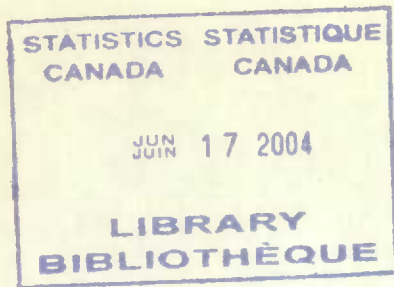




CANADA



**CORPORATION PROFITS**  
**THIRD QUARTER, 1955**

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# CORPORATION PROFITS

THIRD QUARTER, 1955

The estimates of corporation profits and other financial data contained in this report are the results of a sample survey of 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.

## Sources and Methods

In preparing the estimates, a stratified random sample of corporations is used together with the summary corporation statistics contained in "Taxation Statistics" published by the Department of National Revenue (Taxation Division). 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. This procedure ensures that profits are defined consistently for all corporations and improves the accuracy of the estimates.

Under the original design of the sample, estimates of profits would be within 3 per cent of the "true" figures 95 per cent of the time. However, since not all companies in the original sample are participating in the survey, the actual error is about 6 per cent. This error will be reduced as the number of companies in the sample increases.

## Definitions

The definitions of items contained in the report are based mainly on accounting definitions used by corporations. 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.

**Sales** figures in "Taxation Statistics" are used as a base for projecting the estimates obtained from the survey to provide current sales estimates. These sales figures contain investment income as well as income from operations.

**Net Earnings** as used in this report are the total earnings, exclusive of Canadian dividends received, after all current charges except depletion, depreciation, charitable donations and income tax liabilities. Canadian dividends received are excluded because earnings are computed before payment of dividends, and if receipt of these dividends were included they would be counted twice, once in the hands of the paying corporation and again in the hands of the receiving corporation.

Depletion charges are not deducted since, although these are properly a charge for individual firms, the exhaustion of natural resources should not be a charge against National Income. However, for the two groups for which depletion charges are significant—mining and wood and paper products—depletion charges are shown separately in the tables.

**Depreciation** charges as shown in the tables reflect the rates allowed by the Income Tax Act even though companies are permitted to charge depreciation on their own books at rates different from those used for income tax purposes. 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.

**Income tax liabilities** are calculated for each reporting company, each quarter to obtain totals of tax liabilities for each industrial group. An allowance is then made for profits which are covered by losses in other quarters.

**Depletion** charges are based on the amounts reported by the companies and are not related to the data contained in "Taxation Statistics".

## Interpretation of Quarterly Movements

Total corporation profits appear to follow a fairly regular pattern from quarter to quarter with total profits before taxes of the aggregate of all industries reaching a peak in the second and third quarters of each year and then declining through the next two quarters. Before two consecutive quarters can be compared, the same two quarters for previous years must be studied in an effort to determine how much of the change is due to seasonal movements and how much is due to an improvement or worsening in the general profits pattern of the industry.

Corporations with two or more establishments file only one profits return covering all establishments of the company. The forestry operations carried on by pulp and paper companies are therefore included with the wood and wood products group in manufacturing; while mining operations carried on by companies principally engaged in smelting and refining are included in the non-ferrous metal industry. Other groups are affected to a lesser degree. The figures in this report are therefore not comparable with series in other Bureau reports, such as those covering wages and production, which are on an establishment basis.

A more comprehensive description of the methods, sources and definitions is contained in the initial publication of this series, "Quarterly Corporation Profits, 1950-1954", issued by the Dominion Bureau of Statistics in March, 1955.

### CORPORATION PROFITS--THIRD QUARTER, 1955

Corporation profits before deduction of income taxes were estimated at \$847,000,000 for the third quarter of 1955, an increase of \$215,000,000 or 34.0 per cent over the third quarter, 1954, estimate of \$632,000,000. Cumulative profits before taxes for the nine months ending September 30, 1955, amounted to \$2,236,000,000, up \$407,000,000 or 22.2 per cent from the estimated \$1,829,000,000 for the corresponding period of 1954.

