



# The Daily

Statistics Canada

**Friday, August 25, 1995**

For release at 8:30 a.m.

STATISTICS STATISTIQUE

CANADA CANADA

AUG 25 1995  
AOUT

## MAJOR RELEASES

LIBRARY  
BIBLIOTHÈQUE

- **Quarterly financial statistics for enterprises, second quarter 1995** 2  
In the second quarter of 1995, corporate profits totalled \$23.5 billion, virtually unchanged from the previous two quarters.

## OTHER RELEASES

Incomes of households, families and individuals—microdata files, 1993	5
Stocks of frozen meat products, August 1, 1995	5
Crushing of oilseeds, July 1995	5
Tea, coffee and cocoa, June 1995	5

## PUBLICATIONS RELEASED 6

**RELEASE DATES:** August 28-September 1 7



Statistics  
Canada

Statistique  
Canada

Canada

## MAJOR RELEASES

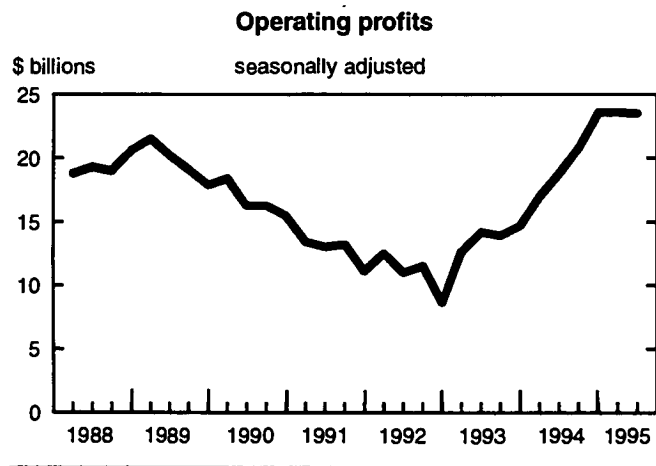
### Quarterly financial statistics for enterprises

Second quarter 1995

In the second quarter of 1995, corporate profits totalled \$23.5 billion, virtually unchanged from the previous two quarters. Fifteen of 22 non-financial industries posted declines in profits, with the largest decreases in the real estate and consumer goods and services industries. Financial industries fared better as 5 of 7 industries registered higher profits.

#### Profit growth stalled for non-financial corporations

Operating profits of non-financial corporations declined 3.0% in the second quarter of 1995. This slide came on the heels of a slight profit increase in the first quarter, following two years of robust growth. The erosion of profits was widespread, affecting over two-thirds of the industries.



Profits of real estate developers and operators declined to \$1.1 billion, from \$1.6 billion in the first quarter. This drop can be attributed to a significant decrease in operating revenue, as new construction activity remained weak during the quarter.

Operating revenue in the consumer goods and services industry fell \$2.0 billion. As a result, profits tumbled 40% to \$0.4 billion. Over the preceding two years, quarterly profits averaged \$0.6 billion.

Lower metal prices meant lower profits for non-ferrous metal producers. Second-quarter profits were \$0.6 billion, compared with \$0.9 billion in the previous

#### Note to readers

The quarterly financial series covers the Canadian activities of non-government corporations.

Operating profits exclude capital gains or expense deductions for income taxes, interest on borrowing and asset write-offs. Investment income is excluded from operating profits of non-financial industries, but is included in operating profits of the financial industries.

two quarters. Despite this recent decline, profits remained well above levels of one year earlier.

Weak North American auto sales and reduced margins curtailed earnings in the motor vehicles and accessories industry for a second consecutive quarter. Operating profits fell to \$1.6 billion, from \$1.8 billion in the previous quarter and \$2.1 billion in the fourth quarter of 1994. Automotive exports declined with the slump in the U.S. market.

