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APPENDIX A

Derivation of Annual Flows

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The Measurement of Corporate Sources and Uses of Funds

TABLE A-1  
ALL CORPORATIONS, DERIVATION OF FIGURES IN TABLE 1  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Corporate profit before tax		39,970	41,173	35,936	37,039	33,452	42,473
2. Bank profit before tax		1,499	1,804	2,098	2,364	2,809	3,052
3. Insurance profit before tax		350	106	292	423		
4. Corporate farm profit before tax		157	94	37	34	41	30
5. Rest-of-world profit before tax		1,000	1,215	1,121	1,126	1,413	1,558
6. Corporate profit before tax, adjusted		36,964	37,954	32,388	33,092	29,189	37,833
7. Inventory valuation adjustment		-4,864	-1,260	967	-997	-318	-1,749
8. Sector coverage adjustment		.9942	.9945	.9950	.9954	.9958	.9964
9. Corporate inventory valuation adjustment		-4,836	-1,253	962	-992	-317	-1,743
10. Dividends received, domestic		2,460	2,377	2,350	2,389	2,368	2,732
11. Bank dividends received, domestic		18	16	24	36	45	20
12. Insurance dividends received, domestic		261	276	286	302	343	400
13. Corporate farm dividends received, domestic		45	35	7	3	4	4 <sup>e</sup>
14. Corporate dividends received, domestic, adjusted		2,136	2,050	2,033	2,048	1,976	2,308
15. Dividends received, foreign		644	629	548	576	613	662
16. Bank dividends received, foreign		—	1	1	—	—	n.a.
17. Insurance dividends received, foreign		2	2	2	2	2	2
18. Corporate farm dividends received, foreign		3	3	3	5	4	4 <sup>e</sup>
19. Corporate dividends received, foreign, gross		639	623	542	569	607	656
20. Foreign tax on dividend income		241	274	230	271	302	326
21. Corporate dividends received, foreign, net of tax		403	355	318	305	311	336
22. Adjustment ratio		.992	.990	.989	.988	.990	.991

(continued)

Derivation of Annual Flows

TABLE A-1 (continued)

Transaction	1949	1950	1951	1952	1953	1954	1955
23. Corporate dividends received, foreign, after tax, adjusted		400	351	315	301	308	333
24. Branch profit before tax		850	1,179	1,220	1,279	1,438	1,622
25. Tax on branch profit		226	345	357	404	423	477
26. Branch profit after tax		624	834	863	875	1,015	1,145
27. Foreign income excluding dividends		722	1,151	n.a.	1,247	n.a.	n.a.
28. Bank foreign income excluding dividends		11	13	n.a.	17	n.a.	n.a.
29. Insurance foreign income excluding dividends		21	43	n.a.	59	n.a.	n.a.
30. Foreign income excluding dividends		690	1,095	*	1,171	*	*
31. Adjustment ratio		.956	.951	.945 <sup>e</sup>	.939	.934 <sup>a</sup>	.930 <sup>e</sup>
32. Corporate branch profits after tax, adjusted		597	793	816	822	948	1,065
33. Corporate renegotiation		0	0	100	100	100	150
34. Corporate audit profits		545	590	685	731	1,305	724
35. Depletion, all corporations		1,709	2,085	2,126	2,302	2,359	2,602
36. Bank depletion					4	1	1 <sup>e</sup>
37. Corporate farm depletion		2	2	3	2	2	2 <sup>e</sup>
38. Depletion, adjusted		1,707	2,083	2,123	2,296	2,356	2,599
39. Net profit		33,009	37,222	33,806	32,344	28,543	36,623
40. Rail net profit (ICC)		1,405	1,178	1,294	1,129	510	854
41. Rail net profit (IRS)		1,311	1,151	1,227	1,139	419	648
42. Difference		94	27	67	-10	91	206

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-1 (continued)

Transaction	1949	1950	1951	1952	1953	1954	1955
43. NET PROFIT (Table 1)	33,103	37,249	33,873	32,334	28,634	36,829	
44. Depreciation, all corporations	7,858	8,829	9,604	10,511	13,694 <sup>a</sup>	15,402 <sup>a</sup>	
45. Bank depreciation, all corporations	77	87	105	117	134 <sup>a</sup>	153 <sup>a</sup>	
46. Insurance depreciation, all corporations	37	51	61	72	82 <sup>a</sup>	92 <sup>a</sup>	
47. Corporate farm depreciation	62	72	82	85	91 <sup>a</sup>	95 <sup>e,a</sup>	
48. Corporate depreciation	7,682	8,619	9,356	10,237	13,387 <sup>a</sup>	15,062 <sup>a</sup>	
49. Corporate amortization	43	292	831	1,515			
50. Corporate depreciation and amortization	7,725	8,911	10,187	11,752	13,387	15,062	
51. Rail depreciation and amortization (ICC)	474	568	726	840	931	1,024	
52. Rail depreciation and amortization (IRS)	386	544	694	808	892	977	
53. Difference	88	24	32	32	39	47	
54. Depreciation and amortization, adjusted	7,813	8,935	10,219	11,784	13,426	15,109	
55. Depletion	1,707	2,083	2,123	2,296	2,356	2,599	
56. DEPRECIATION, AMORTIZATION, DEPLETION (Table 1)	9,520	11,018	12,342	14,080	15,782	17,708	
57. Bad debt charges, all corporations	755	757	941	1,144	1,350	1,176 <sup>e</sup>	
58. Bank bad debt charges	183	173	161	148	273	215 <sup>e</sup>	
59. Insurance bad debt charges	6	3	3	3	3	3 <sup>e</sup>	
60. Corporate farms bad debt charges	2	2	3	4	3	4 <sup>e</sup>	
61. Corporate other internal charges	564	579	774	989	1,071	954	
62. Rail other internal charges (ICC)	39	52	15	57	-32	42	
63. Rail other internal charges (IRS)	6	1	2 <sup>e</sup>	3	3 <sup>e</sup>	40	
64. Difference	33	51	13	54	-35	40	
65. OTHER INTERNAL CHARGES (Table 1)	597	630	787	1,043	1,036	994	

(continued)

Derivation of Annual Flows

TABLE A-1 (continued)

Transaction	1949	1950	1951	1952	1953	1954	1955
66. Insurance benefits, all corporations		764	985	1,053	1,084	1,234	1,452
67. Capital assets, all corporations		209,098	227,882	243,859	260,460	275,855	n.a.
68. Capital assets, bank		1,408	1,530	1,716	2,109	2,001	n.a.
69. Capital assets, insurance		606	701	717	786	911	n.a.
70. Capital assets, corporate farms		1,314	1,169	1,247	1,364	1,331	n.a.
71. Capital assets, adjusted, all corporations		205,770	224,482	240,179	256,201	271,612	*
72. Adjustment ratio		.984	.985	.985	.984	.985	.985 <sup>e</sup>
73. INSURANCE BENEFITS (Table 1)		752	970	1,037	1,067	1,215	1,430
74. Tax refunds, all corporations		447	298	315	520	422	485
75. Sector coverage adjustment		.936	.936	.958	.942	.938	.915
76. TAX REFUNDS (Table 1)		418	285	302	490	396	444
77. Short-term bank debt	8,860	11,351	15,496	16,310	16,385	15,227	18,903
78. 65 per cent corporate farm notes, etc., less than 1 year maturity	80	96	105	117	118	136	150
79. Short-term bank debt, adjusted	8,780	11,255	15,391	16,193	16,267	15,091	18,753
80. Δ line 79		2,475	4,136	802	74	-1,176	3,662
81. U.S. govt. advances	0	379	1,251	2,251	2,214	2,445	2,274
82. Δ line 81		379	872	1,000	-27	231	-171
83. Other short-term borrowing	28,604	36,529	38,121	40,648	40,869	46,134	51,027
84. Accounts payable + 35 per cent corporate farm notes etc., less than 1 year maturity	194	328	379	243	234	357	373
85. Other short-term borrowing	28,410	36,201	37,742	40,405	40,635	45,777	50,654
86. Δ line 85		7,791	1,541	2,663	230	5,142	4,877
87. SHORT-TERM BORROWING (Table 1)		10,645	6,549	4,465	267	4,197	8,368
88. Long-term bank debt	4,969	4,570	5,722	7,347	7,349	6,712	7,893