In the third quarter of 1955 income tax liabilities increased an estimated \$77,000,000 or 25.2 per cent over the corresponding quarterly estimate for 1954, from \$305,000,000 in 1954 to \$382,000,000 in 1955. Income taxes for the third quarter of 1955 were estimated at 45.1 per cent of profits, whereas, for the comparable period of 1954, they were estimated at 48.3 per cent of profits. Income tax liabilities for the nine months ending September 30, 1955, increased an estimated \$134,000,000 or 15.1 per cent, from \$890,000,000 in 1954 to \$1,024,000,000 in 1955.

Corporation profits after taxes rose from an estimated \$327,000,000 in the third quarter of 1954 to an estimated \$465,000,000 in the third quarter of 1955, an increase of \$138,000,000 or 42.2 per cent. For the nine months ending September 30, 1955, estimated profits after taxes increased \$273,000,000 or 29.1 per cent, from \$939,000,000 in 1954 to \$1,212,000,000 in 1955.

In the Manufacturing sector increases in profits before taxes for the third quarter of 1955 over the third quarter of 1954 were shown in all industry groups, with an overall increase of \$114,000,000 or 36.5 per cent in the sector as a whole, from \$312,000,000 in the third quarter of 1954 to \$426,000,000 in the third quarter of 1955. The most sizeable increases occurred in the Iron and Steel group which rose an estimated \$28,000,000 from \$48,000,000 in the third quarter of 1954 to \$76,000,000 in the third quarter of 1955; the Wood and Paper group which increased \$20,000,000 from \$84,000,000 in 1954 to \$104,000,000 in 1955; and the Foods and Beverages group which increased \$12,000,000 from \$45,000,000 in 1954 to \$57,000,000 in 1955.

The Non-Manufacturing sector showed an overall increase in profits before taxes of \$101,000,000 or 31.6 per cent, from \$320,000,000 in the third quarter of 1954 to \$421,000,000 in the third quarter of 1955. With one exception, where no change occurred, all industry groups reflected an increase. Mining, Quarrying and Oil Wells showed the greatest increase, \$30,000,000, from \$61,000,000 in the third quarter of 1954 to \$91,000,000 in the third quarter of 1955, followed by Transportation, Storage and Communication which increased an estimated \$27,000,000 from \$61,000,000 in 1954 to \$88,000,000 in 1955, and Wholesale Trade which increased \$18,000,000 from \$50,000,000 in 1954 to \$68,000,000 in 1955.

TABLE 1. Summary - Quarterly Corporation Profits Before Taxes, by Industry, 1954-1953

	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Mining, Quarrying and Oil Wells .....	45	62	61	63	231	82	93	91	266	168
Manufacturing:										
Foods and Beverages .....	37	46	45	41	169	23	54 <sup>r</sup>	57	134	128
Textile Products .....	8	7	5	3	23	13	11	10	34	20
Wood and Paper Products .....	63	86	84	98	331	77	104	104	285	233
Iron and Steel Products .....	88	86	48	44	266	63	113	76	252	222
Non-Ferrous Metal Products .....	12	16	15	8	51	12	17	23	52	43
Electrical Apparatus and Supplies .....	16	13	13	16	58	15	13	19	47	42
Non-Metallic Mineral Products .....	6	22	26	12	66	8	31	35	74	54
Products of Petroleum and Coal .....	30	27	33	25	115	32	27	42	101	90
Chemical Products .....	18	21	26	19	84	22	27	33	82	65
Other Manufacturing Industries <sup>1</sup> .....	15	19	17	14	65	18	24	27	69	51
<b>Total</b> .....	<b>293</b>	<b>343</b>	<b>312</b>	<b>280</b>	<b>1,228</b>	<b>283</b>	<b>421<sup>r</sup></b>	<b>426</b>	<b>1,130</b>	<b>948</b>
Transportation, Storage and Communication ...	37	45	61	44	187	45	62	88	195	143
Public Utility Operation .....	17	15	12	18	62	22	16	12	50	44
Wholesale Trade .....	26	48	50	37	161	29	57	68	154	124
Retail Trade .....	23	42	35	42	142	22	51	48	121	100
Finance, Insurance and Real Estate .....	71	75	59	57	262	68	85	63	216	205
Service .....	11	12	14	8	45	7	11	15	33	37
Other Non-Manufacturing <sup>2</sup> .....	10	22	28	12	72	12	23	36	71	60
<b>Total All Industries</b> .....	<b>533</b>	<b>664</b>	<b>632</b>	<b>561</b>	<b>2,390</b>	<b>570</b>	<b>819<sup>r</sup></b>	<b>847</b>	<b>2,236</b>	<b>1,829</b>

