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The Effect of War on Business Financing:

Manufacturing and Trade,
World War I

CHARLES H. SCHMIDT
and
RALPH A. YOUNG

UR ECONOMY IN WAR ★

FINANCIAL RESEARCH PROGRAM

NATIONAL BUREAU OF ECONOMIC RESEARCH

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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 wartime 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 made 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. Davis, 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

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Appendix A

Data, Methods and Limitations of Study

CHARACTER OF THE SAMPLES

historical records of business financial transactions available for a number of this type are far from complete, a fact that is particularly true in the case of the medium and small corporations. Neither time nor the available resources permitted any extensive compilation of whatever accurate financial statistics might be accessible from the records of individual business concerns. Consequently it was necessary to rely chiefly on small samples of such data as were compiled by the Financial Research Program in connection with its Studies in Business Financing.¹ The characteristics of the individual samples—including their industries, industrial coverage and size, which must be known in order to interpret correctly the significance of the financial developments which they may reveal—are summarized briefly in the following paragraphs.

Samples of Large Manufacturing and Trade Corporations

Two samples, one covering the period 1914-22 and the other the period 1920-39, were chosen for the purpose of analyzing changes in the financial structure of large manufacturing and trade corporations. The war period sample (1914-22) was compiled especially for use in the present study, while the interbellum period sample (1920-39) had been described previously by Albert R. Koch.² In so far as the available data permit, the two samples consist of the same companies.

World War I Samples. Our samples of large manufacturing and trade corporations (total assets of \$5 million and over), covering the period 1914-22, include manufacturing concerns from 11 durable and non-durable goods industries, and trade concerns engaged in mass retailing of a chain, mail-order or department store variety. The manufacturing group included 84 companies in 1914, but as a result of corporate consolidation the number was reduced to 81 in 1922; the trade group consists of 8 companies for the entire period.

¹ The data for all samples used in this and other studies of business financing transactions under the National Bureau's Financial Research Program are collected in a separate volume, *Data for Studies in Business Financing, 1900-42* (ms. 1943).

² Albert R. Koch, *The Financing of Large Corporations, 1920-39*, National Bureau of Economic Research, Financial Research Program (1943).

In 1920, these two groups of corporations represented about 10 percent of the total number, and their sales amounted to approximately one-fifth of the total value of product, of all large manufacturing and trade concerns. Total assets of the manufacturing concerns amounted to about 25 percent of the total assets of all large manufacturing companies (practically all of which are incorporated); but the total assets of the 8 trade companies accounted for only 3 percent of the total assets of all large trade concerns, chiefly because most large trade concerns were not incorporated, or if they were, their stocks were closely held and hence their financial statements were not published.

Interbellum Samples. These samples include 84 large manufacturing and 10 large trade corporations, and cover the period 1920-39. Sales of the large manufacturing companies amounted to 26 percent of the value of product of all manufacturing companies in 1937, while the sales of the trade group were around 3 percent of the value of product of all trade concerns for that year. Total assets of the large manufacturing companies amounted to roughly 30 percent of the total assets of all *large* manufacturing companies; total assets of the trade group were about 15 percent of those of all *large* trade concerns.

Other Large Corporation Data

In addition to these sample data pertaining to large manufacturing and trade corporations, use was made of certain figures on inventory holdings compiled by George Terborgh of the Federal Reserve Board, and by Willard Thorp and Helen Russell of Dun & Bradstreet, Inc.

Terborgh's figures pertain to inventory holdings of a varying number of manufacturing corporations, and were compiled from Moody's *Manuals*, 1916-23.⁷³ These corporate balance sheet figures were classified by major and minor industry groups, and by size (the criterion of size being amount of inventory rather than the amount of total assets or sales of the corporation), and were weighted by Kuznets' estimates of inventory values at the end of 1923.⁷⁴ Those differences which occur between our figures and Terborgh's with regard to the over-all growth in dollar volume of inventory holdings are attributable in part to Terborgh's inclusion of the smaller companies, and in part to the weighting he employed in combining the separate industry figures.