The wood and paper industry was one of the few bright spots in the second quarter. Operating profits rebounded to \$2.7 billion after slipping to \$2.3 billion in the first quarter. With this increase, the wood and paper industry continued its ongoing dramatic recovery of the past three years. With a surging demand for paper products and mills operating near capacity, paper producers were able to raise prices to record levels. On the down side, lumber demand remained weak due to the prolonged slump in housing construction.

The recovery in the petroleum and natural gas industry continued into the second quarter as profits reached \$3.2 billion, up from \$2.9 billion in the first quarter. Profits in this industry averaged \$2.6 billion in 1994. Increased production levels along with higher oil prices boosted second-quarter results. Profits would have been more impressive had natural gas prices not slackened during the quarter.

#### Financial industries regained profit momentum

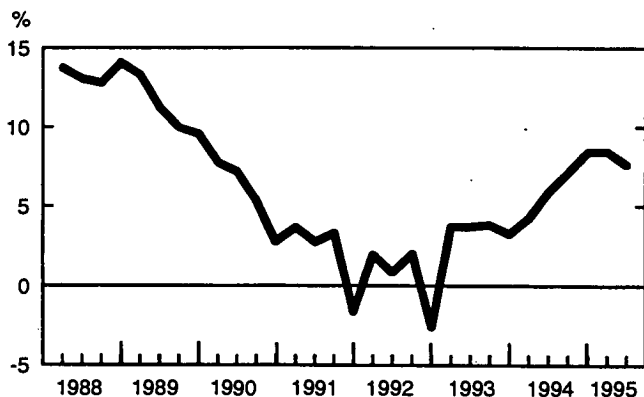
Following a lull in the first quarter, profits of financial corporations regained strength, increasing 10.2% in the second quarter. Chartered banks and life insurers registered the largest profit gains.

Increased net interest revenue propelled operating profits of chartered banks to a high of \$1.9 billion. During the previous two quarters, profits hovered around \$1.7 billion.

## Return on equity weakened

Corporations' return on equity slipped almost a full percentage point to 7.62% in the second quarter. This was the first decline in this profitability indicator in nearly two years. In 1988, corporations' return on equity reached 14% before sliding into negative levels during the depths of the economic downturn in 1991 and 1992.

Return on equity



Profit margins remained almost unchanged at 6.6% in the second quarter. Despite a \$7 billion slide in operating revenue, corporations were able to reduce costs enough to maintain their margins.

Balance sheets continued to strengthen in the second quarter of 1995. Both the debt-to-equity and the working capital ratios improved slightly.

**Available on CANSIM: matrices 3914-3971 and 3974-3981.**

The second quarter 1995 issue of *Quarterly financial statistics for enterprises* (61-008, \$23/\$92) will be available in September. See "How to order publications".

For further information on this release, contact Gail Sharland (613-951-9843), George Mitchell (613-951-9853) or Bill Potter (613-951-2662), Industrial Organization and Finance Division. □

# **Selected financial statistics**

	Second quarter 1994	First quarter 1995	Second quarter 1995	First quarter 1995 to Second quarter 1995
seasonally adjusted				
	\$ billions			% change
Income statement				
All industries				
Operating revenue	336.9	359.9	353.1	-1.9
Operating profit	18.8	23.6	23.5	-0.7
Net profit	7.2	10.9	9.9	-8.4
Financial ratios				
All industries				
Profit margin (%)	5.57	6.56	6.64	
Return on equity (%)	5.87	8.45	7.62	
Debt-to-equity (ratio)	1.163	1.125	1.121	
Non-financial industries				
Working capital (ratio)	1.262	1.265	1.271	
Inventory turnover (ratio)	9.042	9.106	8.741	
Receivables turnover (ratio)	8.556	8.970	8.362	

---

## OTHER RELEASES

---

### Incomes of households, families and individuals—microdata files

1993

Four microdata files containing 1993 income data for households, economic families, census families and individuals are now available. A key file that allows the user to link any of the four files to perform further analysis is also available. Each file costs \$2,000, with the exception of the household-level file, which costs \$2,500.

