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APPENDIXES



A

SOURCES OF DATA

Chapters 3 and 4

All Manufacturing Corporations:

United States Treasury Department, *Statistics of Income, 1922-43*.

Large Manufacturing Corporations:

National Bureau of Economic Research samples of 31 companies (1915-21) and 45 companies (1922-43) with assets \$5 million and over. Data for 1915-21 were inflated on the basis of ratio of net income of 31 companies to net income of 45 companies in 1922.

Small- and Medium-Sized Corporations:

- (a) National Bureau of Economic Research sample of 73 Wisconsin companies with assets of less than \$5 million. The data on an adjusted basis are available for only 66 companies in 1917 and 1918, only 72 companies in 1921 and 1922, and only 70 companies in 1939. For comparability's sake these data have been inflated to a 73 company basis.
- (b) Sample of 381 companies with assets up to \$250,000, compiled under the Income Tax Study, a Work Projects Administration project, sponsored by the United States Treasury Department in connection with studies of the Temporary National Economic Committee.

Chapter 5

Sample of 70 large manufacturing companies includes the following:

Automobiles and Trucks

General Motors Corp.
Hudson Motor Car Co.
Mack Trucks, Inc.
Packard Motor Car Co.
White Motor Co.
Yellow Truck & Coach Mfg. Co.¹

Chemicals

Air Reduction Co., Inc.
Allied Chemical & Dye Corp.
Columbian Carbon Co.
DuPont (E.I.) de Nemours & Co.
Mathieson Alkali Works, Inc.
Monsanto Chemical Co.
Union Carbide & Carbon Corp.

Building Materials and Equipment

Certain-Teed Products Corp.
Crane Co.
Johns-Manville Co.
Lone Star Cement Corp.
Pittsburgh Plate Glass Co.
United States Gypsum Co.
Yale & Towne Mfg. Co.

Food (other than meat packing)

Corn Products Refining Co.
General Baking Co.
Hershey Chocolate Corp.²
Quaker Oats Co.
Ward Baking Co.
Wrigley (Wm.), Jr., Co.

¹ Omitted in computation of regression equations for the period 1925-26.

² Omitted in computation of regression equations for the period 1940-41.

Iron and Steel

American Rolling Mill Co.
 Bethlehem Steel Corp.
 Crucible Steel Co. of America
 Inland Steel Co.
 United States Steel Corp.
 Youngstown Sheet & Tube Co.

Machinery

Allis-Chalmers Mfg. Co.
 American Laundry Machinery Co.
 American Locomotive Co.
 American Steel Foundries
 Case (J. I.) Co.
 Chicago Pneumatic Tool Co.
 Fairbanks, Morse & Co.
 General Electric Co.
 Ingersoll-Rand Co.
 International Harvester Co.
 National Cash Register Co.

Meat Packing

Armour & Co.
 Cudahy Packing Co.
 Swift & Co.
 Wilson Co., Inc.

Petroleum

Atlantic Refining Co.

Gulf Oil Corp.

Socony-Vacuum Oil Co., Inc.
 Standard Oil (Indiana)
 Standard Oil Co. (New Jersey)
 Sun Oil Co.
 Texas Corp.
 Union Oil Co. of California

Rubber

Firestone Tire & Rubber Co.
 Goodrich (B. F.) Co.
 Goodyear Tire & Rubber Co.
 United States Rubber Co.

Textiles

American Mfg. Co.
 American Woolen Co.
 Arlington Mills
 Cluett, Peabody & Co., Inc.
 Mt. Vernon-Woodberry Mills, Inc.
 Nashua Mfg. Co.
 Pacific Mills

Tobacco

American Tobacco Co.
 Liggett & Myers Tobacco Co.
 Lorillard (P.) Co.
 Reynolds (R. J.) Tobacco Co.

*Chapters 6 and 7***All Manufacturing and Mining Corporations:**

Unpublished data compiled by George Terborgh at the Machinery and Allied Products Institute.