The inventory figures of Thorp and Russell are for an identical sam-

⁷³ See Terborgh, *op. cit.*, especially p. 617.

⁷⁴ Simon Kuznets, *Commodity Flow and Capital Formation* (National Bureau of Economic Research, 1938) I, p. 412.

ple of 106 manufacturing corporations in 15 industry groups, and 5 mass distributors, and cover the period 1913-22.⁷⁵ The dollar figures for each industry group were combined into a total for manufacturing industry, the weights employed for this purpose being determined on the basis of the inventory holdings of different industry groups, as given in the 1937 *Census of Manufactures*, with allowance for varying rates of industry growth. The results of Thorp and Russell's calculations agree closely with ours, in spite of the fact that we did not weight our inventory figures in proportion to the relative importance of the various industry groups included in our samples.

Samples of Medium and Small Manufacturing and Trade Corporations

Measured by the same criteria — number of companies, total assets, and sales — the three samples of financial statement data of medium and small manufacturing and trade corporations (total assets \$50 thousand to \$5 million) are very small indeed. Altogether, four separate samples of such corporations have been employed in the study.

Wisconsin Samples. Corporations domiciled in Wisconsin were selected from the files of the Wisconsin State Tax Commission, and data were transcribed from their income tax returns.

Wisconsin Identical. This sample includes 73 manufacturing corporations in 8 industries, and 30 identical trade corporations in 2 retail and 1 wholesale lines, and covers the period 1916-39 inclusive. The fact that all are companies which survived, for a period of at least 25 years, the numerous vicissitudes to which small business concerns are subject, imparts an element of bias to their behavior patterns. It is this sample of 103 companies that is referred to in the text and charts as "the Wisconsin sample."

Wisconsin Non-Identical. This is a supplementary sample of medium and small manufacturing and trade concerns, likewise drawn from the files of the Wisconsin State Tax Commission. The number of companies included varies with the particular year, but ranges from 72 to 94 corporations in 7 manufacturing industries, and from 29 to 45 companies in 3 trade lines — 2 retail and 1 wholesale. The years for which this supplementary sample provides data are 1916, 1918, 1920 and 1921.

Massachusetts Samples. Because of the fact that the breakdown of

⁷⁵ See Thorp and Russell, *op. cit.*, especially p. 22.

certain asset and liability items as reported in the Wisconsin state income tax returns is not sufficiently detailed for the purposes of our analysis, and in order to have some check on the financial developments that characterized the Wisconsin companies, occasional use was made of data obtained from the certificates of condition which corporations are required to file with the Massachusetts Corporation Commission. Two samples were obtained from this source, each with a different composition, as follows:

Massachusetts Non-Identical, consisting of approximately 390 medium, small and very small corporations (non-identical in all years), and covering the years 1916, 1918, 1920 and 1921; around 230 of these companies were from 10 manufacturing industries, and about 160 were from 2 trade lines — 44 to 107 in retail and 34 to 55 in wholesale trade.

Massachusetts Identical, consisting of 56 identical companies, of which 39 were in manufacturing and 17 in trade, for the years 1914 through 1922.

In the country as a whole there were, in 1920, roughly 73,000 manufacturing and trade corporations with an asset size of \$50 thousand to \$5 million, their combined total assets amounting to some \$24 billion. Therefore our samples of medium and small concerns constitute a very small part of the total number of such corporations, and in this sense are not representative of the whole group. When measured by the criterion of behavior, however, they do seem to typify their size class, for all of the evidence coming to our attention indicates that the wartime financial behavior of medium and small corporations contrasted strikingly with that of large corporations.

The use of samples of medium and small companies drawn from two states as widely separated as Wisconsin and Massachusetts may be questioned. But a number of tests of corporate financial data pertaining to different periods disclose that geographical differences are far less important in determining the pattern of corporate financial structure, as reflected by samples, than are the size of concern and its industrial classification. Comparison of changes in specific items as between geographically different samples of comparable size composition reveals some inconsistencies in behavior; but these are primarily attributable to differences in industrial composition, and only in a few instances does the influence of regional economic variation seem to be significant.

