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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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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

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