of second quarter levels. Mining profits have risen for five consecutive quarters since the \$0.2 billion earned in the second quarter of 2003. Non-ferrous metal prices in September were up 30.2% year-over-year.

Oil and gas producers thrived in the quarter, as fuel prices continued to escalate. Average crude oil prices jumped 37.5% from the previous year, while natural gas price gains were more modest. Operating profits in the oil patch reached \$5.6 billion, 0.5% above the second quarter but 21.1% ahead of profits earned a year ago in the third quarter of 2003.

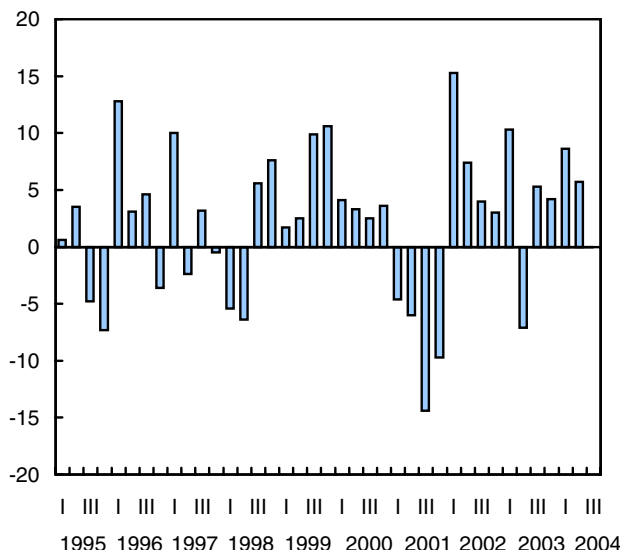
Manufacturing sector remains stalwart

Manufacturers earned \$12.5 billion in third quarter operating profits, down slightly from the second quarter but a 45.0% improvement from the third quarter last year. Quarter-to-quarter operating revenue advanced a solid 3.2% for a second straight quarter. While overall exports of Canadian manufactured goods edged up in the third quarter, monthly export declines throughout the quarter may dampen fourth quarter production levels. Nonetheless, the October release of the Business Conditions Survey reported that manufacturers remained optimistic about their fourth quarter production and employment outlook.

Petroleum and coal manufacturers reaped record high profits of \$2.7 billion in the third quarter. Profits jumped 18.9% from the second quarter and have more than doubled since the final quarter of 2003. Several companies reported best-ever results, spearheaded by soaring commodity prices.

Profits unchanged following four quarters of growth

% change in profits



Red hot steel prices sparked a 26.7% quarter-to-quarter surge in profits of primary metal producers. Profits of \$0.8 billion were more than three times those earned in the third quarter of 2003. Strong demand from China, coupled with thriving demand from the North American automotive and oil industries, have lifted prices to all-time highs. Steel consumption in the construction industry has been steady, but there are signs that construction activity may be losing momentum.

Wood and paper producers suffered their first quarterly profit decline in five quarters. Third quarter profits of \$1.5 billion were 11.8% below second quarter levels, but remained well ahead of the \$0.6 billion earned in the third quarter of 2003. Several companies reported that the stronger Canadian dollar adversely affected recent profit results. Commodity prices established in US dollars translate into lower returns for Canadian producers as the loonie appreciates.

Retail grows but wholesale little changed

Profits in the retail sector were up 5.2% in the third quarter, the fifth straight quarter of growth. Operating revenue rose 0.5%, as confident consumers continued to spend. Clothing and department stores (+9.5%) and other retailers (+12.5%) posted the largest quarter-to-quarter profit gains.

Wholesalers reported little change in both revenue and profits in the third quarter.

Other non-financial industries

The information and cultural industry saw operating profits slide by one-third to \$1.3 billion. The decline was centred in the telecommunications industry, where significant restructuring charges trimmed third quarter profits.

Higher fuel costs contributed to a 6.7% profit slide in the transportation and warehousing industry.

Insurance carriers lift the financial sector

Insurance carriers earned \$2.9 billion in operating profits in the quarter, an 8.0% rise from the second quarter. The increase was evenly split between life and property and casualty insurers.