GENERAL LIMITATIONS OF THE DATA

Any analysis based on historical financial records is subject to certain general limitations, as well as to those arising from the particular sam-

ples used. A financial statement represents an individual businessman's appraisal of the current financial condition of his company, and his estimates may or may not be realistic. Also, there are differences in accounting standards from one company to another, and from one period to another; it is known that these standards vary widely today, and the variation was probably even greater during the period of World War I, but there is no way of appraising the differences accurately from the available records. Moreover, individual concerns change their accounting practices from time to time, and such changes influence balance sheet amounts and categories indeterminately. Finally, data assembled from tax file sources (as were those for the Massachusetts and Wisconsin medium and small corporation samples) are necessarily influenced by the way in which the laws require reports to be submitted.

In order to give perspective to changes in business financial structure during the World War I period, 1914-21, we have compared the record of these years with that of expansion and contraction periods of the interbellum years 1922-39. As we had only annual data at our disposal we were obliged to define our expansion and contraction periods in terms of years; the years selected for inclusion in particular periods do not always agree with the reference cycle chronology of the National Bureau, as corporate financial data differ somewhat in behavior from the time series customarily used in business cycle analysis. Annual balance sheet data of individual corporations may show an expansion of financial structure in years when general business activity is undergoing mild contraction, and vice versa. Therefore expansion years were defined as those in which more than half of the companies in our samples reported an increase in the dollar volume of sales, in dollar volume of inventory, in total assets, and in net profits from operations. It was on this basis that 1915-18, 1919-20, 1922-29 (exclusive of 1924 and 1927) and 1933-37 were established as years of financial expansion, and 1921, 1930-32 and 1938 as periods of contraction.

To a certain extent the years 1913 through 1920 constituted one continuous period of inflationary finance. We divided this period into two parts, however, first because we were interested in the differences between the financial responses of enterprise in the years of the war itself and in the years immediately after; and second, because the period was actually interrupted by a contraction in industrial activity, beginning in the late fall of 1918 and extending to the late spring of 1919, although the recession was too mild to be visible in the annual financial statements of either year. The periods 1915-18 and 1919-20 are therefore considered in our tables as two World War I expansion periods, while 1922-29 and 1933-37 are regarded as peacetime expansion periods. Fig-

ures for the years 1924 and 1927 were excluded from the period 1922-29 because annual financial statements for these years do not reflect the general expansion tendencies of the period as a whole.

The wartime inflation period culminated in a financial crisis that began in 1920, but since it was not reflected in annual financial statements until 1921 the latter was designated as the year of wartime contraction; liquidations of 1930-32 and 1938 are called peacetime contractions.

METHODOLOGY

Use of Aggregate Financial Statements

Since we are primarily concerned with changes in business financial structure for the entire economy, rather than with individual company behavior, we analyzed our data in the form of aggregate financial statements of groups of companies.⁷⁶ The approach has limitations, because it does not take account of differences in the financial structure of individual enterprises. Such differences reflect any one or more of a number of factors: the technical character of the industry in which an enterprise is engaged (conditions which greatly affect the type and composition of business assets); variations in business organization from one industry to another — for example, the presence of special agencies that help to provide materials, financing and distribution for the product; size of enterprise, which exerts a considerable influence on the composition of assets and of liabilities; policy factors, both financial and technological, of individual concerns; differences occurring between incorporated and unincorporated concerns; and, by no means least important, profitability of operations. Furthermore, many of these differences in financial structure are unstable; they change with temporary swings in business activity, and shift with structural changes in the economic system.

While there is still a great deal to be learned about differences among the financial structures of individual enterprises, it has not been possible

⁷⁶ Our aggregates are unweighted, that is, no systematic weighting adjustment was made for the relative importance of the industries represented in the samples. Counts of changes in selected financial statement items revealed that there was a substantial degree of conformity in financial behavior among the different industries represented, and among the individual corporations constituting the size groups. Consequently little additional information concerning the general pattern of change in financial structure could be gained by systematic weighting. In addition, weighting would not have solved the problem of year-to-year changes in the relative importance of the industry groups covered, unless the weights were adjusted annually. One feature of the transition from a peace to a war economy and back is a change in the character of industrial activity; war supply industries become more important than industries engaged primarily in civilian supply, and vice versa.

to deal intensively with them in this paper. We distinguish between the aggregate behavior of manufacturing corporations and of trade corporations, and between the behavior of two size groups — large corporations (over \$5 million total assets) and medium and small corporations (\$50 thousand to \$5 million total assets).

