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## APPENDIX C

### Relative Importance of Goods in Process Based on Federal Trade Commission and Securities and Exchange Commission Reports

The *Industrial Corporation Reports* present balance sheets showing year end inventories and stocks of goods in process for 38 industries in 1939 and 16 in 1938.<sup>1</sup> For 1939 the FTC compiled the information from reports submitted directly by selected corporations. For 1938 the data were taken from annual reports to the SEC and from supplementary information submitted at the request of the FTC.

The sample of reporting firms was usually obtained by selecting in each industry some "of the most important concerns . . . from the standpoint of investment and value of goods sold". The sales reported by the sample in 1939 range from 12.5 to 97 percent of the Bureau of Census value of product for corresponding groups (excluding a few cases where the census data were exceeded by the sample figures).<sup>2</sup> In most groups the sample accounted for over half the activity reported to the census. The number of firms reporting in each industry ranged from 4 to 34, but usually from 4 to 9. The over-all coverage of the sample firms compared with

<sup>1</sup> In general, the reports are for the end of the calendar year, but in some cases cover fiscal years ending nearest the end of the calendar year to which the reports are attributed.

<sup>2</sup> These cases are attributed largely to the classification of certain plants of these corporations under other industries by the Bureau of Census, and also to the fact that the census does not cover foreign establishments, while the FTC data cover the consolidated operations of the corporations.

TABLE 103  
 Sample of Goods in Process Obtained from Federal Trade and Securities and Exchange Commission Reports  
 Relative Importance of Firms and Industries in Sample

INDUSTRY (1)	TOTAL STOCKS OF FIRMS IN SAMPLE \$ MIL. (2)	PERCENTAGE RATIO			TOTAL STOCKS OF FIRMS IN SAMPLE \$ MIL. (6)	PERCENTAGE RATIO			Total stocks in ind. to total stocks in all mfg. in ind. (\$9,692 mil.) (9)
		Goods in process in sample to total (3)	Total stocks in sample to total stocks in ind. (4)	Total stocks in ind. to total stocks in all mfg. (\$8,626 mil.) (5)		Goods in process in sample to total (7)	Total stocks in sample to total stocks in ind. (8)		
Aircraft	57	69.1	93.4	0.7	92	70.1	93.9	1.0	
Auto parts & accessories	90	31.8	68.2	1.5	109	32.5	68.1	1.7	
Beet sugar	63	0.8	71.6	1.0	59	0.8	69.4	0.9	
Biscuits & crackers					17	0.5	121.4	0.1	
Cane sugar					44	1.6	78.6	0.6	
Chemicals (ind.)					190	15.8	105.6	1.9	
Cigarettes & tob. prod.	10	8.5	76.9	0.1	536	0.2	291.3	1.9	
Clay (other than pottery)					11	11.0	84.6	0.1	
Confectionery					39	10.3	134.5	0.3	
Cotton textiles					120	21.9	43.3	2.9	
Domestic laundry equip.	5	29.0	25.6	0.1	6	29.3	60.0	0.1	
Eng, turb., waterwheels & windmills	16	42.0	36.4	0.5	17	47.3	35.4	0.5	
Firearms & ammunition					12	46.5	63.2	0.2	
Furniture					18	23.1	131.4	1.4	
Glass & glassware	50	6.9	72.5	0.8	52	8.0	88.1	0.6	
Gray-iron & malleable iron castings	8	13.4	26.7	0.3	11	13.5	30.6	0.4	
Gypsum & asbestos prod. & roof coating (excl. paint)									
Hardware					53	13.0	171.0	0.3	
Heat & cook. apparatus (excl. electric)					32	35.2	76.2	0.4	
Knitgoods (incl. hosiery)					39	17.0	37.9	1.1	
Leather boots & shoes					31	31.3	25.8	1.2	
					88	12.1	90.7	1.0	

FEDERAL TRADE COMMISSION

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Lumber & timber	14	29.4	280.0	0.1	14	36.0	233.3	0.1
Machine tool acc. & mach. precision tools	11	22.9	20.4	0.6	12	24.1	21.1	0.6
Machines	29	11.1	87.9	0.4	19	28.9	86.4	0.2
Pumps, pumping equip. & air compressors	195	6.7	132.7	1.6	210	7.4	123.5	1.8
Rayons & allied prod.	11	29.0	33.3	0.4	11	31.9	32.4	0.4
Rubber prod.	14	67.7	42.4	0.4	17	69.4	40.5	0.4
Saws, files & hand tools	8	20.9	50.0	0.2	9	21.8	47.4	0.2
Ships					12	39.0	80.0	0.2
Silk					109	20.3	74.1	1.5
Silverware & plated ware					16	26.9	66.7	0.2
Soap, cottonseed oil prod. & cooking fats					15	12.2	44.1	0.4
Steel castings					47	24.4	99.8	0.5
Textile dyeing & finishing (excl. woolens)	30	32.6	68.2	0.5	36	30.7	67.9	0.6
Textile machinery & sewing machines					84	35.1	51.9	1.7
Wool carpets & rugs								
Woolens & worsteds								

SECURITIES AND EXCHANGE COMMISSION

Automobiles <sup>a</sup>	279 <sup>a</sup>	33.3 <sup>a</sup>	82.5	3.8	279 <sup>a</sup>	33.3 <sup>a</sup>	68.0	4.3
Canning	25	2.1	13.1	2.1	24	2.9	12.2	2.0
Distilled liquors	30	1.7	16.8	2.0	32	1.6	17.8	1.9
Misc. foods: baking powder	21	2.4	84.0	0.3	22	1.7	84.6	0.3
Corn prod.	9	8.2	52.9	0.2	9	7.8	45.0	0.2
Petroleum	41	12.8	9.7	4.7	43	12.7	10.3	4.3
Portland cement	3	10.8	6.7	0.5	3	10.9	6.5	0.5
Steel	530	21.1	72.3	8.2	635	23.5	81.0	8.1
Total	1549	19.1	56.1	30.9	3310	28.6	66.3	51.9

% inv. of sample firms are of total mfr. inventories  
 1938  
 1939

<sup>a</sup> 1937 data. Classification not available for 1938 or 1939.

all manufacturing is far less adequate, since some leading industries are not represented at all; for example, the sales of the sample firms reporting an inventory were only 15 percent of the total census value of product in 1939; the coverage was even smaller in 1938.

To help offset these inadequacies, the National Bureau of Economic Research collected additional information for some of the more important industry groups omitted from the FTC sample. The data were obtained from annual reports to the SEC by corporations listed on the New York Stock Exchange. The industries represented in the augmented sample held stocks amounting to 30.9 percent of manufacturers' total holdings in 1938 and to 51.9 percent in 1939 (Table 103); the sample firms held a smaller portion: 17.4 percent in 1938 and 34.4 percent in 1939.

An over-all ratio of goods in process to total stocks was computed by weighting the ratio of goods in process to total stocks in each industry by the census value of inventories held in that industry at the end of 1938 and of 1939. The result is unsatisfactory partly because of inadequate coverage of many industries and partly because certain groups, notably foods, beverages, paper, printing and publishing, nonferrous metals, and leather, were not represented.