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-1 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
89. LONG-TERM BANK DEBT (Table 1)		-399	1,152	1,625	2	-637	1,181
90. New bond issues		4,806	5,682	7,344	6,651	7,832	7,571
91. Corporate farm: 15% of notes, bonds, > 1 year maturity	32	33	47	46	53	46	51
92. Δ line 91		1	14	-1	7	-7	5
93. Sales by RFC		0	5	0	8	57	0
94. NEW BOND ISSUES (Table 1)		4,805	5,663	7,345	6,636	7,782	7,566
95. New stock issues		2,418	3,366	3,335	2,898	3,862	4,903
96. New stock issues, banks		172	144	139	114	234	184
97. New stock issues, insurance		39	3	14	30	25	51
98. New stock issues, investment companies		532	769	749	682	863	1,207
99. NEW STOCK ISSUES (Table 1)		1,775	2,450	2,433	2,072	2,740	3,461
100. SALE-LEASEBACK (Table 1)		168	205	295	154	254	267
101. Mortgages		1,709	1,192	779	783	1,255	1,407
102. Corporate farm notes	140	145	202	201	231	201	220 <sup>e</sup>
103. Δ line 102		5	57	-1	30	-30	19
104. MORTGAGES (Table 1)		1,709	1,192	779	783	1,255	1,407
105. DEBT TO GOVERNMENT (Table 1)		2	-4	12	-4	-164	4
106. DISCREPANCY (Table 1)		3,049	649	1,322	1,785	430	-880
107. TOTAL SOURCES		66,144	68,008	66,617	60,709	62,920	78,779

## Derivation of Annual Flows

### NOTES TO TABLE A-1

<i>Lines</i>	
1 through 5	<i>National Income</i> , 1954 ed., a supplement to <i>Survey of Current Business</i> , Table 18.
6	Line 1 minus lines 2-5.
7	<i>National Income</i> , Table 23.
8	Table A-2, line 13.
9	Line 7 times line 8.
10 through 13	<i>Statistics of Income</i> , Table 3.
14	Line 10 minus lines 11-13.
15 through 18	<i>Statistics of Income</i> , Table 3.
19	Line 15 minus lines 16-18.
20	<i>National Income</i> , Table 38.
21	Line 15 minus line 20.
22	Line 19 divided by line 15.
23	Line 21 times line 22.
24 and 25	Worksheets of National Income Division (NID), Department of Commerce.
26	Line 24 minus line 25.
27 through 29	<i>Statistics of Income</i> , Table K.
30	Line 27 minus lines 28-29.
31	Line 30 divided by line 27.
32	Line 26 times line 31.
33	<i>National Income</i> , Table 38.
34	<i>Ibid.</i> , plus sector coverage adjustment (see pp. 44 ff.).
35 through 37	<i>Statistics of Income</i> , Table 3.
38	Line 35 minus lines 36-37.
39	Sum of lines 6, 9, 14, 23, 32, and 33, minus lines 34 and 38.
40	Table A-7, line 9.
41	Sector coverage adjustment (see pp. 45-46).
42	Line 40 minus line 41.
43	Sum of lines 39 and 42.
44 through 47	<i>Statistics of Income</i> , Table 3.
48	Line 44 minus lines 45-47.
49	<i>Statistics of Income</i> , Table 3.
50	Sum of lines 48 and 49.
51	Table A-7, line 13.
52	Sector coverage adjustment (see p. 46).
53	Line 51 minus line 52.
54	Sum of lines 50 and 53.
55	Same as line 38.
56	Sum of lines 54 and 55.
57 through 60	<i>Statistics of Income</i> , Table 3.
61	Line 57 minus lines 58-60.
62	Table A-7, line 26.
63	Sector coverage adjustment (see pp. 50 ff.).
64	Line 62 minus line 63.
65	Sum of lines 61 and 64.
66	Worksheets of Flow-of-Funds Section, Federal Reserve Board.
67 through 70	<i>Statistics of Income</i> , Table 4.
71	Line 67 minus lines 68-70.
72	Line 71 divided by line 67.
73	Line 66 times line 72.
74	Worksheets of Flow-of-Funds Section (FOF).



## The Measurement of Corporate Sources and Uses of Funds

### NOTES TO TABLE A-1 (concluded)

Lines	
75	See pp. 52-53.
76	Line 74 times line 75.
77	Worksheets on working capital, Securities and Exchange Commission (SEC).
78	Sector coverage adjustment (see p. 53).
79	Line 77 minus line 78.
81 and 83	SEC worksheets on working capital.
84	Sector coverage adjustment (see pp. 53 ff.).
85	Line 83 minus line 84.
87	Sum of lines 80, 82, and 86.
88	See pp. 54 ff.
89	Δ line 88.
90	<i>Statistical Bulletin</i> , Securities and Exchange Commission, various issues.
91	Sector coverage adjustment, see pp. 57 ff.
93	SEC worksheet.
94	Line 90 minus lines 92-93.
95	<i>Statistical Bulletin</i> .
96	1950-53: FOF worksheets; 1954-55: SEC worksheets.
97	1950-54: Goldsmith and Lipsey, <i>National Balance Sheet</i> , Table IV-b-17a, line 8, times .32 (see p. 58); 1955: SEC worksheets.
98	SEC worksheets.
99	Line 95 minus lines 96-98.
100 and 101	FOF worksheets.
102	Sector coverage adjustment (see p. 59).
104	Line 101 minus line 103.
105	FOF worksheets.
106	Table 2, line s, minus lines 43, 56, 65, 73, 76, 87, 89, 94, 99, 100, 104, and 105 of this table.
107	Table A-2, line 64.

<sup>a</sup> Depreciation and amortization.

n.a. = not available.

— = less than ±\$0.5 million.

\* = not applicable.

<sup>e</sup> = estimated.

Derivation of Annual Flows

TABLE A-2  
ALL CORPORATIONS, DERIVATION OF FIGURES IN TABLE 2  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Plant and equipment expenditures		16,553	21,441	22,344	23,672	22,225	23,579
2. AT&T reused equipment expenditures		164	181	193	210	227	258
3. PLANT AND EQUIPMENT EXPENDITURES (Table 2)		16,389	21,260	22,151	23,462	21,998	23,321
4. Flotation costs		88	121	142	121	122	150
5. Residential construction		2,220	869	724	892	1,459	1,268
6. Land		126	82	55	62	68	74
7. OTHER CAPITAL EXPENDITURES (Table 2)		2,434	1,072	921	1,075	1,650	1,492
8. Book value of inventory, all corporations	45,344	55,111	64,865	65,753	67,199	65,292	69,968
9. Book value of inventory, corporate farm	256	322	359	331	311	275	253
10. Book value of inventory, adjusted	45,088	54,789	64,506	65,422	66,888	65,017	69,715
11. Δ line 10		9,701	9,717	916	1,466	-1,871	4,698
12. Inventory valuation adjustment		-4,864	-1,260	967	-997	-318	-1,749
13. Sector coverage adjustment ratio (per cent)		99.42	99.45	99.50	99.54	99.58	99.64
14. Inventory valuation adjustment		-4,836	-1,253	962	-992	-317	-1,743
15. CHANGE IN INVENTORY (Table 2)		4,865	8,464	1,878	474	-2,188	2,955
16. Federal income tax payments excluding banks and insurance carriers		9,382	15,914	21,317	18,180	18,738	17,167
17. Corporate farm income tax payments		52	89	90	55	50	41
18. FEDERAL INCOME TAX PAYMENTS (Table 2)		9,330	15,825	21,227	18,125	18,688	17,126
19. State income tax payments		605	770	878	821	804	765
20. Federal income tax payments, all corporations		9,937	16,565	22,140	19,195	19,891	18,607
21. SCA ratio (per cent)		93.76	95.48	95.82	94.33	93.86	91.90
22. STATE INCOME TAX PAYMENTS (Table 2)		567	735	841	774	755	703

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-2 (continued)

Transaction	1949	1950	1951	1952	1953	1954	1955
23. RENEGOTIATION PAYMENTS (Table 2)		27	13	38	60	52	78
24. Dividends and branch profits payments, all corporations		11,553	11,299	11,263	11,601	11,913	13,477
25. Dividends and branch profits payments, bank		415	423	445	479	523	570
26. Dividends and branch profits payments, insurance		233	189	183	249	279	310
27. Dividends and branch profits payments, investment companies		287	337	340	350	477	659
28. Dividends and branch profits payments, corporate farm		104	103	56	48	45	55 <sup>e</sup>
29. Dividends and branch profits payments, corporate, adjusted		10,514	10,247	10,239	10,475	10,589	11,883
30. Dividends and branch profits payments, rail, ICC		306	317	325	393	363	440
31. Dividends and branch profits payments, rail, IRS		296	341	323 <sup>e</sup>	358	331 <sup>e</sup>	401 <sup>e</sup>
32. Difference		10	-24	3 <sup>e</sup>	35	32 <sup>e</sup>	39 <sup>e</sup>
33. DIVIDENDS AND BRANCH PROFITS PAID (Table 2)		10,524	10,223	10,242	10,510	10,621	11,922
34. Cash and deposits	26,468	28,095	30,006	30,839	31,065	33,389	33,986
35. Cash, corporate farms	162	170	176	181	189	181	176
36. Cash, investment companies	141	177	213	200	228	240	241
37. Cash adjustment	26,165	27,748	29,617	30,458	30,648	32,968	33,569
38. Δ line 37		1,583	1,869	841	190	2,320	601
39. Rail cash, ICC	1,066	1,228	1,103	1,192	1,062	1,094	1,134
40. Rail cash, SEC	1,016	1,209	1,080	1,171	1,043	1,078	1,097
41. Difference	50	19	23	21	19	16	37
42. Line 37 + line 41	26,215	27,767	29,640	30,479	30,667	32,984	33,606
43. CURRENCY AND DEPOSITS (Table 2)		1,552	1,873	839	188	2,317	622
44. U.S. govt. obligations	16,835	19,741	20,656	19,915	21,501	19,227	23,322
45. U.S. govt. obligations, corporate farm	107	134	114	87	86	116	116