A finer industry or size grouping — for example, subdivision of manufacturing corporations into those producing durable and those producing non-durable goods — would have made the study more useful. But such a subdivision was deemed feasible in only a few phases of the analysis, partly because of the small size of our samples. Other studies of business financial structure for the years 1900-40, developed by the National Bureau's Financial Research Program, support the view that the broad classification herein employed yields significant results.

Problem of Comparability of Financial Statements

Published corporate financial data of the period of World War I suffer from lack of completeness, and this complicates the problem of obtaining comparable balance sheets and income statements for the period 1914-22 as a whole. To use only those companies whose statements were complete in every respect throughout the period would have resulted in samples substantially smaller than those employed; in some cases the representation of an industry would have been reduced to one or two concerns. It was therefore necessary to estimate the breakdown of consolidated items of a few companies in each year, and for missing years to interpolate statements from those available. The number of missing statements was greatest in 1914-15 for the large companies, and in 1916-17 for the smaller companies.

A somewhat different problem was encountered in the analysis of changes in balance sheet accounts occasioned by inflows and outflows of funds. As these changes are presented in the form of percentages of total assets there is no need for an identical sample of companies throughout the period: both the numerator and the denominator of the fraction vary proportionately as the number of companies changes. What is essential is that the aggregate balance sheets for any two consecutive years be strictly comparable, so that the first differences in the accounts shall represent changes in actual amount rather than changes in the number of companies involved. In order to assure this desired condition, forward- and backward-comparable balance sheets were employed; thus for a given year, B, two balance sheets were prepared, one comparable with the preceding year, A, and the other with the following year, C. In computing flows of funds in relation to total assets as a base, the source or use of funds for the year B was then divided by the

total assets of the same companies at the end of year A; and so on for each year of the series.

Source and Use of Funds Relatives

In discussing changes in balance sheet accounts brought about by actual inflows or outflows of funds, as distinguished from changes that are merely the result of accounting transfers and revaluations, we have followed the practice of presenting the figures as percentages rather than as absolute amounts. These percentages, prepared for industry-size sample groups, take the form of averages, and are computed by dividing the net flow of funds into or out of a particular account during a given period by the total of all assets on hand at the beginning of each year included in the period. The reasons for adopting the relative in preference to the absolute form are three. In the first place, there was a marked secular growth of manufacturing and trade assets over the period of the '20s, which made for larger absolute flows of funds during the latter years in comparison with those of the World War I period; therefore in order to judge correctly the importance of wartime changes in financial structure it was necessary to relate the different sources and uses of funds to the total resources of business concerns. In the second place, the absence of uniformity in the coverage of the large corporation samples, 1915-21 and 1922-37, limits the comparability of absolute dollar amounts. In the third place, with such extreme differences in size of the companies represented in our large and in our medium and small corporation samples, proper perspective on the relative behavior of the two groups can be obtained only by reducing the dollar magnitudes involved to some common denominator, preferably one having a functional relationship to the forces studied.

Appendix B

Aggregate Balance Sheet and Income Statement Data, Samples of Large and of Medium and Small Manufacturing and Trade Corporations, 1914-22

FOLLOWING TABLES present adjusted balance sheet and income statement figures for the identical samples of large corporations (total assets \$5 million and over), 1914-22, and for the identical samples of medium and small companies (total assets, \$50 thousand to \$5 million), 1914-22, which form the basis of this study. Sources and uses of funds are not, however, presented here.