Terborgh's method of estimating net external financing consists of estimating physical capital formation for each year and subtracting corporate savings. Net external long-term financing is obtained by subtracting the net balance of external short-term financing from total net external financing. For a more detailed description of Terborgh's method, see his *The Bogey of Economic Maturity* (Machinery and Allied Products Institute, 1945) Chapter 9.

Large Manufacturing Corporations:

- (a) Analysis of time variations: National Bureau of Economic Research sample of 31 and 45 companies, as used in Chapter 4, except for data used in Chart 17, which were inflated on the basis of total assets.
- (b) Analysis of intercompany differences: National Bureau of Economic Research sample of 70 companies, as used in Chapter 5.

Small- and Medium-Sized Corporations:

National Bureau of Economic Research sample of 73 Wisconsin companies, as used in Chapter 4.

B

ASSET VALUATION ADJUSTMENTS

FOR the samples of corporations used in this study, the amounts of retained income, physical asset expansion, and total asset expansion have been derived from the statements of sources and uses of funds which contain financial data adjusted to eliminate changes not involving the expenditure or receipt of funds (defined as cash and cash equivalent).¹ Thus, our sample data are adjusted for changes such as reported asset revaluations, losses on the sale of capital assets, bond discounts, and stock dividends. On the other hand, for reasons explained below, no adjustments have been made in order to segregate changes in the value of physical assets, which occurred as a result of replacements at different prices, from changes reflecting increase or decrease in physical quantities.

The data on net income and retained income of all manufacturing corporations, used in Chapter 3, have been taken from the United States Treasury Department *Statistics of Income* without adjustments for "non-fund" items, since the information contained in this source is insufficient for preparing statements of sources and uses of funds.

The figures for all manufacturing and mining corporations used in Chapters 6 and 7 are derived from unpublished tabulations of George Terborgh prepared on the basis of the United States Treasury Department *Statistics of Income* and some estimates (mainly his own) of expenditures on new plant and equipment.² While it was impossible to prepare the sources and uses of funds statements for all manufacturing and mining corporations, Terborgh has made an adjustment of inventory values so as to be able to derive the *value of the physical change* in inventory and not the *change in the value* of inventory. In this connection it should be noted that, while an adjustment of this kind is entirely appropriate in studying physical capital formation, it is not called for when the investi-

¹ See Albert R. Koch, *The Financing of Large Corporations, 1920-39* (National Bureau of Economic Research, Financial Research Program, 1943) pp. 118-21, for a description of the technique of preparing the sources and uses of funds statements.

² Terborgh's sources and methods of computation are explained in his *The Bogey of Economic Maturity* (Machinery and Allied Products Institute, 1945) pp. 240-45.

gation deals with the flow of financial resources through the corporate sector of the economy. Thus, the physical quantity held in stock may remain unchanged, but if inventory is replenished at higher cost this surely represents an additional absorption of funds, as compared with the initial amount invested in inventory. Furthermore, Terborgh's adjustment results in a change in the amount of retained income while it leaves the amount of external financing unchanged. Consequently, the relative importance of the two sources of new financing is bound to be, in some cases, seriously under- or over-estimated.

Consider the following situation. A company begins operations with an inventory of \$2,000 (2,000 physical units at \$1 each). Of this amount \$1,000 represents equity and the other \$1,000 borrowed funds. At the end of the accounting period, the value of the inventory, calculated on the first-in-first-out method, increases to \$3,450 (2,300 physical units at \$1.50). The company's books show that this increase has been financed by income retention and by additional borrowing in equal shares (\$725 each). Now, if the new inventory value is adjusted to make it differ from the old, to the extent of the value of the physical increment only, the financial picture will change substantially. In physical terms, inventory has increased by 300 units, which amounts to \$450 if valued at \$1.50 (the new cost price). This means that after the adjustment the new value of the inventory is \$2,450, or \$1,000 less than the unadjusted value. Consequently, in accordance with Terborgh's procedure, \$1,000 must also be deducted from retained income. When this is done, however, the company's financial record will show a net dissaving of \$275 instead of a retention of \$725, and it will appear that the inventory expansion has been financed entirely from external sources. If this were true, it would follow that the creditor's share in the inventory has increased while the equity share has decreased (because of the dissaving). Actually, under the conditions assumed, no such change has taken place. There has been an actual absorption of funds to the extent of \$1,450, of which \$725 has come from the revenue stream and \$725 from additional borrowing. Furthermore, the unadjusted amount of the inventory (\$3,450) does not represent an over-valuation in relation to the actual market prices, at the end of the accounting period in question.³ The total amount of the company's debt at the end of the period is \$1,725 (\$1,000 old plus \$725 new)