(continued)

Derivation of Annual Flows

TABLE A-2 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
46. U.S. govt. obligations, investment companies		200	201	186	191	192	325
47. U.S. govt. obligations, adjusted		19,407	20,341	19,642	21,224	18,919	22,881
48. U.S. GOVT. OBLIGATIONS (Table 2)	186	2,865	934	-699	1,582	-2,305	3,962
49. State and local govt. obligations	460	528	580	645	736	955	1,205
50. Investment companies, state and local obligations	0	0	0	1	2	17	47
51. State and local govt. obligations, adjusted	460	528	580	644	734	938	1,158
52. STATE AND LOCAL GOVERNMENT SECURITIES (Table 2)		68	72	64	90	204	220
53. Notes and accounts receivable	42,971	56,804	61,497	67,335	68,454	73,535	83,835
54. Corporate farm notes and accounts receivable	175	201	363	247	250	450	400
55. Notes and accounts receivable, adjusted	42,796	56,603	61,134	67,088	68,204	73,085	83,435
56. NOTES AND ACCOUNTS RECEIVABLE (Table 2)		13,807	4,531	5,954	1,116	4,881	10,350
57. CORPORATE SECURITIES, RAIL AND COMMUNICATION (Table 2)		-69	35	-160	85	-47	125
58. BAD DEBT CHARGES (Table 2)		564	579	774	989	1,071	954
59. RETIREMENT OF BONDS (Table 2)		2,802	2,105	2,403	1,896	4,033	3,384
60. Retirement of stock		698	666	348	533	1,596	2,216
61. Retirement of bank stock		0	0	0	0	6	208
62. Retirement by investment companies		279	379	204	250	400	443
63. RETIREMENT OF STOCK (Table 2)		419	287	144	283	1,190	1,565
64. TOTAL USES (Table 2)		66,144	68,008	66,617	60,709	62,920	78,779

# The Measurement of Corporate Sources and Uses of Funds

## NOTES TO TABLE A-2

Lines	
1	<i>Statistical Bulletin.</i>
2	<i>Annual Report, AT&amp;T.</i>
3	Line 1 minus line 2.
4	<i>Annual Report, SEC, minus sector coverage adjustment (see p. 61).</i>
5 and 6	FOF worksheet.
7	Sum of lines 4, 5, and 6.
8	SEC worksheets on working capital.
9	<i>Statistics of Income, Table 3, compiled-receipts ratio (see p. 62).</i>
10	Line 8 minus line 9.
12	<i>National Income, Table 23.</i>
13	Line 10 divided by line 9.
14	Line 12 times line 13.
15	Sum of lines 11 and 14.
16	See pp. 63 ff.
17	<i>Statistics of Income, Table 3.</i>
18	Line 16 minus line 17.
19	See pp. 69 ff.
20	See pp. 63 ff.
21	Line 18 divided by line 20.
22	Line 19 times line 21.
23	FOF worksheet.
24 through 26	<i>Statistics of Income, Table 3.</i>
27	FOF worksheets and National Association of Investment Companies, adjusted (see pp. 71 ff.).
28	<i>Statistics of Income, Table 3.</i>
29	Line 24 minus lines 25-28.
30	See p. 72.
31	<i>Source Book, IRS.</i>
32	Line 30 minus line 31.
33	Sum of lines 29 and 32.
34	SEC worksheets on working capital.
35	<i>Statistics of Income, Table 3.</i>
36	See p. 75.
37	Line 34 minus lines 35-36.
39	See p. 75.
40	SEC worksheets on working capital.
41	Line 39 minus line 40.
42	Sum of lines 37 and 41.
43	Δ line 42.
44	SEC worksheets on working capital.
45	<i>Statistics of Income, Table 3.</i>
46	See p. 77.
47	Line 44 minus lines 45-46.
48	Δ line 47.
49	SEC worksheet.
50	See p. 78.
51	Line 49 minus line 50.
52	Δ line 51.
53	SEC worksheets on working capital.
54	<i>Statistics of Income, Table 3.</i>
55	Line 53 minus line 54.
56	Δ line 55.

## *Derivation of Annual Flows*

### NOTES TO TABLE A-2 (concluded)

#### *Lines*

57	See pp. 79 ff.
58	<i>Statistics of Income</i> , Table 3 (1955 was extrapolated).
59 and 60	SEC worksheet.
61	See p. 58.
62	SEC worksheet.
63	Line 60 minus lines 61-62.
64	Sum of lines 3, 7, 15, 18, 22, 23, 33, 43, 48, 52, 56, 57, 58, 59, and 63.

<sup>e</sup> = estimated.

The Measurement of Corporate Sources and Uses of Funds

TABLE A-3  
MANUFACTURING CORPORATIONS, DERIVATION OF FIGURES IN TABLE 3  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Corporate profit before tax	23,280	24,512	19,958	21,218	18,418	24,788	
2. Inventory valuation adjustment	-3,082	-662	640	-692	-317	-1,326	
3. Domestic dividends received	920	902	922	877	838	962	
4. Foreign dividends before tax	483	450	394	421	452	488	
5. Foreign tax on foreign dividends	181	196	166	181	223	240	
6. Foreign dividends received after tax	302	254	228	223	229	248	
7. Branch profit before tax	501	694	730	767	878	992	
8. Foreign tax on branch profit	133	203	214	242	209	239	
9. Branch profit after tax	368	491	516	525	669	753	
10. Corporate renegotiation	0	0	100	100	100	150	
11. Audit profits all corporations	556	600	700	750	1,350	750	
12. Ratio: mfg./nonbank U.S. tax liabilities	.6307	.6622	.6238	.6452	.6089	.6000 <sup>a</sup>	
13. Audit profits, manufacturing	351	397	437	484	822	450	
14. NET PROFIT BEFORE TAX (Table 3)	20,440	23,845	20,646	20,362	17,584	23,458	
15. Depreciation	3,427	3,839	4,189	4,648	n.a.	n.a.	
16. Amortization	17	159	521	982	n.a.	n.a.	
17. Depreciation and amortization	3,444	3,998	4,710	5,630	6,510	7,427	
18. Depletion	997	1,255	1,282	1,405	1,531	1,667	
19. DEPRECIATION, AMORTIZATION, AND DEPLETION (Table 3)	4,441	5,253	5,992	7,035	8,041	9,094	
20. OTHER INTERNAL CHARGES, BAD DEBTS (Table 3)	173	177	181	230	229	205 <sup>e</sup>	
21. Insurance benefits, all corporations	764	985	1,053	1,084	1,234	1,452	
22. Capital assets, manufacturing		89,878	98,378	106,250	112,479	n.a.	
23. Capital assets, all corporations		227,882	243,859	260,460	275,855	n.a.	