1. Includes Tobacco, Rubber, Leather and Miscellaneous Manufacturing Industries.
2. Includes Agriculture, Forestry, Fishing and Construction.
- r. Indicates a revision in the figure since the publication covering the second quarter, 1955.

TABLE 2. Summary - Quarterly Corporation Profits After Taxes, by Industry, 1954-1953

	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Mining, Quarrying and Oil Wells .....	28	38	37	38	141	53	60	58	171	103
Manufacturing:										
Foods and Beverages .....	18	23	22	20	83	11	28 <sup>r</sup>	29	68	63
Textile Products .....	2	2	1	1	6	7	6	5	18	5
Wood and Paper Products .....	33	45	44	52	174	42	56	57	155	122
Iron and Steel Products .....	39	38	21	19	117	28	50	37	115	98
Non-Ferrous Metal Products .....	6	8	8	4	26	7	10	13	30	22
Electrical Apparatus and Supplies .....	8	6	6	8	28	8	7	10	25	20
Non-Metallic Mineral Products .....	3	12	14	6	35	4	15	15	34	29
Products of Petroleum and Coal .....	15	14	17	13	59	17	14	23	54	46
Chemical Products .....	10	11	14	10	45	13	16	19	48	35
Other Manufacturing Industries .....	8	10	9	8	35	10	13	15	38	27
<b>Total</b> .....	<b>142</b>	<b>169</b>	<b>156</b>	<b>141</b>	<b>608</b>	<b>147</b>	<b>215<sup>r</sup></b>	<b>223</b>	<b>585</b>	<b>467</b>
Transportation, Storage and Communication ...	20	24	33	23	100	25	34	53	112	77
Public Utility Operation .....	9	8	6	10	33	12	9	6	27	23
Wholesale Trade .....	13	24	24	18	79	15	29	34	78	61
Retail Trade .....	11	20	17	21	69	11	26	27	64	48
Finance, Insurance and Real Estate .....	37	39	30	29	135	38	47	33	118	106
Service .....	6	7	8	4	25	3	5	9	17	21
Other Non-Manufacturing <sup>2</sup> .....	5	12	16	7	40	6	12	22	40	33
<b>Total All Industries</b> .....	<b>271</b>	<b>341</b>	<b>327</b>	<b>291</b>	<b>1,230</b>	<b>310</b>	<b>437<sup>r</sup></b>	<b>465</b>	<b>1,212</b>	<b>939</b>

1. Includes Tobacco, Rubber, Leather and Miscellaneous Manufacturing Industries.
2. Includes Agriculture, Forestry, Fishing and Construction.
- r. Indicates a revision in the figure since the publication covering the second quarter, 1955.

**TABLE 3. Quarterly Corporation Profits and Related Data, All Industries, 1954-1955**

	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Net Earnings.....	777	938	898	861	3,474	831	1,107 <sup>r</sup>	1,138	3,076	2,613
Less: Depreciation .....	244	274	266	300	1,084	261	288	291	840	784
Profits Before Taxes.....	533	664	632	561	2,390	570	819 <sup>r</sup>	847	2,236	1,829
Less: Income Tax Liabilities .....	262	323	305	270	1,160	260	382 <sup>r</sup>	382	1,024	890
Profits After Taxes .....	271	341	327	291	1,230	310	437 <sup>r</sup>	465	1,212	939