³ This is not an argument against the necessity or advisability of setting up a reserve for possible decline in the inventory value during a later period. This reserve may be entirely appropriate, but, if made, it would doubtless represent an absorption of funds from the internal source in the current accounting period.

which represents a claim to 1,150 physical units or one-half of the entire inventory at the current cost price of \$1.50 per unit. Consequently, the ratio of debt to equity at the end of the period is 1:1, exactly the same as it was at the beginning.

There are, actually, three elements in the situation described above: (a) absorption of funds from the internal source, (b) additional borrowing, and (c) decrease in the amount of real wealth over which the funds originally invested (both equity and borrowed funds) have command, as a result of higher prices. And there appears to be no justification for offsetting the full amount of (c) against the internal component of new financing, leaving the external component without any change.

In the foregoing example, prices were assumed to be rising, and the adjustment of the inventory value resulted in a substantial decrease in the amount of retained income and, consequently, in the importance of the internal source of financing relative to the external sources. Such results were actually obtained by Terborgh when adjusting the data for the years 1939-41; and if his series covered the subsequent war and post-war years, the effect of the adjustment would, of course, become much more pronounced because of the much greater rise in prices.

On the other hand, in periods of falling prices the adjustment in question must result in an increase in the amount of retained income or, if there is dissaving, in a decrease in the amount dissaved. The latter was actually the result obtained by Terborgh for the years 1930-32. Also in this case, the relative importance of the internal and external sources of financing was changed considerably.

The above considerations indicate that for this investigation it is preferable to include in asset expansion the entire change in inventory value rather than the change representing the value of physical increment only. Accordingly, the data on all manufacturing and mining corporations used in Chapters 6 and 7 are unadjusted data obtained by reversing Terborgh's adjustment for inventory valuation.⁴

⁴ Generally speaking, the best procedure in studying the financing of corporate investment would probably be to analyze both the adjusted and unadjusted inventory values. For this study, however, it would be virtually impossible to adjust the inventories of the individual companies studied owing to lack of information about composition of inventory in individual cases and the extent to which it was affected by various price movements. Furthermore, even when dealing with our aggregate sample data, the adjustment would doubtless involve a substantial margin of error owing to the relatively small number of companies included in the samples.



C

SUPPLEMENTARY TABLES

Table C1—NET INCOME, DIVIDENDS, RETAINED INCOME, AND AVERAGE NET WORTH FOR ALL MANUFACTURING CORPORATIONS, 1922-43^a
(in millions)

Year	Net Income ^b	Dividends ^c	Retained Income	Average Net Worth ^d
1922	\$2,528	\$1,505	\$1,023	e
1923	3,419	2,006	1,413	e
1924	2,649	1,883	766	\$37,920
1925	3,562	2,224	1,338	42,883
1926	3,640	2,544	1,096	50,677
1927	3,050	2,603	447	50,660
1928	3,936	2,983	953	53,442
1929	4,537	3,159	1,378	55,746
1930	1,425	3,161	-1,737	56,640
1931	-521	2,285	-2,807	53,998
1932	-1,616	1,327	-2,943	46,810
1933	237	1,170	-933	45,324
1934	1,167	1,610	-443	38,754
1935	2,122	2,194	-72	37,647
1936	3,116	2,950	166	39,230
1937	3,069	2,953	116	41,511
1938	1,228	1,663	-435	41,042
1939	2,946	2,210	736	42,112
1940	3,764	2,400	1,364	43,481
1941	5,493	2,836	2,657	47,650
1942	5,395	2,486	2,909	54,076
1943	5,998	2,595	3,403	58,985

^a Based on *Statistics of Income*, Part 2, U. S. Treasury Department, Bureau of Internal Revenue.