(continued)

Derivation of Annual Flows

TABLE A-3 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
24. Ratio: manufacturing/all corporations		.4000 <sup>e</sup>	.3944	.4034	.4079	.4077	.4000 <sup>e</sup>
25. INSURANCE BENEFITS (Table 3)		306	388	425	442	503	581
26. Tax refunds, all corporations		447	298	315	520	422	485
27. Ratio: manufacturing/all corporations U.S. tax liabilities lagged		.6000	.6149	.6446	.6008	.6202	.5761
28. TAX REFUNDS (Table 3)		268	183	203	312	262	279
29. Short-term bank debt, original maturity	3,526	4,967	7,897	8,019	7,550	6,084	6,553
30. Δ line 29		1,441	2,930	122	-469	-1,466	469
31. U.S. government advances	0	377	1,234	2,226	2,201	2,425	2,254
32. Δ line 31		377	857	992	-25	224	-171
33. Other notes and accounts payable	9,908	12,380	12,891	14,093	14,438	15,614	17,878
34. Δ line 33		2,472	511	1,202	345	1,176	2,264
35. Total short-term borrowing	13,434	17,724	22,022	24,338	24,189	24,123	26,685
36. SHORT-TERM BORROWING (Table 3)		4,290	4,298	2,316	-149	-66	2,562
37. Long-term bank debt	2,408	2,157	2,905	4,264	4,148	3,445	4,074
38. LONG TERM BANK BORROWING (Table 3)		-251	748	1,359	-116	-703	629
39. NEW BOND ISSUES (Table 3)		869	2,289	3,243	1,694	2,259	2,060
40. NEW STOCK ISSUES (Table 3)		320	824	629	193	463	1,170
41. SALE-LEASEBACKS (Table 3)		-	-	-	-	-	-
42. MORTGAGES (Table 3)		54	66	62	68	106	120
43. DEBT TO GOVERNMENT (Table 3)		6	5	28	0	-88	6
44. DISCREPANCY (Table 3)		805	1,420	544	1,813	985	614
45. TOTAL SOURCES (Table 3)		31,721	39,496	35,628	31,884	29,575	40,778



# The Measurement of Corporate Sources and Uses of Funds

## NOTES TO TABLE A-3

*Lines*

1	<i>National Income</i> , Table 18.
2	<i>Ibid.</i> , Table 23.
3 and 4	<i>Statistics of Income</i> , Table 3.
5	National Income Division (NID) worksheet.
6	Line 4 minus line 5.
7 and 8	NID worksheet.
9	Line 7 minus line 8.
10	NID worksheet.
11	<i>National Income</i> , Table 38.
12	<i>Statistics of Income</i> , Table 3.
13	Line 11 times line 12.
14	Sum of lines 1, 2, 3, 6, 9, and 10, minus lines 13 and 18.
15 and 16	<i>Statistics of Income</i> , Table 3.
17	Sum of lines 15 and 16.
18	<i>Statistics of Income</i> , Table 3.
19	Sum of lines 17 and 18.
20	<i>Statistics of Income</i> , Table 3.
21	FOF worksheet.
22 and 23	<i>Statistics of Income</i> , Table 4.
24	Line 22 divided by line 23.
25	Line 21 times line 24.
26	FOF worksheet.
27	<i>Statistics of Income</i> , Table 3.
28	Line 26 times line 27.
29, 31, and 33	SEC worksheets on working capital.
35	Sum of lines 29, 31, and 33.
36	Δ line 35.
37	See pp. 54 ff.
38	Δ line 37.
39 and 40	<i>Annual Report</i> , SEC.
41	Files of FOF.
42 and 43	FOF worksheets (see pp. 59 ff.).
44	Table 4, line s, minus lines 14, 19, 20, 25, 28, 36, 38, 39, 40, 41, 42, and 43 of this table.
45	Table A-4, line 25.

n.a. = Not available.

— = Less than ±\$0.5 million.

° = estimated.

Derivation of Annual Flows

TABLE A-4  
MANUFACTURING CORPORATIONS, DERIVATION OF FIGURES IN TABLE 4  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. PLANT AND EQUIPMENT EXPENDITURES (Table 4)		7,227	10,505	11,187	11,365	10,572	11,095
2. Gross proceeds, sale of securities		1,200	3,121	4,039	2,254	2,268	2,994
3. Net proceeds, sale of securities		1,175	3,066	3,973	2,218	2,234	2,939
4. OTHER CAPITAL EXPENDITURES (Table 4)		25	55	66	36	34	64
5. Book value of inventories	28,088	33,315	41,604	42,694	44,398	42,167	45,675
6. Δ line 5		5,227	8,289	1,090	1,704	-2,231	3,508
7. Inventory valuation adjustment		-3,082	-662	640	-692	-317	-1,326
8. CHANGE IN INVENTORIES (Table 4)		2,145	7,627	1,730	1,012	-2,548	2,182
9. FEDERAL INCOME TAX PAYMENTS (Table 4)		5,289	10,332	13,819	11,372	11,975	10,214
10. STATE INCOME TAX PAYMENTS (Table 4)		337	473	566	493	499	441
11. RENEGOTIATION PAYMENTS (Table 4)		26	13	36 <sup>e</sup>	60	52	78
12. DIVIDENDS AND BRANCH PROFITS PAID (Table 4)		6,062	5,728	5,681	5,877	5,870	6,696
13. Cash and deposits	12,750	13,494	14,660	14,869	14,987	15,967	15,955
14. CURRENCY AND DEPOSITS (Table 4)		744	1,166	209	118	980	-12
15. U.S. government obligations	10,147	13,066	13,535	12,235	13,307	12,195	15,090
16. U.S. GOVERNMENT OBLIGATIONS (Table 4)		2,919	469	-1,300	1,072	-1,112	2,895

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-4 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
17. State and local government obligations	119	187	119	225	321	416	525
18. STATE AND LOCAL GOVERNMENT OBLIGATIONS (Table 4)		68	-68	106	96	95	109
19. Notes and accounts receivable	16,245	21,955	24,205	26,846	26,338	27,820	32,500
20. NOTES AND ACCOUNTS RECEIVABLE (Table 4)		5,710	2,250	2,641	-508	1,482	4,680
21. CORPORATE SECURITIES (not estimated)							
22. BAD DEBT CHARGES (Table 4)		173	177	181	230	229	205 <sup>e</sup>
23. RETIREMENT OF BONDS (Table 4)		773	593	602	528	840	1,316
24. RETIREMENT OF STOCK (Table 4)		223	176	104	133	607	815
25. TOTAL USES (Table 4)		31,721	39,496	35,628	31,884	29,575	40,778

## Derivation of Annual Flows

### NOTES TO TABLE A-4

#### Lines

1	SEC worksheets.
2 and 3	<i>Annual Report</i> , SEC.
4	Line 2 minus line 3.
5	SEC worksheets on working capital.
7	<i>National Income</i> , Table 23.
8	Sum of lines 6 and 7.
9	See pp. 63 ff.
10	See pp. 69 ff.
11	FOF worksheets.
12	<i>Statistics of Income</i> , Table 3.
13	SEC worksheets on working capital.
14	Δ line 13.
15	SEC worksheets on working capital.
16	Δ line 15.
17	See p. 78.
18	Δ line 17.
19	SEC worksheets on working capital.
20	Δ line 19.
22	See pp. 50 ff.
23 and 24	SEC worksheets.
25	Sum of lines 1, 4, 8-12, 14, 16, 18, 20-24.

° = estimated.

The Measurement of Corporate Sources and Uses of Funds

TABLE A-5  
MINING CORPORATIONS, DERIVATION OF FIGURES IN TABLE 5  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Corporate profit before tax		1,374	1,418	1,249	1,226	915	1,225
2. Inventory valuation adjustment		-49	-9	-11	-37	0	-42
3. Domestic dividends received		97	94	87	99	62	78
4. Foreign dividends before tax		4	6	9	4	2	2
5. Foreign tax on foreign dividends		2	2	4	2	1	1
6. Foreign dividends received after tax		2	4	5	2	1	1
7. Branch profit before tax		201	278	303	318	378	444
8. Foreign tax on branch profit		53	82	89	100	160	184
9. Branch profit after tax		148	196	214	218	218	260
10. Audit profits, all corporations		556	600	700	750	1,350	750
11. Ratio: mining/nonbank U.S. tax liability (per cent)		2.20	1.89	1.69	1.19	.31	.25 <sup>e</sup>
12. Audit profits, mining		12	11	12	9	4	2
13. NET PROFIT BEFORE TAX (Table 5)		953	983	824	745	539	779
14. Depreciation		360	408	439	443		
15. Amortization		3	4	11	19		
16. Depreciation and amortization		363	412	450	462	499	528
17. Depletion		607	708	708	754	653	741
18. DEPRECIATION, AMORTIZATION, AND DEPLETION (Table 5)		970	1,120	1,158	1,216	1,152	1,269
19. OTHER INTERNAL CHARGES, BAD DEBITS (Table 5)		5	5	10	15	15	10 <sup>e</sup>
20. Insurance benefits, all corporations		764	985	1,053	1,084	1,234	1,452
21. Capital assets, mining		10,107	10,883	11,316	10,764	11,136	n.a.

