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The Effect of War on Business Financing:

Manufacturing and Trade,
World War I

CHARLES H. SCHMIDT

and

RALPH A. YOUNG

☆ OUR ECONOMY IN WAR ☆

FINANCIAL RESEARCH PROGRAM

NATIONAL BUREAU OF ECONOMIC RESEARCH

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Occasional Paper 10: November 1943

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NATIONAL BUREAU OF ECONOMIC RESEARCH

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Preface

THIS PAPER IS ONE OF TWO studies of the effect of war on business financing being made by the Financial Research Program, which is supported by grants from the Association of Reserve City Bankers and private organizations. It deals primarily with World War I, but it includes a few general comparisons with current time tendencies. A companion paper will provide a detailed analysis of the effects of World War II.

This particular study was made possible by a special grant from the Carnegie Corporation. That Corporation, however, assumes no responsibility for its planning, form, or content, and is not to be understood as approving by virtue of its grant any of the statements or views expressed therein.

A preliminary version of the study was circulated among accountants, bankers and economists. These readers offered many valuable suggestions, which have substantially improved the present version. Special acknowledgment is due to Elizabeth Todd and Isabel L. Lewis, whose editing of the study added much to its clarity and effectiveness. The preparation of statistical data was under the supervision of Sophie Polah and Muriel Ratigan. The charts were drawn by Caroline Hirsch.

Charles H. Schmidt, co-author of the study, was a member of the teaching staff of the Wharton School of Finance and Commerce of the University of Pennsylvania, and a research associate of the National Bureau's Financial Research staff, until he entered the United States Army.

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Director, Financial Research Program

November 1943

45 X 324

Contents

FINANCING TENDENCIES, WORLD WAR I—A REVIEW

FINANCING TENDENCIES, WORLD WAR II—A PRELIMINARY COMPARISON

I. WARTIME ASSET EXPANSION

Current Assets

Inventory

Quick Assets

Fixed Property Expenditures and Investments

II. FINANCING WARTIME PROSPERITY

Financing Current Asset Expansion

Bank Credit vs. Trade Credit

New Security Issues

Wartime Earnings and Savings

III. POSTWAR LIQUIDATION

Inventory Liquidation and Write-down

Retirement of Short-Term Debt

APPENDIX A—DATA, METHODS AND LIMITATIONS OF STUDY

CHARACTER OF THE SAMPLES

Samples of Large Manufacturing and Trade Corporations

Other Large Corporation Data

*Samples of Medium and Small Manufacturing and Trade
Corporations*

GENERAL LIMITATIONS OF THE DATA

METHODOLOGY

Use of Aggregate Financial Statements

Problem of Comparability of Financial Statements

Source and Use of Funds Relatives

APPENDIX B—AGGREGATE BALANCE SHEET AND INCOME STATEMENT DATA, SAMPLES OF LARGE AND OF MEDIUM AND SMALL MANU- FACTURING AND TRADE CORPORATIONS, 1914-22