^b Compiled net profit less total tax.

^c Paid in cash and assets other than own stock.

^d The average of net worth at the beginning and the end of the year. The amount at the beginning of the year was estimated by subtracting retained income from the year-end amount.

^e Data not available.

Table C2—NET INCOME, DIVIDENDS, RETAINED INCOME, AND AVERAGE NET WORTH FOR A SAMPLE OF 31-45 LARGE MANUFACTURING CORPORATIONS, 1915-43^a
(in millions)

Year	Net Income		Divi- dends	Retained Income ^c	Average Net Worth ^d
	Reported	Adjusted ^b			
<i>Thirty-One Corporations</i>					
1915	\$209.3	\$323.1	\$100.7	\$222.4	\$2,351.3
1916	565.3	586.8	206.2	380.6	2,654.3
1917	513.3	573.5	228.1	345.4	3,028.8
1918	350.2	426.7	191.4	235.3	3,415.6
1919	315.4	379.6	155.0	224.6	3,808.0
1920	279.2	354.0	165.3	188.7	4,119.0
1921	23.6	80.0	164.6	-84.6	4,174.0
<i>Forty-Five Corporations</i>					
1922	356.7	334.1	248.2	85.9	6,361.6
1923	539.7	558.5	300.1	258.4	6,724.3
1924	511.1	538.5	315.7	222.8	7,025.2
1925	669.5	727.9	368.9	359.0	7,341.4
1926	812.9	884.8	472.1	412.7	7,836.6
1927	700.0	769.3	537.9	231.4	8,131.6
1928	964.7	1,036.1	593.7	442.4	8,380.3
1929	1,156.6	1,265.6	654.4	611.2	9,056.6
1930	696.6	774.4	631.0	143.4	9,685.0
1931	251.4	299.7	554.9	-255.2	9,705.3
1932	^e	-76.6	333.3	-409.9	9,211.0
1933	188.3	218.6	268.3	-49.7	8,806.1
1934	306.2	334.8	306.7	28.1	8,662.6
1935	524.0	530.0	378.6	151.4	8,499.4
1936	831.3	876.6	650.0	226.6	8,584.0
1937	945.7	1,013.6	706.7	306.9	8,971.8
1938	407.6	382.3	380.9	1.4	9,057.0
1939	699.1	728.0	531.3	196.7	9,006.9
1940	892.4	943.1	630.8	312.3	9,211.0
1941	1,012.0	1,151.6	673.6	478.0	9,538.6
1942	766.4	916.1	518.5	397.6	9,933.8
1943	795.3	973.7	561.4	412.3	10,276.3

^a Based on NBER samples of 31 corporations (1915-21) and of 45 corporations (1922-43) with total assets of \$5 million and over.

^b Net income adjusted to (1) eliminate amounts representing revaluations of assets and certain other noncash items and (2) include amounts allocated to capital reserves out of current earnings.

^c Based on adjusted net income.

^d The average of net worth at the beginning and the end of the year.

^e Less than \$50,000.

Table C3—NET INCOME, DIVIDENDS, RETAINED INCOME, AND AVERAGE NET WORTH FOR A SAMPLE OF 73 SMALL- AND MEDIUM-SIZED MANUFACTURING CORPORATIONS, 1917-43^a
(in thousands)