(continued)

*Derivation of Annual Flows*

TABLE A-5 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
22. Capital assets, all corporations		209,098	227,882	243,859	260,460	275,855	n.a.
23. Ratio: mining/all corporations (per cent)		4.83	4.78	4.64	4.13	4.04	4.00 <sup>e</sup>
24. INSURANCE BENEFITS (Table 5)		37	47	49	45	50	58
25. Tax refunds, all corporations		447	298	315	520	422	485
26. Ratio: mining/all corporations U.S. tax liabilities lagged (per cent)		2.52	2.15	1.84	1.63	1.14	.53
27. TAX REFUNDS (Table 5)		11	6	6	8	5	3
28. Short-term bank debt, original maturity	260	229	253	282	277	255	357
29. Δ line 28		-31	24	29	-5	-22	102
30. U.S. government advances	0	0	4	6	2	4	4
31. Δ line 30		0	4	2	-4	2	0
32. Other notes and accounts payable	687	925	1,018	1,067	1,015	1,042	1,129
33. Δ line 32		238	93	49	-52	27	87
34. Total short-term borrowings	947	1,154	1,275	1,355	1,294	1,301	1,490
35. SHORT-TERM BORROWINGS (Table 5)		207	121	80	-61	7	189
36. Long-term bank debt	376	374	365	369	362	400	501
37. LONG-TERM BANK DEBT (Table 5)		-2	-9	4	-7	38	101
38. NEW BOND ISSUES (Table 5)		48	63	88	115	311	180
39. NEW STOCK ISSUES (Table 5)		27	44	53	54	125	125
40. MORTGAGES (Table 5)		6	6	6	7	11	12
41. DEBT TO GOVERNMENT (Table 5)		0	0	3	-1	-9	-1
42. DISCREPANCY (Table 5)		-192	-200	-502	-226	-161	-275
43. TOTAL SOURCES (Table 5)		2,070	2,186	1,779	1,910	2,083	2,450

## *The Measurement of Corporate Sources and Uses of Funds*

### NOTES TO TABLE A-5

<i>Lines</i>	
1	<i>National Income</i> , Table 18.
2	<i>Ibid.</i> , Table 23.
3 and 4	<i>Statistics of Income</i> , Table 3.
5	NID worksheet.
6	Line 4 minus line 5.
7 and 8	NID worksheets.
9	Line 7 minus line 8.
10	<i>National Income</i> , Table 38.
11	<i>Statistics of Income</i> , Table 3.
12	Line 10 times line 11.
13	Sum of lines 1, 2, 3, 6, and 9, minus lines 12 and 17.
14 and 15	<i>Statistics of Income</i> , Table 3.
16	Sum of lines 14 and 15.
17	<i>Statistics of Income</i> , Table 3.
18	Sum of lines 16 and 17.
19	<i>Statistics of Income</i> , Table 3.
20	FOF worksheet.
21	<i>Statistics of Income</i> , Table 4.
22	<i>Ibid.</i> , Table 3.
23	Line 21 divided by line 22.
24	Line 20 times line 23.
25	FOF worksheet.
26	<i>Statistics of Income</i> , Table 3.
27	Line 25 times line 26.
28, 30 and 32	SEC worksheets on working capital.
34	Sum of lines 28, 30, and 32.
35	Δ line 34.
36	See pp. 54 ff.
37	Δ line 36.
38 and 39	SEC worksheet.
40 and 41	FOF worksheet (see pp. 59 ff.).
42	Table 6, line 5, minus lines 13, 18, 19, 24, 27, 35, and 37 through 41 of this table.
43	Table A-6, line 24.

n.a. = not available.

° = estimated.

*Derivation of Annual Flows*

TABLE A-6  
MINING CORPORATIONS, DERIVATION OF FIGURES IN TABLE 6  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. PLANT AND EQUIPMENT (Table 6)		579	775	833	839	832	824
2. Gross proceeds, sale of securities		n.a.	n.a.	n.a.	235	539	415
3. Net proceeds, sale of securities		n.a.	n.a.	n.a.	222	514	391
4. OTHER CAPITAL EXPENDITURES (Table 6)		10 <sup>e</sup>	11 <sup>e</sup>	15 <sup>e</sup>	13	25	24
5. Book value of inventory	577	652	765	823	771	669	630
6. Δ line 5		75	113	58	-52	-102	-39
7. Inventory valuation adjustment		-49	-9	-11	-37	0	-42
8. CHANGE IN INVENTORY (Table 6)		26	104	47	-89	-102	-81
9. FEDERAL INCOME TAX PAYMENTS (Table 6)		240	362	395	304	220	126
10. STATE INCOME TAX PAYMENTS (Table 6)		15	17	16	13	9	4
11. DIVIDENDS AND BRANCH PROFITS PAID (Table 6)		553	601	614	649	741	966
12. Currency and deposits	883	1,045	1,046	995	930	1,107	1,120
13. CURRENCY AND DEPOSITS (Table 6)		162	1	-51	-65	177	13
14. U.S. government obligations	874	876	889	889	1,022	823	970
15. U.S. GOVERNMENT OBLIGATIONS (Table 6)		2	13	0	133	-199	147
16. State and local government obligations	7	21	181	22	73	95	120

(continued)



The Measurement of Corporate Sources and Uses of Funds

TABLE A-6 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
17. STATE AND LOCAL GOVERNMENT OBLIGATIONS (Table 6)		14	160	-159	51	22	25
18. Notes and accounts receivable		1,330	1,435	1,459	1,445	1,564	1,720
19. NOTES AND ACCOUNTS RECEIVABLE (Table 6)	902	428	105	24	-14	119	156
20. CORPORATE SECURITIES (not estimated)							
21. BAD DEBT CHARGES (Table 6)		5	5	10	15	15	10
22. RETIREMENT OF BONDS (Table 6)		28	23	29	50	123	86
23. RETIREMENT OF STOCK (Table 6)		8	9	6	11	101	150
24. TOTAL USES (Table 6)		2,070	2,186	1,779	1,910	2,083	2,450

Lines

- 1 SEC worksheet.
- 2 and 3 *Annual Report*, SEC.
- 4 Line 2 minus line 3.
- 5 SEC worksheets on working capital.
- 7 *National Income*, Table 23.
- 8 Sum of lines 6 and 7.
- 9 See pp. 63 ff.
- 10 See pp. 69 ff.
- 11 *Statistics of Income*, Table 3, and NID worksheet.
- 12 SEC worksheet.
- 13 Δ line 12.
- 14 SEC worksheets on working capital.
- 15 Δ line 14.
- 16 See pp. 78 ff.
- 17 Δ line 16.
- 18 SEC worksheets on working capital.
- 19 Δ line 18.
- 21 See pp. 50 ff.
- 22 and 23 SEC worksheet.
- 24 Sum of lines 1, 4, 8-13, 15, 17, and 19-23.

n.a. = not available.

e = estimated.

*Derivation of Annual Flows*

TABLE A-7  
RAILROAD CORPORATIONS, DERIVATION OF FIGURES IN TABLE 7  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Net income after tax of all steam railroads		845	730	865	924	673	930
2. Net income after tax, The Pullman Company		1	1	1	1	—	—
3. Net income after tax, electric railways		3	2	1	5	1	5
4. Inventory valuation adjustment		-80	-63	2	-37	-6	-39
5. Federal income tax accruals		625	582	627	539	225	418
6. State income tax accruals		29	24	28	23	11	19
7. Profit before tax (ICC)		1,423	1,276	1,524	1,455	904	1,333
8. Emergency amortization		18	98	230	326	394	479
9. PROFIT BEFORE TAX (Table 7)		1,405	1,178	1,294	1,129	510	854
10. Depreciation and amortization, class I RR		447	460	486	505	527	535
11. Pullman Company depreciation		9	10	10	9	10	10
12. Depreciation and amortization		456	470	496	514	537	545
13. DEPRECIATION, AMORTIZATION, AND DEPLETION (Table 7)		474	568	726	840	931	1,024
14. Interest paid, class I RR		299	285	331	308	353	297
15. Interest accrued, class I RR		311	306	307	312	309	310
16. Ratio, line 14 ÷ line 15		.9614	.9314	1.0782	.9872	1.1424	.9581
17. Interest accrued, all railroads		399	394	404	405	403	400
18. Interest paid, all railroads		384	367	436	400	460	383
19. Excess accrued over paid		15	27	-32	5	-57	17
20. Retirement of road and equipment charged to operations		19	25	27	30	21	20
21. Income applied to sinking, etc.		14	15	20	21	1	1

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-7 (continued)