Depository credit intermediaries, mainly chartered banks, earned \$5.2 billion in third quarter profits, little changed from the second quarter but an improvement from the quarterly average profits of \$4.5 billion earned in 2003.

Profitability ratios

The return on shareholders' equity improved to 11.5% in the third quarter from 11.1% in the second quarter and 10.0% in the first quarter of 2004. After-tax profits, the numerator in the return on equity calculation, increased 6.0% from the previous quarter, mainly due to currency and capital gains.

The operating profit margin slipped to 7.9% in the third quarter from 8.1% in the second quarter, but remained well above the margins of 7.0% earned in the third quarter of 2003.

Available on CANSIM: tables 187-0001 and 187-0002.

Definitions, data sources and methods: survey number 2501.

The third quarter 2004 issue of the *Quarterly Financial Statistics for Enterprises* (61-008-XIE, \$28/\$93) will soon be available.

Financial statistics for enterprises for the fourth quarter of 2004 will be released on February 25th, 2005.

For more information or to order data, contact Louise Noel at Client Services (1-888-811-6235). To enquire about the concepts, methods, or data quality of this release, contact Bill Potter (613-951-2662; bill.potter@statcan.ca), Danielle Lafontaine-Sorgo (613-951-2634; danielle.lafontaine-sorgo@statcan.ca), Richard Dornan (613-951-2650; dornan@statcan.ca) or Haig McCarrell

(613-951-5948; haig.mccarrell@statcan.ca), Industrial Organization and Finance Division.

Financial statistics for enterprises

	Third quarter 2003 ^r	Second quarter 2004 ^r	Third quarter 2004 ^p	Third quarter 2003 to third quarter 2004	Second quarter 2004 to third quarter 2004
	seasonally adjusted				
	\$ billions			% change	
All Industries					
Operating revenue	613.2	636.3	647.5	5.6%	1.8%
Operating profit	42.9	51.3	51.3	19.7%	0.0%
After-tax profit	25.3	31.8	33.7	33.2%	6.0%
Non-financial					
Operating revenue	557.1	578.7	590.4	6.0%	2.0%
Operating profit	31.5	38.8	38.6	22.7%	-0.6%
After-tax profit	19.2	24.2	25.8	34.8%	6.8%
Financial					
Operating revenue	56.1	57.6	57.1	1.8%	-0.8%
Operating profit	11.4	12.5	12.7	11.4%	2.1%
After-tax profit	6.1	7.6	7.9	28.2%	3.4%

^r revised figures.

^p preliminary figures.



Smoking: One step forward, one step back

1994/95 to 2002/03

The proportion of daily smokers who quit has risen steadily over four successive two-year periods since the mid-1990s, according to a new study. However, not every smoker who quits does so for good.

The study showed that between 1994/95 and 1996/97, about 10% of daily smokers quit. By the two-year period between 2000/01 and 2002/03, this proportion had increased to almost 17%.

During the same eight-year time frame, the proportion of former daily smokers who returned to smoking in each two-year period remained stable at around 4%.

The study was based on longitudinal data from the National Population Health Survey (NPHS), which collected information from the same group of respondents every two years over the eight-year period. With these data, it was possible to estimate the proportion of daily smokers who quit every two years. As well, relapse rates were calculated for all people who had ever smoked daily.

NPHS data showed that the level of addiction, particularly the number of cigarettes smoked per day, was one of the most important factors related to quitting. For relapsing, the strongest factor was the number of years of abstinence.

In 2003, 21% of men and 17% of women aged 18 or older smoked cigarettes daily. These rates were based on data from the 2003 Canadian Community Health Survey. Both rates were about seven percentage points lower than they had been in 1994/95.

Smoke-free homes, workplace bans related to lower consumption

Over the eight-year period, 17% of smokers who lived in a household where no one smoked inside the house, that is, a "smoke-free home," quit. This was substantially higher than the proportion of only 12% who lived in a home where smoking was permitted.