In addition to data on income sources (for example, earnings, investment income, government transfer payments), the files contain personal, family and labour-related characteristics (such as age, sex, education, relationship to the family head, occupation and labour force status). The household file includes additional information on housing characteristics, household facilities and equipment, and data on household activities and products that might have an impact on the environment.

The 1993 income data were collected as part of the 1994 Survey of Consumer Finances (SCF). The housing, facilities and equipment data were collected through the 1994 Household Facilities and Equipment Survey (HFE) and the environment data were collected through the Household Environment Survey (HES). The SCF and HFE survey are conducted every spring as a supplement to the Labour Force Survey (LFS). The HES was conducted in May 1994 along with the HFE survey.

The household file contains about 37,000 records, the economic family file about 39,000, the census family file about 41,000, the individual file 77,000, and the key file about 98,000 records.

These files have been carefully reviewed to ensure they do not contain information that might identify specific households, families or individuals.

For further information on this release, contact Daniel Dekoker (613-951-4643) or Réjean Lasnier (613-951-4633), Household Surveys Division (fax: 613-951-3012). ■

### Stocks of frozen meat products

August 1, 1995

Frozen meat in cold storage as of August 1, 1995, amounted to 42 201 000 tonnes, compared with

41 053 000 tonnes a month earlier and 42 471 000 tonnes a year earlier.

**Available on CANSIM: matrices 87 and 9517-9525.**

For further information on this release, contact Conrad Ogrodnik (613-951-2860), Agriculture Division. ■

### Crushing of oilseeds

July 1995

Oilseed processors crushed 166 000 tonnes of canola in July, down from 177 000 tonnes in July 1994. Processors reported stocks of 58 000 tonnes of canola seed at the end of the month. In July, stocks of canola oil and canola meal amounted to 17 000 tonnes and 36 000 tonnes respectively.

**Available on CANSIM: matrix 5687.**

The July 1995 issue of *Cereals and oilseeds review* (22-007, \$15/\$144) will be released in September. See "How to order publications".

For further information on this release contact Jeannine Fleury (613-951-3859), Grain Marketing Unit, Agriculture Division. ■

### Tea, coffee and cocoa

June 1995

Data for the second quarter of 1995 on tea, coffee and cocoa production are now available.

**Available on CANSIM: matrix 188.**

The June 1995 issue of *Production and stocks of tea, coffee and cocoa* (32-025, \$10/\$32) will be available shortly. See "How to order publications".

For further information on this release, contact Peter Zylstra (613-951-3511), Industry Division. ■

## PUBLICATIONS RELEASED

**Farm cash receipts and farm product price index,**  
January-June 1995

**Catalogue number 21-001**

(Canada: \$19/\$62; United States: US\$23/US\$75; other countries: US\$27/US\$87).

**Department store sales and stocks, May 1995**

**Catalogue number 63-002**

(Canada: \$16/\$160; United States: US\$20/US\$192; other countries: US\$23/US\$224).

**New motor vehicle sales, June 1995**

**Catalogue number 63-007**

(Canada: \$16/\$160; United States: US\$20/US\$192; other countries: US\$23/US\$224).

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.



Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 1995. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001E, along with date and page references.

### How to order publications

Simplify your data search with *Statistics Canada Catalogue*, 1994 (11-204E, \$15; United States: US\$18; other countries: US\$21). Its keyword index will guide you to statistics on Canada's social and economic activity.

**Order *The Daily* and other publications by phone:**

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

**1-800-267-6677**

From other countries call:

**1-613-951-7277**

Or fax your order to us:

**1-613-951-1584**

**For address changes:** Please refer to your customer account number.

**To order a publication by mail write:** Sales and Service, Marketing Division, Statistics Canada, Ottawa, K1A 0T6.

Include a cheque or money order payable to Receiver General of Canada/Publications. Canadian customers add 7% GST.