Transaction	1949	1950	1951	1952	1953	1954	1955
22. Deferred maintenance, way and equipment							
23. Major repairs to equipment		5	-13	--	-4	--	--
24. Delayed income		-1	--	0	0	--	--
25. Amortization of discount and funded debt		-16	-5	-3	2	--	1
26. OTHER INTERNAL CHARGES (Table 7)		3	3	3	3	3	3
		39	52	15	57	-32	42
27. Insurance benefits, all corporations		764	985	1,053	1,084	1,234	1,450
28. Capital assets, railroads		27,047	28,870	29,822	30,775	*	*
29. Capital assets, all corporations		209,098	227,882	243,859	260,460	*	*
30. Ratio: line 28 ÷ line 29 (per cent)		12.94	12.67	12.23	11.82	11.50°	11.25°
31. INSURANCE BENEFITS (Table 7)		99	125	129	128	140	160
32. Tax refunds, all corporations		447	298	315	520	422	485
33. Federal income tax accrual, railroads		267	625	582	627	539	225
34. Federal income tax accrual, all corporations		9,547	16,850	21,457	18,582	19,227	16,172
35. Ratio: line 33 ÷ line 34		.0280	.0371	.0271	.0337	.0280	.0139
36. TAX REFUNDS (Table 7)		13	11	9	18	12	7
37. Short-term bank debt	13	4	4	7	6	5	5
38. Δ line 37		-9	0	3	-1	-1	0
39. Other notes and accounts payable	939	1,161	1,201	1,168	1,129	1,012	1,223
40. Δ line 39		222	40	-33	-39	-117	211
41. Notes and accounts payable	952	1,165	1,205	1,175	1,135	1,017	1,228
42. SHORT-TERM BORROWING (Table 7)		213	40	-30	-40	-118	211
43. Unpaid conditional sales contracts	331	394	725	958	1,000	945	919
44. LONG-TERM BANK DEBT (Table 7)		63	331	233	42	-55	-26

(continued)

## Derivation of Annual Flows

TABLE A-7 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
45. New bond issues		548	335	524	310	534	700
46. Net sales by RFC		0	5	0	8	57	0
47. NEW BOND ISSUES (Table 7)		548	330	524	302	477	700
48. NEW STOCK ISSUES (Table 7)		0	11	1	0	5	9
49. DEBT TO GOVERNMENT (Table 7)		-4	-9	-19	-3	-67	-1
50. DISCREPANCY (Table 7)		-123	112	72	-14	224	-147
51. TOTAL SOURCES (Table 7)		2,727	2,749	2,954	2,459	2,027	2,817

# The Measurement of Corporate Sources and Uses of Funds

## NOTES TO TABLE A-7

*Lines*

1	<i>Transport Statistics of U.S.</i> , Table 108.
2	<i>Ibid.</i> , Table 166 (see p. 45).
3	<i>Ibid.</i> , Table 170 (see p. 45).
4	NID worksheet.
5 and 6	See p. 45.
7	Sum of lines 1-6.
8	NID worksheet.
9	Line 7 minus line 8.
10	<i>Transport Statistics</i> , Table 100.
11	Moody's <i>Railroads</i> .
12	Sum of lines 10 and 11.
13	Sum of lines 8 and 12.
14 and 15	<i>Transport Statistics</i> , Table 121.
17	<i>Ibid.</i> , Table 156.
18	Line 16 times line 17.
19	Line 17 minus line 18.
20	<i>Transport Statistics</i> , Table 89B.
21	<i>Ibid.</i> , Table 113.
22 and 23	<i>Ibid.</i> , Table 89.
24 and 25	<i>Ibid.</i> , Table 113.
26	Sum of lines 19-25.
27	Flow of Funds Section, FRB.
28	<i>Source Book</i> , IRS.
29	<i>Statistics of Income</i> , Table 4.
31	Line 27 times line 30.
32	FOF worksheet.
33	See pp. 63 ff.
34	<i>Statistics of Income</i> , Table 3.
36	Line 32 times line 35.
37 and 39	SEC worksheets.
41	SEC worksheets on working capital.
42	Δ line 41.
43	<i>Transport Statistics</i> , Table 141-A.
44	Δ line 43.
45 and 46	SEC worksheets.
47	Line 44 minus line 46.
48	SEC worksheet.
49	FOF worksheet.
50	Table 8, line s, minus lines 9, 13, 26, 31, 36, 42, 44, 47, 48, and 49 of this table.
51	Table A-8, line 37.

— = less than ±\$0.5 million.

\* = not applicable.

*Derivation of Annual Flows*

TABLE A-8  
RAILROAD CORPORATIONS, DERIVATION OF FIGURES IN TABLE 8  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. PLANT AND EQUIPMENT (Table 8)		1,111	1,474	1,396	1,311	854	923
2. Gross proceeds, sale of securities		554	335	525	302	479	548
3. Net proceeds, sale of securities		548	332	521	299	474	540
4. OTHER CAPITAL EXPENDITURES (Table 8)		6	3	4	3	5	8
5. Inventory at book value	756	757	946	877	868	722	687
6. Δ line 5		1	189	-69	-9	-146	-35
7. Inventory valuation adjustment		-80	-63	2	-37	-6	-39
8. CHANGE IN INVENTORY (Table 8)		-79	126	-67	-46	-152	-74
9. FEDERAL INCOME TAX PAYMENTS (Table 8)		267	625	582	627	539	265
10. STATE INCOME TAX PAYMENTS (Table 8)		17	28	24	28	23	11
11. Dividends paid, all railroads		304	315	323	391	357	437
12. Dividends paid, electric railways		2	2	2	2	2	2
13. Dividends paid, Pullman Co.		—	—	—	—	4	1
14. DIVIDENDS AND BRANCH PROFITS PAID (Table 8)		306	317	325	393	363	440
15. Cash, all railroads	905	1,055	972	1,043	919	951	995
16. Cash, Pullman	12	6	9	7	7	6	7
17. Cash, Railway Express	25	24	20	29	27	28	35
18. Cash, electric railways	14	16	14	15	12	12	13

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-8 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
19. Special deposits	110	127	88	98	97	97	884 <sup>e</sup>
20. Total cash	1,066	1,228	1,103	1,192	1,062	1,094	1,134
21. CURRENCY AND DEPOSITS (Table 8)		162	-125	89	-130	32	40
22. U.S. government obligations	759	989	874	1,030	1,031	896	1,285
23. U.S. GOVERNMENT OBLIGATIONS (Table 8)		230	-115	156	1	-135	389
24. State and local government obligations	18	18	11	24	30	38	46
25. STATE AND LOCAL GOVERNMENT OBLIGATIONS (Table 8)		0	-7	13	6	8	8
26. Notes and accounts receivable	691	1,025	1,017	944	873	792	880
27. NOTES AND ACCOUNTS RECEIVABLE (Table 8)		334	-8	-73	-71	-81	88
28. Corporate securities, class I, line-haul RR	491	463	477	460	443	406	435
29. Corporate securities, lessors of class I, line-haul RR	32	35	30	12	11	10	10 <sup>e</sup>
30. Corporate securities, switching and terminal	2	3	3	2	2	1	1 <sup>e</sup>
31. Corporate securities, lessors, switching and terminal		-	-	-	-	-	-
32. Total corporate securities	525	500	510	474	456	417	446
33. CORPORATE SECURITIES (Table 8)		-25	10	-36	-18	-39	29
34. BAD DEBT CHARGES (Table 8)		6	0	2 <sup>e</sup>	3	4 <sup>e</sup>	3 <sup>e</sup>
35. RETIREMENT OF BONDS (Table 8)		392	420	523	340	565	461
36. RETIREMENT OF STOCKS (Table 8)		0	1	16	12	41	242
37. TOTAL USES (Table 8)		2,729	2,749	2,954	2,459	2,027	2,833

## Derivation of Annual Flows

### NOTES TO TABLE A-8

#### Lines

1	SEC worksheet.
2 and 3	<i>Annual Report</i> , SEC.
4	Line 2 minus line 3.
5	SEC worksheets on working capital.
7	NID worksheet.
8	Sum of lines 6 and 7.
9	See pp. 63 ff.
10	See pp. 69 ff.
11 through 13	<i>Transport Statistics</i> , Tables 109, 170, and 166, respectively.
14	Sum of lines 11-13.
15 through 18	<i>Transport Statistics</i> , Tables 156, 167, 169, and 170, respectively.
19	<i>Ibid.</i> , Tables 128-131.
20	Sum of lines 15-19.
21	Δ line 20.
22	SEC worksheets on working capital.
23	Δ line 22.
24	See p. 78.
25	Δ line 24.
26	SEC worksheets on working capital.
27	Δ line 26.
28 through 31	<i>Transport Statistics</i> , Tables 128, 129, 130, and 131, respectively.
32	Sum of lines 28-31.
33	Δ line 32.
34	See pp. 50 ff.
35 and 36	SEC worksheets.
37	Sum of lines 1, 4, 8, 9, 10, 14, 21, 23, 25, 27, and 33-36.

— = less than ±\$0.5 million.

° = estimated.