Year	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c
1917 ^d	\$3,390	\$1,608	\$1,782	\$17,687
1918 ^e	3,106	1,421	1,685	20,271
1919	3,621	1,358	2,263	22,897
1920	6,460	1,494	4,966	27,643
1921 ^f	-1,227	866	-2,093	27,344
1922 ^f	384	1,466	-1,082	26,877
1923	3,659	1,664	1,995	30,854
1924	2,491	1,547	944	32,443
1925	3,492	1,797	1,695	34,003
1926	3,699	2,336	1,363	35,914
1927	3,828	2,624	1,204	37,387
1928	2,936	2,615	321	38,427
1929	3,309	2,531	778	39,332
1930	367	2,016	-1,649	39,278
1931	-837	1,290	-2,127	37,586
1932	-2,310	585	-2,895	34,855
1933	-483	551	-1,034	32,909
1934	-20	926	-946	31,987
1935	-240	753	-993	30,868
1936	929	918	11	30,301
1937	941	1,105	-164	30,332
1938	110	813	-703	29,854
1939 ^e	223	832	-609	28,081
1940	1,768	887	881	28,325
1941	3,090	1,110	1,980	29,767
1942	2,580	1,101	1,479	31,059
1943	2,980	1,123	1,857	31,547

^a Based on NBER sample of 73 corporations with total assets of less than \$5 million which were selected from the files of the Wisconsin State Tax Commission.

^b Net income adjusted to (1) eliminate amounts representing revaluations of assets and certain other noncash items and (2) include amounts allocated to capital reserves out of current earnings.

^c The average of net worth at the beginning and the end of the year.

^d Data for 66 corporations only.

^e Data for 70 corporations.

^f Data for 72 corporations.

Table C4—NET INCOME, DIVIDENDS, RETAINED INCOME, AND AVERAGE NET WORTH FOR A SAMPLE OF 381 SMALL MANUFACTURING CORPORATIONS, 1926-36^a
(in thousands)

<i>Year</i>	<i>Adjusted Net Income^b</i>	<i>Dividends</i>	<i>Retained Income</i>	<i>Average Net Worth^c</i>
1926	\$1,791	\$1,160	\$631	\$22,282
1927	1,567	1,106	461	22,648
1928	1,732	1,088	644	23,667
1929	2,178	1,020	1,158	25,566
1930	-516	994	-1,510	26,223
1931	-1,423	673	-2,096	24,509
1932	-2,905	345	-3,250	21,734
1933	-739	151	-890	19,516
1934	-425	223	-648	18,587
1935	270	296	-26	18,180
1936	1,181	1,129	52	18,564

^a Based on a sample of 381 corporations with total assets of less than \$250 thousand, compiled under the Income Tax Study, a Work Projects Administration project, sponsored by the U. S. Treasury Department in connection with studies of the Temporary National Economic Committee.

^b Net income adjusted to (1) eliminate amounts representing revaluations of assets and certain other noncash items and (2) include amounts allocated to capital reserves out of current earnings.

^c The average of net worth at the beginning and the end of the year.

Table C5—GROSS PHYSICAL INVESTMENT, DEPRECIATION, NET PHYSICAL ASSET EXPANSION, AND PHYSICAL ASSETS FOR ALL MANUFACTURING AND MINING CORPORATIONS, 1923-41 ^a
(in millions)

Year	Gross Physical Investment ^b	Depreciation & Depletion	Net Physical Asset Expansion ^c	Physical Assets, Beginning of Year ^d
1923	\$3,488	\$1,959	\$1,529	\$42,497
1924	1,643	1,931	-288	43,936
1925	2,834	1,938	896	43,665
1926	2,330	2,123	207	44,508
1927	1,964	2,138	-174	44,703
1928	2,455	2,192	263	43,349
1929	3,719	2,333	1,386	43,473
1930	413	2,281	-1,868	45,926
1931	-910	2,014	-2,924	45,024
1932	-1,043	1,830	-2,873	41,775
1933	1,558	1,780	-222	37,394
1934	1,559	1,783	-224	36,635
1935	1,631	1,779	-148	35,259
1936	3,016	1,878	1,138	35,165
1937	3,896	2,039	1,857	36,848
1938	329	1,957	-1,628	39,079
1939	2,559	2,002	557	36,766
1940	3,875	2,130	1,745	38,823
1941	6,956	2,305	4,651	40,678

^a Based on unpublished data compiled by George Terborgh at the Machinery and Allied Products Institute. The data prior to 1934 adjusted for reclassification in 1934 (resulting from the discontinuance of consolidated tax returns).