In each of the years 1914-18 for each sample, certain of the companies were not in existence and balance sheets for others were not available. The number of such companies is small in any one year, however. In order to obtain comparable balance sheet figures over the period 1914-22 as a whole, it was necessary to inflate the figures in the early years, on the assumption that the increase in total assets of the missing corporations was proportionate to the increase of total assets of the aggregate of corporations for which information was available. Net income and cash flows were not inflated in any of the tables.

Complete source data for this and other Studies in Business Financing are collected in a separate volume: National Bureau of Economic Research (Financial Research Program), *Data for Studies in Business Financing, 1900-42* (ms. 1943).

TABLE 11—81 LARGE MANUFACTURING CORPORATIONS,
Composite Balance Sheet and Income Statement Items, 1914-22* (in millions)

Item	1914	1915	1916	1917	1918	1919	1920	1921	1922
Cash	\$ 245.8	\$ 331.5	\$ 471.2	\$ 583.4	\$ 609.2	\$ 602.7	\$ 543.7	\$ 427.6	\$ 549.9
Marketable securities	30.0	99.7	190.4	446.9	608.5	530.9	369.2	431.8	414.2
Receivables	483.7	608.8	709.7	911.3	1,123.4	1,119.8	1,266.4	988.2	930.3
Inventory	804.1	894.5	1,227.1	1,732.1	2,159.2	2,243.8	2,466.5	1,838.8	1,770.7
Total current assets	1,563.6	1,934.5	2,598.4	3,673.7	4,500.3	4,497.2	4,645.8	3,786.4	3,665.1
Investments and advances	264.3	308.8	313.6	429.4	470.5	566.5	651.7	775.7	827.8
Fixed property (net)	3,206.9	3,302.3	3,461.6	3,696.1	3,866.3	4,136.2	4,652.5	4,874.9	4,689.5
Other assets	371.5	418.4	432.9	461.5	503.3	493.4	513.5	478.3	489.5
TOTAL ASSETS	5,406.3	5,964.0	6,806.5	8,260.7	9,340.4	9,693.3	10,463.5	9,915.3	9,671.9
Notes payable	207.9	203.4	250.6	425.2	515.7	638.0	789.4	476.3	247.5
Accounts payable	130.9	256.6	282.5	427.0	508.7	489.9	465.0	263.3	336.4
Other current liabilities	57.7	71.5	130.9	489.5	712.5	332.0	301.7	208.5	206.1
Total current liabilities	396.5	531.5	664.0	1,341.7	1,736.9	1,459.9	1,556.1	948.1	790.0
Long-term debt	1,057.7	1,038.1	1,075.8	1,122.9	1,221.1	1,204.0	1,286.2	1,470.6	1,435.4
Other liabilities	23.2	123.4	69.0	83.0	79.9	88.4	47.2	63.0	41.3
Capital reserves	79.0	127.7	151.2	239.4	370.6	440.7	474.1	439.1	401.9
Preferred stock	1,095.5	1,158.4	1,182.3	1,246.0	1,298.4	1,404.2	1,453.6	1,450.1	1,547.4
Common stock	1,919.5	1,970.8	2,124.2	2,356.0	2,472.9	2,610.5	2,959.6	3,028.0	3,440.3
Surplus	834.9	1,014.1	1,540.0	1,871.7	2,160.6	2,485.6	2,686.7	2,516.4	2,015.6
Sales ^b	3,098.3	3,779.4	5,877.8	7,677.2	9,629.3	9,606.8	10,032.1	671.8	683.0
Net incomes ^c	190.5	381.5	914.5	875.2	627.4	610.6	587.7	139.4	493.6
Cash dividends ^d	154.2	172.6	303.7	357.4	322.5	297.2	311.4	314.5	310.2
Annual rate of depreciation ^e	..	2.6%	4.0%	4.3%	5.3%	4.2%	4.2%	3.9%	4.1%

* In 1914 balance sheets for 8 corporations and 2 subsidiaries were not available, in 1915 for 2 corporations and 1 subsidiary and in 1916 and 1917 for 1 subsidiary. Inflated, as described in Appendix B, p. 91.

^b Estimated for missing corporations, using ratio of sales to total assets of corporations for which data were available.