The Measurement of Corporate Sources and Uses of Funds

TABLE A-9  
GAS AND ELECTRIC UTILITIES CORPORATIONS, DERIVATION OF FIGURES IN TABLE 9  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Corporate profit before tax	1,497	1,774	2,005	2,112	2,235	2,455	
2. Inventory valuation adjustment, public utilities	-111	-29	-21	-21	22	-106	
3. Book value of inventories, public utilities	971	1,183	1,260	1,301	1,271	1,327	
4. Book value of inventories, gas and electric	782	973	1,021	1,056	1,018	1,009	
5. Ratio: gas and electric/public utilities (per cent)	80.54	82.25	81.03	81.17	80.09	76.04	
6. Inventory valuation adjustment, gas and electric	-89	-24	-17	-17	18	-81	
7. Domestic dividends received	55	48	45	38	16	18	
8. Foreign dividends before tax	9	10	14	13	9	10	
9. Foreign tax on foreign dividends	3	4	6	6	4	5	
10. Foreign dividends received after tax	6	6	8	7	5	5	
11. Branch profit before tax	8	12	13	13	13	14	
12. Foreign tax on branch profit	2	3	4	4	4	4	
13. Branch profit after tax	6	8	9	9	9	10	
14. Audit profits, all corporations	556	600	700	750	1,350	750	
15. Ratio: gas and electric/nonbank U.S. tax liabilities	.0366	.0408	.0550	.0564	.0683	.0750	
16. Audit profits, gas and electric	20	24	38	42	92	56	
17. NET PROFIT BEFORE TAX (Table 9)	1,434	1,762	1,981	2,073	2,150	2,305	
18. Depreciation	692	765	849	919			
19. Amortization	0	12	27	94			
20. Depreciation and amortization	692	777	876	1,013	1,257	1,488	
21. Depletion	21	26	31	34	41	46	
22. DEPRECIATION, AMORTIZATION, AND DEPLETION (Table 9)	713	803	907	1,047	1,308	1,534	

(continued)

*Derivation of Annual Flows*

TABLE A-9 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
23. OTHER INTERNAL CHARGES, BAD DEBTS (Table 9)		8	7	8	13	15	13 <sup>e</sup>
24. Insurance benefits, all corporations		764	985	1,053	1,084	1,234	1,452
25. Capital assets, gas and electric		28,083	31,244	34,289	37,722	41,854	n.a.
26. Capital assets, all corporations		209,098	227,882	243,859	260,460	275,955	n.a.
27. Ratio: gas and electric/all corporations (per cent)		13.43	13.71	14.06	14.48	15.17	15.50 <sup>e</sup>
28. INSURANCE BENEFITS (Table 9)		103	135	148	157	187	225
29. Short-term bank debt	209	262	314	335	406	457	612
30. Δ line 29		53	52	21	71	51	155
31. U.S. government advances	0	0	0	0	0	0	0
32. Δ line 31		0	0	0	0	0	0
33. Other notes and accounts payable	712	726	806	888	791	786	914
34. Δ line 33		14	80	82	-97	-5	128
35. Total short-term borrowing	921	988	1,120	1,223	1,197	1,243	1,526
36. SHORT-TERM BORROWING (Table 9)		67	132	103	-26	46	283
37. Long-term bank debt	734	782	777	864	825	749	802
38. LONG-TERM BANK DEBT (Table 9)		48	-5	87	-39	-76	53
39. NEW CASH BOND ISSUES (Table 9)		1,922	1,723	1,817	1,889	2,829	1,602
40. NEW CASH STOCK ISSUES (Table 9)		838	748	841	1,094	921	867
41. DISCREPANCY (Table 9)		431	391	281	630	342	464
42. TOTAL SOURCES (Table 9)		5,564	5,696	6,173	6,838	7,722	7,346

# The Measurement of Corporate Sources and Uses of Funds

## NOTES TO TABLE A-9

*Lines*

1	<i>National Income</i> , Table 18.
2	<i>Ibid.</i> , Table 23.
3 and 4	SEC worksheets on working capital.
5	Line 4 divided by line 3.
6	Line 2 times line 5.
7 and 8	<i>Statistics of Income</i> , Table 3.
9	NID worksheet.
10	Line 8 minus line 9.
11 and 12	NID worksheets.
13	Line 11 minus line 12.
14	<i>National Income</i> , Table 38.
15	<i>Statistics of Income</i> , Table 3.
16	Line 14 times line 15.
17	Sum of lines 1, 6, 7, 10, and 13, minus lines 16 and 21.
18 and 19	<i>Statistics of Income</i> , Table 3.
20	Sum of lines 18 and 19.
21	<i>Statistics of Income</i> , Table 3.
22	Sum of lines 20 and 21.
23	<i>Statistics of Income</i> , Table 3.
24	FOF worksheet.
25 and 26	<i>Statistics of Income</i> , Table 4.
27	Line 25 divided by line 26.
28	Line 24 times line 27.
29, 31, and 33	SEC worksheets on working capital.
35	Sum of lines 29, 31, and 33.
36	Δ line 35.
37	See pp. 54 ff.
38	Δ line 37.
39 and 40	SEC worksheets.
41	Table 10, line s, minus lines 17, 22, 23, 28, 36, 38, 39, and 40 of this table.
42	Table A-10, line 24.

n.a. = not available.

° = estimated.

TABLE A-10

## GAS AND ELECTRIC UTILITY CORPORATIONS, DERIVATION OF FIGURES IN TABLE 10

(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. PLANT AND EQUIPMENT (Table 10)		3,226	3,581	3,794	4,445	4,117	4,204
2. Gross proceeds, sale of securities		2,649	2,455	2,675	3,029	3,713	2,464
3. Net proceeds, sale of securities		2,608	2,412	2,626	2,972	3,665	2,428
4. OTHER CAPITAL EXPENDITURES (Table 10)		41	43	49	57	48	36
5. Inventory book value	664	782	973	1,021	1,056	1,018	1,009
6. Δ line 5		118	191	48	35	-38	-9
7. Inventory valuation adjustment		-89	-24	-17	-17	18	-81
8. CHANGE IN INVENTORY (Table 10)		29	167	31	18	-20	-90
9. FEDERAL INCOME TAX PAYMENTS (Table 10)		459	603	854	985	1,043	1,121
10. STATE INCOME TAX PAYMENTS (Table 10)		29	27	35	43	44	49
11. DIVIDENDS AND BRANCH PROFITS PAID (Table 10)		809	888	969	951	1,051	1,126
12. Cash and deposits	931	933	863	1,002	963	1,153	1,189
13. CURRENCY AND DEPOSITS (Table 10)		2	-70	139	-39	190	36
14. U.S. government obligations	535	444	539	507	430	335	397
15. U.S. GOVERNMENT OBLIGATIONS (Table 10)		-91	95	-32	-77	-95	62

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-10 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
16. State and local government obligations	109	70	4	19	6	8	10
17. STATE AND LOCAL GOVERNMENT OBLIGATIONS (Table 10)	-39	-39	-66	15	-13	2	2
18. Notes and accounts receivable		815	885	950	1,000	1,096	1,305
19. NOTES AND ACCOUNTS RECEIVABLE (Table 10)		131	70	65	50	96	209
20. CORPORATE SECURITIES (Table 10)		52	4	-117	52	-13	43
21. BAD DEBT CHARGES (Table 10)		8	7	8	13	15	13
22. RETIREMENT OF BONDS (Table 10)		868	329	359	299	1,098	495
23. RETIREMENT OF STOCKS (Table 10)		144	18	4	54	146	40
24. TOTAL USES (Table 10)		5,564	5,696	6,173	6,838	7,722	7,346

<p>Lines</p> <p>1 SEC worksheets.</p> <p>2 and 3 <i>Annual Report</i>, SEC.</p> <p>4 Line 2 minus line 3.</p> <p>5 <i>Statistics of Income</i>, Table 4, and SEC worksheet.</p> <p>7 <i>National Income</i>, Table 23, distributed by line 5 of this table.</p> <p>8 Sum of lines 6 and 7.</p> <p>9 See pp. 63 ff.</p> <p>10 See pp. 69 ff.</p> <p>11 <i>Statistics of Income</i>, Table 3.</p> <p>12 SEC worksheets on working capital.</p> <p>13 Δ line 12.</p>	<p>Lines</p> <p>14 SEC worksheets on working capital.</p> <p>15 Δ line 14.</p> <p>16 See p. 78.</p> <p>17 Δ line 16.</p> <p>18 SEC worksheet on working capital.</p> <p>19 Δ line 18.</p> <p>20 Federal Power Commission, <i>Statistics of Electric Utilities and Statistics of Natural Gas Companies</i>.</p> <p>21 See pp. 50 ff.</p> <p>22 and 23 SEC worksheets.</p> <p>24 Sum of lines 1, 4, 8-11, 13, 15, 17, and 19-23.</p>
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*Derivation of Annual Flows*