Smoke-free environments were strongly related to cigarette consumption levels. Men who smoked daily but lived in a smoke-free home averaged 14 cigarettes a day, compared with 20 a day for those who did not live in smoke-free homes. For women, the corresponding numbers were 10 and 16.

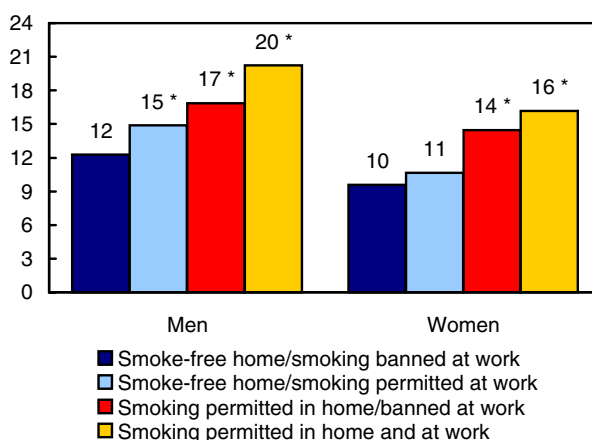
Restrictions at work were associated with further reductions in cigarette smoking. Men who smoked daily, lived in smoke-free homes and were employed in workplaces where smoking was banned averaged eight

fewer cigarettes a day than did those who smoked at home and at work. For their female counterparts, the difference was 6.5 cigarettes a day.

Although restrictions at home and at work may not have an immediate affect on quitting, lower levels of consumption associated with a smoke-free environment may eventually make quitting easier.

The more restrictions daily smokers encounter, the lower their cigarette consumption

Average number of cigarettes per day



* Significantly higher than previous categories ($p < 0.05$)

Based on employed population aged 18 to 54.

A number of "addiction indicators" were strongly predictive of being able to quit. These included the number of cigarettes a day an individual smokes, and how early in the day the first cigarette is smoked. Even allowing for the influence of these factors, several additional variables emerged as significant predictors for quitting smoking.

One was the "wake-up call." Daily smokers, both men and women, who had been newly diagnosed with a vascular condition, such as heart disease or stroke, were much more likely to quit than those who had not developed such conditions.

The odds of quitting among men who were diagnosed with at least one new vascular condition were close to three times higher than among men who did not receive such a diagnosis, and over twice as high in women. However, pre-existing vascular problems were not associated with quitting.

Men and women who had their first cigarette within 30 minutes of waking were less likely to quit than those who waited for more than an hour. For men, the odds of quitting were 40% lower for those who had their

first cigarette within 30 minutes, and for women there was a 30% reduction in the odds of quitting.

Quitting smoking was strongly related to the number of cigarettes smoked per day. Men who smoked fewer than 10 cigarettes had two and a half times the odds of quitting, compared with those who smoked 25 or more. For women, smoking fewer than 10 cigarettes per day was associated with a 70% increase in the odds of quitting.

Chronic stress was also a factor in quitting for women, but not for men. Women who reported six or more stressors had half the odds of quitting than women who reported no stressors, or just one.

Relapsing strongly associated with years since quitting

Relapsing was strongly associated with the length of time since an individual had quit. One in five men and women who had quit daily smoking for two years or less had started again within the next two years.

In contrast, just 1 in 20 who had quit for three to five years had resumed smoking. Among those who had quit for more than five years, only 1% relapsed.

Men living in smoke-free homes were much less likely to start smoking again than were those in households that were not smoke-free. However, living in a smoke-free home was not related to relapsing among women.

The study found no association between relapsing and having a vascular condition for either sex. But women who had a respiratory condition were less likely to resume smoking.

Chronic stress was associated with relapsing for women but not for men. Women with a high level of chronic stress had close to three times the odds of relapsing, compared with those who reported low stress. Those with moderate levels of stress had close to two times the odds of relapsing.

Definitions, data sources and methods: survey number 3225.

This release is based on the article "A step forward, a step back, smoking cessation and relapse" which is now available online. This article is the first of four to be released this fall and winter in the Internet publication entitled *Healthy Today, Healthy Tomorrow? Findings from the National Population Health Survey*, no. 1 (82-618-MWE, free). The other articles will cover the health of immigrants, aging and obesity.