**Statistics Canada Regional Reference Centres provide a full range of the Agency's products and services.**

For the reference centre nearest you, check the blue pages or your telephone directory under Statistics Canada.

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**

---

## RELEASE DATES

---

**Week of August 28-September 1**  
(Release dates are subject to change.)

---

Release date	Title	Reference period
29	Industrial product price index	July 1995
29	Raw materials price index	July 1995
30	Employment, earnings and hours	June 1995
30	International travel account	Second quarter 1995
30	Unemployment insurance	June 1995
31	National economic and financial accounts	Second quarter 1995
31	Balance of international payments	Second quarter 1995
31	Real gross domestic product at factor cost by industry	June 1995

---

# Don't let happen to you!

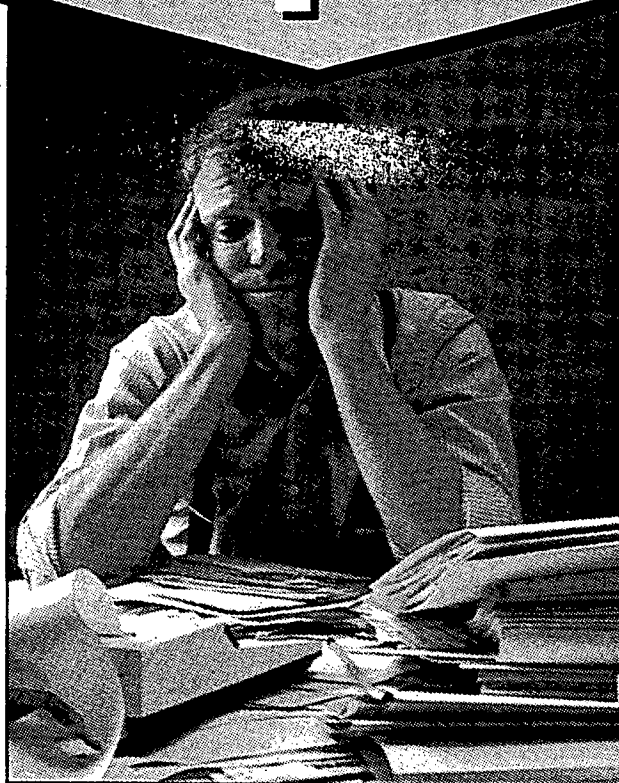
**I**magine you're called upon to make a really important business decision. You spend some anxious days weighing your options. You examine the available data. Finally, you make your decision...

**...only to discover too late that your information was incomplete or outdated!**

If you've ever experienced this type of frustration... or if your reputation ever depends on the quality of the data you refer to...

***Infomat* is for you.**

***Infomat*** is your fastest and easiest way to keep on top of important Canadian economic and social trends. Since it comes to you weekly – not daily – issues won't pile up unread. And, in



just one publication, you'll have the answers to almost anything:

- ✓ price indexes
- ✓ manufacturing shipments and orders
- ✓ imports and exports
- ✓ labour market conditions, and
- ✓ dozens of key social and economic indicators!

And because ***Infomat*** is based on over 100 ongoing Statistics Canada surveys, no other source is

more timely or more reliable.

***Infomat*** is specially designed and written for you – a busy manager with no time to waste!

**Join the confident, successful decision-makers in the country and subscribe to *Infomat* today!**

***Infomat*** (catalogue no. 11-0020XPE) is only \$130 (plus \$9.10 GST) per year in Canada, US\$156 in the U.S. and US\$182 in other countries.

CALL TOLL-FREE 1-800-267-6677 OR FAX (613)951-1584 and use your VISA or MasterCard.

OR MAIL your order to: Statistics Canada, Marketing Division, Sales and Service, 120 Parkdale Avenue, Ottawa, Ontario, K1A 0T6, or contact the nearest Statistics Canada Regional Reference Centre listed in this publication.