TABLE A-11  
COMMUNICATIONS CORPORATIONS, DERIVATION OF FIGURES IN TABLE 11  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Corporate profit before tax	665	825	825	924	1,109	1,208	1,475
2. Inventory valuation adjustment, public utilities	-111	-29	-29	-21	-21	22	-106
3. Book value of inventories, public utilities	971	1,183	1,183	1,260	1,301	1,271	1,327
4. Book value of inventories, communications	172	188	188	216	225	237	302
5. Ratio: communications/public utilities (per cent)	17.71	15.89	17.14	17.29	17.29	18.65	22.76
6. Inventory valuation adjustment, communications	-20	-5	-4	-4	-4	4	-24
7. Domestic dividends received	85	90	90	99	110	63	76
8. Foreign dividends before tax					2	2	2
9. Foreign tax on foreign dividends	1	1	1	1	1	1	1
10. Foreign dividends received after tax	*						
11. Branch profit before tax	2	2	2	2	2	2	3
12. Foreign tax on branch profit	1	1	1	1	1	1	1
13. Branch profit after tax	1	2	2	2	1	2	2
14. Audit profits, all corporations	556	600	600	700	750	1,350	750
15. Ratio: communications/nonbank U.S. tax liabilities (per cent)	1.72	2.03	2.03	2.70	3.18	4.03	4.25
16. Audit profits, communications	10	12	12	19	24	54	32
17. NET PROFIT BEFORE TAX (Table 11)	721	901	901	1,003	1,193	1,227	1,498
18. Depreciation	407	433	433	469	512		
19. Amortization	<sup>a</sup> 407	<sup>a</sup> 433	433	<sup>a</sup> 470	514	574	653
20. DEPRECIATION AND AMORTIZATION (Table 11)							
21. OTHER INTERNAL CHARGES, BAD DEBTS (Table 11)	13	14	14	16	18	22	20 <sup>o</sup>

(continued)

The Measurement of Corporate Sources and Uses of Funds

TABLE A-11 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
22. Insurance benefits, all corporations		764	985	1,053	1,084	1,234	1,452
23. Capital assets, communications		12,121	13,163	14,419	15,783	17,699	n.a.
24. Capital assets, all corporations		209,098	227,882	243,859	260,460	275,855	n.a.
25. Ratio: communications/all corporations (per cent)		5.80	5.78	5.91	6.06	6.42	6.50 <sup>e</sup>
26. INSURANCE BENEFITS (Table 11)		44	57	62	65	79	94
27. Short-term bank debt, original maturity	137	80	117	80	156	133	210
28. Δ line 27		-57	37	-37	76	-23	77
29. U.S. government advances	0	1	7	9	3	11	10
30. Δ line 29		1	6	2	-6	8	-1
31. Other notes and accounts payable	394	474	493	525	529	577	742
32. Δ line 31		80	19	32	4	48	165
33. Total short-term borrowing	531	555	617	614	688	721	962
34. SHORT-TERM BORROWING (Table 11)		24	62	-3	74	33	241
35. LONG-TERM BANK DEBT (Table 11)	0	0	0	0	0	0	0
36. NEW BOND ISSUES (Table 11)		333	514	699	793	611	993
37. NEW STOCK ISSUES (Table 11)		458	666	817	634	989	889
38. DISCREPANCY (Table 11)		-24	-13	-68	2	-39	-150
39. TOTAL SOURCES (Table 11)		1,976	2,634	2,996	3,293	3,496	4,238

## Derivation of Annual Flows

### NOTES TO TABLE A-11

#### Lines

1	National Income, Table 18.
2	<i>Ibid.</i> , Table 23.
3 and 4	SEC worksheets on working capital.
5	Line 4 divided by line 3.
6	Line 2 times line 5.
7 and 8	<i>Statistics of Income</i> , Table 3.
9	NID worksheet.
10	Line 8 minus line 9.
11 and 12	NID worksheet.
13	Line 11 minus line 12.
14	<i>National Income</i> , Table 38.
15	<i>Statistics of Income</i> , Table 3.
16	Line 14 times line 15.
17	Sum of lines 1, 6, 7, 10, and 13 minus line 16.
18 and 19	<i>Statistics of Income</i> , Table 3.
20	Sum of lines 18 and 19.
21	<i>Statistics of Income</i> , Table 3.
22	FOF worksheet.
23 and 24	<i>Statistics of Income</i> , Table 4.
25	Line 23 divided by line 24.
26	Line 22 times line 25.
27, 29, and 31	SEC worksheets on working capital.
33	Sum of lines 27, 29, and 31.
34	Δ line 33.
35	See pp. 54 ff.
36 and 37	SEC, <i>Annual Report</i> .
38	Table 24, line 5 minus lines 17, 20, 21, 26, and 34-37.
39	Table A-12, line 28.

<sup>a</sup> Less than ±\$500,000.

n.a. = not available.

<sup>e</sup> = estimated.

\* = not applicable.



The Measurement of Corporate Sources and Uses of Funds

TABLE A-12  
COMMUNICATIONS CORPORATIONS, DERIVATION OF FIGURES IN TABLE 12  
(dollars in millions)

Transaction	1949	1950	1951	1952	1953	1954	1955
1. Plant and equipment expenditures		1,104	1,319	1,537	1,690	1,717	1,983
2. A T & T reused equipment expenditures		164	181	193	210	227	258
3. PLANT AND EQUIPMENT (Table 12)		940	1,138	1,344	1,480	1,490	1,725
4. Gross proceeds		399	612	760	882	720	1,132
5. Net proceeds		395	605	753	874	711	1,121
6. OTHER CAPITAL EXPENDITURES (Table 12)		4	7	7	8	9	11
7. Inventory at book value	153	172	188	216	225	237	302
8. Δ line 7		19	16	28	9	12	65
9. Inventory valuation adjustment		-20	-5	-4	-4	4	-24
10. CHANGE IN INVENTORY (Table 12)		-1	11	24	5	16	41
11. FEDERAL INCOME TAX PAYMENTS (Table 12)		136	282	421	483	587	673
12. STATE INCOME TAX PAYMENTS (Table 12)		9	13	17	21	25	29
13. DIVIDENDS AND BRANCH PROFITS PAID (Table 12)		357	395	445	508	509	559
14. Currency and deposits	197	214	223	242	274	314	332
15. CURRENCY AND DEPOSITS (Table 12)		17	9	19	32	40	18
16. U.S. government obligations	287	332	611	752	996	961	1,353
17. U.S. GOVERNMENT OBLIGATIONS (Table 12)		45	279	141	244	-35	392

(continued)

*Derivation of Annual Flows*

TABLE A-12 (concluded)

Transaction	1949	1950	1951	1952	1953	1954	1955
18. State and local government obligations							
19. STATE AND LOCAL GOVERNMENT OBLIGATIONS (Table 12)	2	2	1	3	2	3	4
		0	-1	2	-1	1	1
20. Notes and accounts receivable		550	613	628	692	775	922
21. NOTES AND ACCOUNTS RECEIVABLE (Table 12)	472	78	63	15	64	83	147
22. Advances and investments in unconsolidated affiliates		8	7	3	52	4	52
23. Investments in nonaffiliates			14	-10	-1	1	1
24. CORPORATE SECURITIES (Table 12)		8	21	-7	51	5	53
25. BAD DEBT CHARGES (Table 12)		13	14	16	18	22	20*
26. RETIREMENT OF BONDS (Table 12)		366	402	552	368	737	561
27. RETIREMENT OF STOCKS (Table 12)		4	1		12	7	8
28. TOTAL USES (Table 12)		1,976	2,634	2,996	3,293	3,496	4,238

## The Measurement of Corporate Sources and Uses of Funds

### NOTES TO TABLE A-12

#### Lines

1	SEC worksheet.
2	AT&T, <i>Annual Report</i> .
3	Line 1 minus line 2.
4 and 5	SEC, <i>Annual Report</i> .
6	Line 4 minus line 5.
7	<i>Statistics of Income</i> , Table 4, and SEC worksheet on working capital.
9	<i>National Income</i> , Table 23, distributed by line 7.
10	Sum of lines 8 and 9.
11	See pp. 63 ff.
12	See pp. 69 ff.
13	<i>Statistics of Income</i> , Table 3.
14	SEC worksheets on working capital.
15	Δ line 14.
16	SEC worksheets on working capital.
17	Δ line 16.
18	See pp. 78 ff.
19	Δ line 18.
20	SEC worksheets on working capital.
21	Δ line 20.
22	Moody's <i>Public Utilities</i> .
23	FCC, <i>Annual Report</i> .
24	Sum of lines 22 and 23.
25	See pp. 50 ff.
26 and 27	SEC worksheet.
28	Sum of lines 3, 6, 10-13, 15, 17, 19, 21, and 24-27.

\* = estimated.