For more information, or to enquire about the concepts, methods or data quality of this article, contact Margot Shields (613-951-4177; margot.shields@statcan.ca), Health Statistics Division. ■

Other releases

Study: Employment trends in nursing 1987 to 2003

Nurses make up the largest proportion of health workers and play a key role in the hands-on patient care of Canadians.

However, between 1987 and 2003, the number of registered nurses has increased only marginally. At the same time, there has been a sharp decline in licensed practical nurses, according to a study in the online edition of *Perspectives on Labour and Income*.

Combined with the aging of the nursing population and declining enrolment in nursing programs, this situation suggests that concerns of a potential shortage of nurses may be justified, the study said.

This study examines employment trends between 1987 and 2003 for the two regulated nursing professions, that is, registered nurses and licensed practical nurses. These are compared with trends in the unregulated nurse aides and orderlies group, who are lower paid and less educated.

During this time period, the number of employed registered nurses increased only 17% to 259,800 in 2003, while the number of licensed practical nurses fell almost 40%. In contrast, the number of nurse aides and orderlies more than doubled to 188,800.

Traditionally, registered nurses and licensed practical nurses have been the primary providers of patient care. However, there has been a shift in the composition (or mix) of patient care workers.

In 1987, nurse aides and orderlies represented 21% of workers in patient-care occupations. By 2003, this had jumped to 39%.

During the same period, the proportion of licensed practical nurses declined from 21% to just 10%, while the proportion of registered nurses fell from 59% to 52%.

The nurse aides and orderlies are becoming increasingly more common as care providers, especially in the home health care industry, where they made up two-thirds of patient-care workers in 2003, up from 38% in 1999.

The work arrangements of nurses differ greatly from those of other workers. Roughly one-third of employed nurses worked part time in 2003, compared with just 19% of all workers, and most of them (82%) did so by choice.

Hourly earnings were substantially higher for registered nurses than for licensed practical nurses. But

licensed practical nurses earned more than nurse aides and orderlies.

In real terms, hourly earnings for registered nurses increased roughly 9% between 1997 and 2003. They declined for licensed practical nurses, and remained fairly constant for nurse aides and orderlies.

More registered nurses had a university degree in 2003 than in 1990, both at the baccalaureate and master's levels. Education levels also rose for nurse aides and orderlies, 31% of whom had a high school diploma or less in 2003, compared with 47% in 1990.

Definitions, data sources and methods: survey numbers, including related surveys, 3701 and 3889.

The article "Employment trends in nursing" is available in the November 2004 online edition of *Perspectives on Labour and Income*, Vol. 5, no. 11 (75-001-XIE, \$6/\$52). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Wendy Pyper (613-951-0381; wendy.pyper@statcan.ca), Labour and Household Surveys Analysis Division. ■

National Population Health Survey 1994/95 to 2002/03

Data from the fifth cycle of the household component of the National Population Health Survey (NPHS), covering the 1994/95 to 2002/03 period, are now available.

This survey provides information at the provincial and national levels on a wide range of health determinants and risk factors. These include alcohol consumption, smoking, chronic conditions, health care utilization, self-perceived health status, height, weight, restriction of activities and stress. It also collects information on the basis of age, sex, household composition, income and the labour force.

The NPHS, a longitudinal survey covering 17,276 individuals across all 10 provinces, has been providing unique information about the health of Canadians since 1994/95. It now responds primarily to the need for information about the dynamics of health.

Every two years, the same respondents provide in-depth information about their health, their current physical and mental conditions, their use of health care, their physical activities, their working lives and their social circumstances. The information collected has

shown how a variety of factors can enhance or weaken health.

Rather than just a static picture, this wealth of data allows analysis of the relationship between the socio-economic and demographic characteristics of individuals, their health status and its evolution over time. The survey is a key tool for researchers, policy analysts and decision makers.

Definitions, data sources and methods: survey number 3225.