**TABLE 4. Quarterly Corporation Profits and Related Data by Industry, 1954-1955**

Mining, Quarrying and Oil Wells										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	309	326	335	361	1,331	387	399	417	1,203	970
Net Earnings.....	67	85	84	86	322	106	119	118	343	236
Less: Depreciation .....	22	23	23	23	91	24	26	27	77	68
Profits Before Taxes.....	45	62	61	63	231	82	93	91	266	168
Less: Income Tax Liabilities .....	17	24	24	25	90	29	33	33	95	65
Profits After Taxes .....	28	38	37	38	141	53	60	58	171	103
Depletion Charged .....	2	1	2	3	8	3	4	4	11	5
Foods and Beverages										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	701	792	799	825	3,117	686	814	849	2,349	2,292
Net Earnings.....	50	59	58	57	224	37	68 <sup>r</sup>	71	176	167
Less: Depreciation .....	13	13	13	16	55	14	14	14	42	39
Profits Before Taxes.....	37	46	45	41	169	23	54 <sup>r</sup>	57	134	128
Less: Income Tax Liabilities .....	19	23	23	21	86	12	26 <sup>r</sup>	28	66	65
Profits After Taxes .....	18	23	22	20	83	11	28 <sup>r</sup>	29	68	63
Textile Products										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	290	288	299	307	1,184	318	323	323	964	877
Net Earnings.....	13	14	12	10	49	18	18	17	53	39
Less: Depreciation .....	5	7	7	7	26	5	7	7	19	19
Profits Before Taxes.....	8	7	5	3	23	13	11	10	34	20
Less: Income Tax Liabilities .....	6	5	4	2	17	6	5	5	16	15
Profits After Taxes .....	2	2	1	1	6	7	6	5	18	5

Note: 1. Depletion charges have not been deducted from profits.  
 2. Canadian Dividends Received are not included in profits.  
 r. Indicates a revision in the figure since the publication covering the second quarter, 1955.

TABLE 4. Quarterly Corporation Profits and Related Data by Industry, 1954-1955 - Continued

	Wood and Paper Products									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	755	807	827	835	3,224	812	896	946	2,654	2,389
Net Earnings .....	89	114	114	128	445	105	132	136	373	317
Less: Depreciation .....	26	28	30	30	114	28	28	32	88	84
Profits Before Taxes .....	63	86	84	98	331	77	104	104	285	233
Less: Income Tax Liabilities .....	30	41	40	46	157	35	48	47	130	111
Profits After Taxes .....	33	45	44	52	174	42	56	57	155	122
Depletion Charged .....	2	3	2	2	9	2	3	2	7	7
	Iron and Steel Products									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	1,101	1,137	980	977	4,195	968	1,294	1,149	3,411	3,218
Net Earnings .....	119	118	81	75	393	92	145	109	346	318
Less: Depreciation .....	31	32	33	31	127	29	32	33	94	96
Profits Before Taxes .....	88	86	48	44	266	63	113	76	252	222
Less: Income Tax Liabilities .....	49	48	27	25	149	35	63	39	137	124
Profits After Taxes .....	39	38	21	19	117	28	50	37	115	98
	Non-Ferrous Metal Products									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	143	154	163	177	637	169	197	209	575	460
Net Earnings .....	23	29	27	29	108	30	33	40	103	79
Less: Depreciation .....	11	13	12	21	57	18	16	17	51	36
Profits Before Taxes .....	12	16	15	8	51	12	17	23	52	43
Less: Income Tax Liabilities .....	6	8	7	4	25	5	7	10	22	21
Profits After Taxes .....	6	8	8	4	26	7	10	13	30	22
	Electrical Apparatus and Supplies									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	241	245	244	293	1,023	258	252	284	794	730
Net Earnings .....	21	19	17	22	79	21	19	25	65	57
Less: Depreciation .....	5	6	4	6	21	6	6	6	18	15
Profits Before Taxes .....	16	13	13	16	58	15	13	19	47	42
Less: Income Tax Liabilities .....	8	7	7	8	30	7	6	9	22	22
Profits After Taxes .....	8	6	6	8	28	8	7	10	25	20

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

TABLE 4. Quarterly Corporation Profits and Related Data by Industry, 1954-1955 - Continued