^b Gross plant and equipment expenditures plus inventory change.

^c Gross physical investment less depreciation.

^d Land, plant and equipment (net of depreciation reserve) plus inventory.

Table C6—GROSS PHYSICAL INVESTMENT, DEPRECIATION, NET PHYSICAL ASSET EXPANSION, AND PHYSICAL ASSETS FOR A SAMPLE OF 31-45 LARGE MANUFACTURING CORPORATIONS, 1915-43^a
(in millions)

Year	Gross Physical Investment ^b	Depreciation ^c	Net Physical Asset Expansion ^d	Physical Assets, Beginning of Year ^e
<i>Thirty-One Corporations</i>				
1915	\$172.9	\$54.8	\$118.1	\$2,547.9
1916	280.9	87.0	193.9	2,664.9
1917	555.0	93.1	461.9	2,817.3
1918	487.2	121.4	365.8	3,267.0
1919	289.3	101.2	188.1	3,671.7
1920	422.2	107.8	314.4	3,857.6
1921	-90.3	108.2	-198.5	4,124.2
<i>Forty-Five Corporations</i>				
1922	247.2	187.4	59.8	5,736.3
1923	515.0	225.5	289.5	5,972.0
1924	273.4	238.8	34.6	6,477.8
1925	483.4	290.0	193.4	6,555.0
1926	644.4	338.2	306.2	6,711.2
1927	591.1	373.6	217.5	7,112.4
1928	465.3	387.7	77.6	7,312.7
1929	818.9	442.8	376.1	7,433.4
1930	439.1	395.5	43.6	7,909.1
1931	-104.3	415.6	-519.9	8,031.2
1932	50.6	382.1	-331.5	7,961.5
1933	342.0	376.3	-34.3	7,439.2
1934	553.6	388.4	165.2	7,363.8
1935	504.4	412.6	91.8	7,457.7
1936	746.0	437.7	308.3	7,286.9
1937	1,358.4	479.9	878.5	7,605.0
1938	187.3	457.3	-270.0	8,458.5
1939	534.8	479.7	55.1	7,922.7
1940	800.0	464.0	234.2	7,786.0
1941	1,252.1	518.0	595.4	7,936.4
1942	1,115.4	567.9	367.8	8,465.7
1943	679.8	626.2	-55.4	8,790.8

^a Based on NBER samples of 31 corporations (1915-21) and of 45 corporations (1922-43) with total assets of \$5 million and over.

^b Gross plant and equipment expenditure plus inventory change.

^c Depreciation for 31 companies estimated on the basis of the data for a larger sample of 81 companies used in the study by Charles H. Schmidt and Ralph A. Young, *The Effect of War on Business Financing* (National Bureau of Economic Research, Financial Research Program, Occasional Paper 10, November 1943) Table 11, p. 92.

^d Represents gross physical investment less depreciation; in 1940-43 gross physical investment less depreciation and funds from the sale of fixed assets.

^e Land, plant, and equipment (net of depreciation reserve) plus inventory.

Table C7—GROSS PHYSICAL INVESTMENT, DEPRECIATION, NET PHYSICAL ASSET EXPANSION, AND PHYSICAL ASSETS FOR A SAMPLE OF 73 SMALL- AND MEDIUM-SIZED MANUFACTURING CORPORATIONS, 1920-43^a
(in thousands)