Concurrent with this release, the publication *Healthy Today, Healthy Tomorrow? Findings from the National Population Health Survey*, no. 1 (82-618-MWE, free) is also available today. It presents the first of a series of articles based on five cycles of NPHS data and provides links to data tables and general information about the survey.

NPHS microdata are available at Statistics Canada's Research Data Centres. For more information, visit *The Research Data Centres Program* page of our Web site.

To order custom tabulations, contact Client Services (613-951-1746; hd-ds@statcan.ca), Health Statistics Division.

For further information on the Household Component of NPHS, or to enquire about the concepts, methods or data quality, contact Mario Bédard (613-951-8933; mario.bedard@statcan.ca) or France Bilocq (613-951-6956; france.bilocq@statcan.ca), Health Statistics Division. ■

Federal government spending on science and technology

2004/05 (intentions)

The federal government's spending on science and technology is expected to surpass \$9 billion in the fiscal year 2004/05, with the majority headed for research and development.

A survey of science and technology activities of federal departments and agencies shows total spending intentions will reach \$9.2 billion, up 2.2% over the level forecasted for 2003/04. This would represent 5.0% of total government spending, compared with 3.6% in 1994/95.

Of the total, 63 cents out of every dollar spent on science and technology will go to research and development, the second highest share during the past 10 years.

The \$5.8 billion anticipated for on research and development will include intramural performance, which are activities carried out primarily by the federal

government, and extramural funding, which are activities managed and performed by non-federal organizations.

Over one-half (53%) of total science and technology expenditures are expected to be spent on activities performed by the federal government itself. Of total planned research and development spending, the federal government will perform \$2.2 billion, or 39%.

Federal government research and development funding to the higher education sector is expected to exceed \$2.3 billion.

Definitions, data sources and methods: survey number 4212.

The service bulletin *Science Statistics: Federal Government Expenditures on Scientific Activities, 2004-2005*, Vol. 28, no. 11 (88-001-XIE, \$7/\$64) is now available. See *How to order products*.

For more information, or to enquire about the methods, concepts or data quality of this release, contact Lloyd Lizotte, (613-951-2188; lloyd.lizotte@statcan.ca) or Antoine Rose, (613-951-9919; antoine.rose@statcan.ca), Science, Innovation and Electronic Information Division. ■

Aircraft movement statistics: Major airports

August 2004

The August 2004 monthly report, Vol. 1 (TP141, free) is available on Transport Canada's Web site at the following URL: (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

Note: The TP 141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (i.e., those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air traffic control towers). Both volumes are available free upon release on Transport Canada's Web site.

For more information about this Web site, contact Michel Villeneuve (613-990-3825; villennm@tc.gc.ca), Transport Canada.

Definitions, data sources and methods: survey number 2715.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; aviationstatistics@statcan.ca) Transportation Division. ■

New products

Retail Trade, September 2004, Vol. 76, no. 9
Catalogue number **63-005-XIE** (\$18/\$166).

Perspectives on Labour and Income, November 2004,
Vol. 5, no. 11
Catalogue number **75-001-XIE** (\$6/\$52).

**Healthy Today, Healthy Tomorrow? Findings
from the National Population Health
Survey**, 1994/95 to 2002/03, no. 1
Catalogue number **82-618-MWE**
(free).

Science Statistics, Vol. 28, no. 11
Catalogue number **88-001-XIE** (\$7/\$64).

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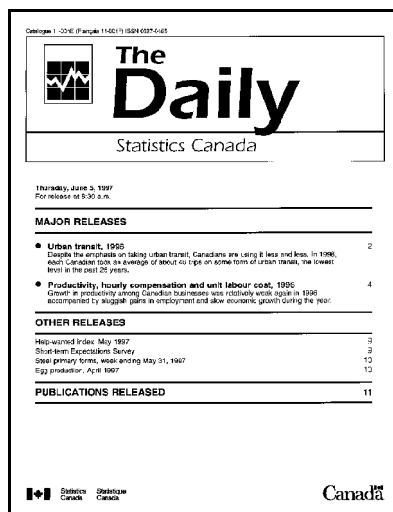
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