	Non-Metallic Mineral Products									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	92	114	139	131	476	102	140	175	417	345
Net Earnings.....	11	27	31	22	91	13	37	40	90	69
Less: Depreciation .....	5	5	5	10	25	5	6	5	16	15
Profits Before Taxes.....	6	22	26	12	66	8	31	35	74	54
Less: Income Tax Liabilities .....	3	10	12	6	31	4	16	20	40	25
Profits After Taxes .....	3	12	14	6	35	4	15	15	34	29
	Products of Petroleum and Coal									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	313	317	343	347	1,320	329	345	395	1,069	973
Net Earnings.....	45	44	51	45	185	48	45	61	154	140
Less: Depreciation .....	15	17	18	20	70	16	18	19	53	50
Profits Before Taxes.....	30	27	33	25	115	32	27	42	101	90
Less: Income Tax Liabilities .....	15	13	16	12	56	15	13	19	47	44
Profits After Taxes .....	15	14	17	13	59	17	14	23	54	46
	Chemical Products									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	232	250	253	244	979	249	277	291	817	735
Net Earnings.....	28	33	36	28	125	32	38	43	113	97
Less: Depreciation .....	10	12	10	9	41	10	11	10	31	32
Profits Before Taxes.....	18	21	26	19	84	22	27	33	82	65
Less: Income Tax Liabilities .....	8	10	12	9	39	9	11	14	34	30
Profits After Taxes .....	10	11	14	10	45	13	16	19	48	35
	Other Manufacturing Industries*									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	226	238	244	239	947	247	262	285	794	708
Net Earnings.....	19	24	21	19	83	22	29	31	82	64
Less: Depreciation .....	4	5	4	5	18	4	5	4	13	13
Profits Before Taxes.....	15	19	17	14	65	18	24	27	69	51
Less: Income Tax Liabilities .....	7	9	8	6	30	8	11	12	31	24
Profits After Taxes .....	8	10	9	8	35	10	13	15	38	27

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

2. Canadian Dividends Received are not included in profits.

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



TABLE 4. Quarterly Corporation Profits and Related Data by Industry, 1954-1955 - Continued

	Total - Manufacturing									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
	(Millions of Dollars)									
Sales .....	4,094	4,342	4,291	4,375	17,102	4,138	4,800	4,906	13,844	12,727
Net Earnings .....	418	481	448	435	1,782	418	564 <sup>r</sup>	573	1,555	1,347
Less: Depreciation .....	125	138	136	155	554	135	143	147	425	399
Profits Before Taxes .....	293	343	312	280	1,228	283	421 <sup>r</sup>	426	1,130	948
Less: Income Tax Liabilities .....	151	174	156	139	620	136	206 <sup>r</sup>	203	545	481
Profits After Taxes .....	142	169	156	141	608	147	215 <sup>r</sup>	223	585	467
	Transportation, Storage and Communication									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
		(Millions of Dollars)								
Sales .....	470	492	511	510	1,983	497	544	585	1,626	1,473
Net Earnings .....	72	83	101	89	345	83	101	131	315	256
Less: Depreciation .....	35	38	40	45	158	38	39	43	120	113
Profits Before Taxes .....	37	45	61	44	187	45	62	88	195	143
Less: Income Tax Liabilities .....	17	21	28	21	87	20	28	35	83	66
Profits After Taxes .....	20	24	33	23	100	25	34	53	112	77
	Public Utility Operation									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
		(Millions of Dollars)								
Sales .....	73	66	61	74	274	81	71	65	217	200
Net Earnings .....	24	22	19	26	91	31	25	19	75	65
Less: Depreciation .....	7	7	7	8	29	9	9	7	25	21
Profits Before Taxes .....	17	15	12	18	62	22	16	12	50	44
Less: Income Tax Liabilities .....	8	7	6	8	29	10	7	6	23	21
Profits After Taxes .....	9	8	6	10	33	12	9	6	27	23
	Wholesale Trade									
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
		(Millions of Dollars)								
Sales .....	1,511	1,832	1,812	1,861	7,015	1,548	1,971	2,065	5,584	5,155
Net Earnings .....	40	67	64	52	223	43	77	85	205	171
Less: Depreciation .....	14	19	14	15	62	14	20	17	51	47
Profits Before Taxes .....	26	48	50	37	161	29	57	68	154	124
Less: Income Tax Liabilities .....	13	24	26	19	82	14	28	34	76	63
Profits After Taxes .....	13	24	24	18	79	15	29	34	78	61

Note: 1. Depletion charges have not been deducted from profits.  
 2. Canadian Dividends Received are not included in profits.  
 r. Indicates a revision in the figure since the publication covering the second quarter, 1955.