^c Data not available for 11 companies in 1914 and 6 companies in 1915, 1 in 1916, 1 in 1920, and 1 in 1921.

^d Data not available for 4 companies in 1914, 2 in 1915 and 1 in 1916.

^e Annual rate of depreciation obtained by dividing depreciation charge of companies reporting depreciation by the net fixed property of the preceding year end.

ERRATA

Table 11 . . . Cash, 1921 — \$ 527.6

Sales, 1921 — 6,717.7

1922 — 6,830.5

TABLE 12—8 LARGE TRADE CORPORATIONS,
Composite Balance Sheet and Income Statement Items, 1914-22^a (in millions)

<i>Item</i>	1914	1915	1916	1917	1918	1919	1920	1921	1922
Cash	\$ 12.4	\$ 17.9	\$ 12.1	\$ 14.1	\$ 17.5	\$ 32.5	\$ 20.2	\$ 38.1	\$ 33.4
Marketable securities	b	b	b	3.1	9.3	16.1	14.0	17.7	15.7
Receivables	17.4	17.2	24.3	32.6	37.6	49.8	80.9	65.4	55.0
Inventory	51.9	52.8	82.2	103.8	132.8	132.5	200.7	114.2	112.8
Total current assets	81.7	87.9	118.6	153.6	197.2	230.9	315.8	235.5	216.9
Investments and advances	22.8	20.7	27.6	38.6	40.5	37.3	7.4	20.1	21.1
Fixed property (net)	39.5	39.7	43.4	49.7	52.8	56.3	83.7	86.4	96.2
Other assets	117.7	124.6	126.5	129.3	130.1	142.3	138.1	136.7	117.7
TOTAL ASSETS	261.7	272.9	316.1	371.2	420.6	466.8	545.0	478.7	451.9
Notes payable	7.1	3.1	9.3	25.9	38.0	20.6	66.2	28.5	1.5
Accounts payable	11.6	11.2	18.4	17.1	31.7	40.8	24.1	22.3	31.3
Other current liabilities	1.5	1.7	2.2	8.3	14.1	20.9	10.6	11.0	10.8
Total current liabilities	20.2	16.0	29.9	51.3	83.8	82.3	100.9	61.8	43.6
Long-term debt	4.5	4.1	4.1	10.2	7.5	7.2	60.0	44.7	25.4
Other liabilities	2.8	2.3	2.0	b	b	b	3.6	7.0	5.9
Capital reserves	b	b	.2	6.5	6.7	1.8	1.8	2.1	2.1
Preferred stock	42.3	42.8	42.3	41.4	44.0	43.0	50.2	42.6	41.4
Common stock	144.9	172.6	177.4	197.0	196.8	221.8	264.6	270.4	260.4
Surplus	47.0	35.0	60.2	64.8	81.8	110.7	63.9	50.1	73.1
Sales ^c	319.9	345.2	406.1	496.1	547.2	682.3	746.5	599.4	656.0
Net income	21.5	27.8	40.5	38.0	34.0	45.6	23.6	-6.5	47.1
Cash dividends	11.6	12.9	14.3	18.1	18.8	19.3	22.0	15.3	15.2
Annual rate of depreciation ^d	..	4.6%	5.8%	6.6%	5.9%	6.8%	6.3%	3.9%	5.5%

^a In 1914 data for one corporation were not available. Inflated, as described in Appendix B, p. 91.

^b Zero or less than \$50,000.

^c Estimated for missing corporations using ratio of sales to total assets of corporation for which data were available.

^d Annual rate of depreciation obtained by dividing depreciation charge of companies reporting depreciation by the net property assets of the preceding year end.