Year	Gross Physical Investment ^b	Depreciation	Net Physical Asset Expansion ^c	Physical Assets, Beginning of Year ^d
1920	\$6,050	\$1,041	\$5,009	\$19,887
1921 ^e	2,291	1,041	1,250	24,360
1922 ^e	349	1,115	-766	25,089
1923	2,706	1,169	1,537	26,724
1924	2,828	1,188	1,640	28,145
1925	1,590	1,239	351	29,391
1926	1,916	1,249	667	30,114
1927	2,439	1,263	1,176	30,851
1928	1,092	1,290	-198	31,326
1929	1,227	1,323	-96	31,559
1930	897	1,361	-464	31,711
1931	-922	1,266	-2,188	31,760
1932	-1,304	1,214	-2,518	29,559
1933	1,084	1,161	-77	26,954
1934	89	1,071	-982	26,311
1935	198	1,026	-828	25,446
1936	1,614	1,007	607	24,419
1937	2,044	1,062	982	24,929
1938	-399	1,047	-1,446	26,191
1939 ^f	20	868	-848	23,301
1940	1,007	982	25	23,348
1941	3,376	974	2,402	23,402
1942	1,437	1,043	394	25,836
1943	263	1,056	-793	25,940

^a Based on NBER sample of 73 corporations with total assets of less than \$5 million which were selected from the files of the Wisconsin State Tax Commission.

^b Gross plant and equipment expenditures plus inventory change.

^c Gross physical investment less depreciation.

^d Land, plant, and equipment (net of depreciation reserve) plus inventory.

^e Data for 72 corporations.

^f Data for 70 corporations.

Table C8—FINANCIAL ASSET EXPANSION, TOTAL ASSET EXPANSION, AND TOTAL ASSETS FOR A SAMPLE OF 31-45 LARGE MANUFACTURING CORPORATIONS, 1915-43^a
(in millions)

Year	Financial Asset Expansion ^b	Total Asset Expansion ^c	Total Assets, Beginning of Year
<i>Thirty-One Corporations</i>			
1915	\$243.4	\$361.5	\$3,303.2
1916	260.2	454.1	3,660.1
1917	385.1	847.0	4,059.9
1918	296.6	662.4	4,892.2
1919	-8.2	179.9	5,600.5
1920	44.6	359.0	5,769.9
1921	-175.8	-374.3	6,069.0
<i>Forty-Five Corporations</i>			
1922	-4.3	55.5	8,409.4
1923	288.2	577.7	8,707.4
1924	146.6	181.2	9,283.3
1925	245.4	438.8	9,411.5
1926	288.7	594.9	9,891.9
1927	-100.1	117.4	10,551.9
1928	470.3	547.9	10,677.3
1929	221.0	597.1	11,225.1
1930	68.6	112.2	11,823.4
1931	-40.2	-560.1	11,945.3
1932	-147.6	-479.1	11,615.2
1933	27.4	-6.9	10,840.6
1934	-44.4	120.8	10,742.4
1935	120.9	212.7	10,686.1
1936	51.3	359.6	10,616.6
1937	-107.2	771.3	10,971.9
1938	286.0	16.0	11,777.6
1939	307.6	362.7	11,495.7
1940	435.8	670.0	11,787.4
1941	950.8	1,546.2	12,427.8
1942	992.9	1,360.7	13,897.2
1943	1,010.9	955.5	15,217.5

^a Based on NBER samples of 31 corporations (1915-21) and of 45 corporations (1922-43) with total assets of \$5 million and over.

^b The sum of net changes in cash, marketable securities, receivables, and investments in and advances to subsidiaries.

^c The sum of net physical asset expansion and financial asset expansion.

Table C9—FINANCIAL ASSET EXPANSION, TOTAL ASSET EXPANSION, AND TOTAL ASSETS FOR A SAMPLE OF 73 SMALL- AND MEDIUM-SIZED MANUFACTURING CORPORATIONS, 1920-43^a
(in thousands)

Year	Financial Asset Expansion ^b	Total Asset Expansion ^c	Total Assets, Beginning of Year
1920	\$3,033	\$8,042	\$30,105
1921 ^d	-2,527	-1,277	36,645
1922 ^d	1,652	886	34,616
1923	540	2,077	38,208
1924	659	2,299	40,592
1925	1,497	1,848	42,475
1926	1,023	1,690	44,675
1927	-174	1,002	46,527
1928	1,456	1,258	46,698
1929	831	735	48,664
1930	-1,088	-1,552	49,553
1931	-450	-2,638	48,258
1932	-1,453	-3,971	45,518
1933	218	141	41,462
1934	-764	-1,746	41,507
1935	-110	-938	39,722
1936	674	1,281	38,795
1937	-362	620	39,839
1938	104	-1,342	40,712
1939 ^e	316	-532	37,474
1940	910	935	37,833
1941	2,080	4,482	38,796
1942	2,906	3,300	43,498
1943	2,352	1,559	46,554

^a Based on NBER sample of 73 corporations with total assets of less than \$5 million which were selected from the files of the Wisconsin State Tax Commission.