TABLE 4. Quarterly Corporation Profits and Related Data by Industry, 1954-1955 - Concluded

Retail Trade										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Sales .....	1,435	1,657	1,557	1,623	6,272	1,455	1,865	1,751	5,071	4,649
Net Earnings .....	36	57	51	58	202	36	68	65	169	144
Less: Depreciation .....	13	15	16	16	60	14	17	17	48	44
Profits Before Taxes .....	23	42	35	42	142	22	51	48	121	100
Less: Income Tax Liabilities .....	12	22	18	21	73	11	25	21	57	52
Profits After Taxes .....	11	20	17	21	69	11	26	27	64	48

Finance Insurance and Real Estate										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Net Earnings .....	83	87	69	69	308	80	98	74	252	239
Less: Depreciation .....	12	12	10	12	46	12	13	11	36	34
Profits Before Taxes .....	71	75	59	57	262	68	85	63	216	205
Less: Income Tax Liabilities .....	34	36	29	28	127	30	38	30	98	99
Profits After Taxes .....	37	39	30	29	135	38	47	33	118	106

Service										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Net Earnings .....	17	18	21	15	71	14	17	23	54	56
Less: Depreciation .....	6	6	7	7	26	7	6	8	21	19
Profits Before Taxes .....	11	12	14	8	45	7	11	15	33	37
Less: Income Tax Liabilities .....	5	5	6	4	20	4	6	6	16	16
Profits After Taxes .....	6	7	8	4	25	3	5	9	17	21

Other Non-Manufacturing*										
	1954					1955			9 mos. 1955	9 mos. 1954
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q		
(Millions of Dollars)										
Net Earnings .....	20	38	41	31	130	20	38	50	108	99
Less: Depreciation .....	10	16	13	19	58	8	15	14	37	39
Profits Before Taxes .....	10	22	28	12	72	12	23	36	71	60
Less: Income Tax Liabilities .....	5	10	12	5	32	6	11	14	31	27
Profits After Taxes .....	5	12	16	7	40	6	12	22	40	33

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

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

### INDUSTRIAL CLASSIFICATION

The classification used in this report is based on the Standard Industrial Classification as printed in the Dominion Bureau of Statistics publication "Standard Industrial Classification Manual". 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 (Textile and Fur) .....	270-279
	Wood and Paper Products .....	280-289
Wood and Paper Products .....	Paper Products .....	290-299
	Printing, Publishing and Allied Industries.....	300-309
	Iron and Steel Products .....	Iron and Steel Products .....
Transportation Equipment .....		330-339
Non-Ferrous Metal Products .....	Non-Ferrous Metal Products .....	340-349
Electrical Apparatus and Supplies.....	Electrical Apparatus and Supplies.....	350-359
Non-Metallic Mineral Products .....	Non-Metallic Mineral Products .....	360-369
Products of Petroleum and Coal .....	Products of Petroleum and Coal.....	370-379
Chemical Products .....	Chemical Products .....	380-389
	Other Manufacturing Industries.....	Miscellaneous Manufacturing Industries .....
Tobacco and Tobacco Products .....		230-235
Rubber Products .....		236-239
Leather Products .....		240-249
Transportation, Storage and Communication.....	Transportation.....	500-519
	Storage .....	520-539
	Communication .....	540-599
Public Utility Operation <sup>1</sup> .....	Public Utility Operation <sup>1</sup> .....	600-699
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 .....	Agriculture.....	000-079
	Forestry .....	080-089
	Fishing and Trapping .....	090-099
	Construction .....	400-499

1. Includes electric light and power, gas manufacture and distribution, water and sanitary services and other public utilities such as steam heat and power distribution.

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