Tables

| | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------|----|
| 1 | PERCENTAGE INCREASE PER YEAR IN CURRENT ASSETS, FIXED PROPERTY AND TOTAL ASSETS, AND IN WHOLESALE PRICES | 27 |
| 2 | EXPANSION OF CURRENT ASSETS IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS, ANNUAL AVERAGE | 30 |
| 3 | EXPANSION OF QUICK ASSETS AND OF INVENTORY, IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS, ANNUAL AVERAGE | 45 |
| 4 | FIXED PROPERTY EXPENDITURES AND INVESTMENT, IN PERCENT OF BEGINNING-OF-YEAR FIXED PROPERTY ACCOUNT, ANNUAL AVERAGE | 55 |
| 5 | CORPORATE ASSET INVESTMENT IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS, AND PROPORTION FINANCED FROM EXTERNAL SOURCES, ANNUAL AVERAGE | 59 |
| 6 | PERCENTAGE OF CORPORATE ASSET INVESTMENT FINANCED THROUGH NEW SECURITY SALES AND SHORT-TERM DEBT | 68 |
| 7 | NET INCOME (AFTER TAXES) IN PERCENT OF YEAR-END NET WORTH, AND PERCENT OF NET INCOME SAVED, ANNUAL AVERAGE | 73 |
| 8 | PERCENTAGE DECREASE IN BOOK VALUE OF INVENTORY, AND INVENTORY REDUCTION THROUGH SALE IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS | 78 |
| 9 | PERCENTAGE DECREASE IN BOOK VALUE OF SHORT-TERM DEBT, AND SHORT-TERM DEBT LIQUIDATION IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS | 80 |
| 10 | SOURCES OF FUNDS FOR THE RETIREMENT OF SHORT-TERM DEBT, IN PERCENT OF BEGINNING-OF-YEAR TOTAL ASSETS | 81 |
| 81 | LARGE MANUFACTURING CORPORATIONS, Composite Balance Sheet and Income Statement Items, 1914-22 | 92 |
| 82 | LARGE TRADE CORPORATIONS, Composite Balance Sheet and Income Statement Items, 1914-22 | 93 |
| 73 | MEDIUM AND SMALL MANUFACTURING CORPORATIONS, Composite Balance Sheet and Income Statement Items, 1916-22 | 94 |
| 80 | MEDIUM AND SMALL TRADE CORPORATIONS, Composite Balance Sheet and Income Statement Items, 1916-22 | 95 |

Charts

- 1 INDEXES OF TOTAL ASSETS AND CURRENT ASSETS, 1914-22
- 2 INDEXES OF YEAR-END BOOK VALUE OF INVENTORY, 1914-22
- 3 INDEXES OF YEAR-END BOOK VALUE OF INVENTORY,
Samples of Large Corporations in Eleven Manufacturing Industries
and in Trade, 1914-22
- 4 INDEXES OF YEAR-END BOOK VALUE OF INVENTORY,
Samples of Medium and Small Corporations in Eight Manufacturing
Industries and in Three Lines of Trade, 1916-22
- 5 INDEXES OF CURRENT AND DEFLATED BOOK VALUE OF INVENTORY,
Samples of Large Manufacturing Corporations, and Indexes of Whole-
sale Prices, 1914-22
- 6 INDEXES OF AVERAGE TURNOVER AT BOOK VALUE AND OF SALES, 1915-22,
AND INVENTORY TURNOVER RATES
- 7 INDEXES OF QUICK ASSETS AND OF YEAR-END BOOK VALUE OF INVENTORY,
1914-22
- 8 INDEXES OF CASH, RECEIVABLES, AND MARKETABLE SECURITIES, 1914-22
- 9 INDEXES OF CASH BALANCES AND OF DEMAND DEPOSITS, 1915-22, AND
TURNOVER RATES OF CASH BALANCES
- 10 FIXED PROPERTY EXPENDITURES IN PERCENT OF FIXED PROPERTY ACCOUNT
AT BEGINNING OF YEAR, 1915-37
- 11 DOLLAR EXPANSION OF TOTAL ASSETS, AND AMOUNTS FINANCED FROM
EXTERNAL AND INTERNAL SOURCES, 1915-20
- 12 INDEXES OF TOTAL CURRENT LIABILITIES, TOTAL CURRENT ASSETS, AND
WORKING CAPITAL, 1914-22, AND CURRENT RATIOS
- 13 INDEXES OF TOTAL CURRENT LIABILITIES, QUICK ASSETS, AND INVENTORY,
1914-22, AND QUICK RATIOS
- 14 AVERAGE YEAR-END AMOUNT PER CORPORATION OF NOTES AND ACCOUNTS
PAYABLE OUTSTANDING, FOUR SELECTED YEARS
- 15 PERCENTAGE OF CORPORATIONS REPORTING NOTES PAYABLE OUTSTAND-
ING, FIVE SELECTED YEARS
- 16 INDEX OF SALES, AND NET INCOME (AFTER TAXES) IN PERCENT OF SALES,
1914-22