TABLE 13-73 MEDIUM AND SMALL MANUFACTURING CORPORATIONS,
Composite Balance Sheet and Income Statement Items, 1916-22^a
(in thousands)

<i>Item</i>	<i>1916</i>	<i>1917</i>	<i>1918</i>	<i>1919</i>	<i>1920</i>	<i>1921</i>	<i>1922</i>
Cash	\$ 864	\$ 602	\$1,101	\$1,126	\$1,728	\$1,206	\$1,460
Receivables	4,349	4,207	4,145	5,620	6,230	4,579	5,801
Inventory	4,244	6,855	7,159	6,919	9,190	8,847	7,750
Total current assets	9,457	11,664	12,405	13,665	17,148	14,632	15,011
Investments	712	1,416	2,516	3,172	4,793	3,773	3,881
Fixed property (net)	10,960	12,194	12,848	12,968	17,150	18,878	18,974
Other assets	284	137	156	300	497	323	342
TOTAL ASSETS ^b	21,413	25,411	27,925	30,105	39,588	37,606	38,208
Notes and accounts payable	2,067	3,665	3,355	3,988	4,952	5,534	4,046
Other current liabilities	152	914	1,210	800	1,347	846	737
Total current liabilities	2,219	4,579	4,565	4,788	6,299	6,380	4,783
Long-term debt	1,623	1,290	1,172	1,238	1,743	1,616	2,820
Other liabilities	220	272	295	178	162	1,353	807
Net worth ^b	17,351	19,270	21,893	23,901	31,384	28,257	29,798
Sales	22,103	26,053	31,270	35,288	49,156	28,883	33,497
Depreciation ^c	814	823	805	863	1,041	1,101	1,178
Net income ^d	3,922	3,467	3,165	3,621	6,460	-1,258	385
Cash dividends ^d	1,083	1,625	1,424	1,358	1,494	1,011	1,541

^a In 1916 and 1917 balance sheets were not available for 6 and 2 corporations respectively. Inflated, as described in Appendix B, p. 91.

^b Exclusive of intangibles.

^c Estimated, using ratio of depreciation to fixed assets for companies reporting depreciation.

^d Data not available for 5 corporations in 1916 and for 1 corporation in 1917 and 1918.

TABLE 14—30 MEDIUM AND SMALL TRADE CORPORATIONS,
Composite Balance Sheet and Income Statement Items, 1916-22 ^a
(in thousands)

<i>Item</i>	<i>1916</i>	<i>1917</i>	<i>1918</i>	<i>1919</i>	<i>1920</i>	<i>1921</i>	<i>1922</i>
Cash	\$ 191	\$ 216	\$ 185	\$ 258	\$ 264	\$ 251	\$ 276
Receivables	1,084	1,020	1,065	1,285	1,297	1,255	1,343
Inventory	1,465	1,870	2,128	2,225	2,214	1,908	1,860
Total current assets	2,740	3,106	3,378	3,768	3,775	3,414	3,479
Investments	11	86	184	209	239	233	183
Fixed property (net)	731	865	866	928	1,033	1,096	1,128
Other assets	8	14	15	28	23	22	55
TOTAL ASSETS	3,490	4,071	4,443	4,933	5,070	4,765	4,845
Notes and accounts payable	797	1,054	1,341	1,484	1,570	1,248	1,235
Other current liabilities	20	81	61	84	35	82	44
Total current liabilities	817	1,135	1,402	1,568	1,605	1,330	1,279
Long-term debt	35	5	10	10	34	81	88
Other liabilities	^c	1	^c	1	13	12	3
Net worth ^b	2,638	2,930	3,031	3,354	3,418	3,342	3,476
Sales	8,919	10,703	11,713	14,666	17,849	13,211	12,718
Depreciation ^d	28	49	36	49	66	72	77
Net income ^e	347	463	335	455	92	90	182
Cash dividends ^f	152	227	221	192	278	183	138

^a In 1916 balance sheets were not available for 8 corporations; in 1917 and in 1918 for 1 corporation. Inflated, as described in Appendix B, p. 91.

^b Exclusive of intangibles.

^c Between zero and \$500.

^d Estimated, using ratio of depreciation to fixed assets for companies reporting depreciation.

^e Data not available for 5 companies in 1916, 2 in 1917 and 1 in 1918.

^f Data not available for 6 companies in 1916, 2 in 1917 and 1 in 1918.

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*(Resolution adopted October 25, 1926,
and revised February 6, 1933, and February 24, 1941)*

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