^b The sum of net changes in cash, marketable securities, receivables, and investments in and advances to subsidiaries.

^c The sum of net physical asset expansion and financial asset expansion.

^d Data for 72 corporations.

^e Data for 70 corporations.

Table C10—NET INCOME, DIVIDENDS, RETAINED INCOME, AND AVERAGE NET WORTH FOR 11 INDUSTRIES, 1925, 1926, 1940, AND 1941^a
(in millions)

Industry	1925					1926					1940					1941				
	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c	Adjusted Net Income ^b	Dividends	Retained Income	Average Net Worth ^c
Automobiles	\$165.0	\$86.7	\$78.3	\$668.3	\$222.1	\$134.8	\$87.3	\$797.1												
Building materials	39.6	22.2	17.4	299.5	41.7	27.6	14.1	327.4												
Chemicals	67.1	43.3	23.8	688.1	100.2	68.1	32.1	727.1												
Food	34.3	22.3	12.0	285.4	40.4	28.6	11.8	298.2												
Iron and steel	143.1	79.3	63.8	2,460.2	175.6	83.4	92.2	2,531.4												
Machinery	94.7	49.6	45.1	913.5	118.1	61.7	56.4	987.1												
Meat packing	35.7	28.1	7.6	608.8	31.7	23.0	8.7	621.7												
Petroleum	286.0	96.5	189.5	2,278.8	291.2	109.6	181.6	2,542.0												
Rubber	71.5	17.7	53.8	425.6	31.8	23.0	8.8	449.2												
Textile	5.5	8.9	-3.4	258.6	-7	7.4	-8.1	244.7												
Tobacco	69.0	45.0	24.0	479.0	71.1	49.0	22.1	495.7												
Total	\$1,011.5	\$499.6	\$511.9	\$9,365.8	\$1,123.2	\$616.2	\$507.0	\$10,021.6												
Automobiles	\$233.0	\$178.2	\$54.8	\$1,313.1	\$255.3	\$181.4	\$73.9	\$1,563.0												
Building materials	39.5	25.2	14.3	387.4	46.3	26.1	20.2	396.3												
Chemicals	179.0	140.0	39.0	1,340.5	191.0	144.3	46.7	1,387.8												
Food	29.8	26.7	3.1	283.2	30.4	23.8	6.6	281.0												
Iron and steel	204.2	97.6	106.6	2,375.0	255.0	106.7	148.3	2,448.7												
Machinery	116.4	87.6	28.8	1,056.1	145.8	91.0	54.8	1,092.5												
Meat packing	34.2	13.5	20.7	524.9	45.0	17.2	27.8	542.8												
Petroleum	233.2	130.3	102.9	4,064.1	404.9	161.2	243.7	4,179.0												
Rubber	42.2	18.5	23.7	426.5	67.2	24.5	42.7	455.2												
Textile	7.6	4.4	3.2	141.1	23.8	8.4	15.4	150.3												
Tobacco	80.1	68.5	11.6	556.2	69.0	64.6	4.4	561.1												
Total	\$1,199.2	\$790.5	\$408.7	\$12,468.1	\$1,533.7	\$849.2	\$684.5	\$12,857.7												

^a Based on NBER sample of 70 large manufacturing corporations with total assets of \$5 million and over. For a listing of corporations included in each industry group, see Appendix A.

^b For definition of net income see Table C2, footnote b.

^c Average of net worth at the beginning and the end of the year.