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Volume Author/Editor: Moses Abramovitz

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Chapter Author: Moses Abramovitz

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APPENDIX D

Calculation of Value of Goods in Process Held in Continuous, Discontinuous, and Mixed Industries, 1939

The calculation was in three steps:

- 1) To compute average ratios of goods in process to total stocks in the three categories, each industry in the augmented FTC sample (App. C) was assigned to one of the three categories. Decisions were based on our opinion of the dominant characteristics of firms in each industry. Ratios of goods in process to total stocks for the various industries in each category (see Table 103) were weighted by the census values of total stocks to obtain a weighted average ratio for each category (Table 104).
- 2) To compute the value of aggregate inventories in the three categories, each census minor industry was similarly assigned to a category. The value of total stocks for each minor industry on December 31, 1939 was taken from the Census of Manufactures, 1939. No adjustment was made for the slight degree of underreporting in most industries (Table 105).
- 3) To estimate the value of goods in process in each category, the ratios in Table 104, last line, were applied to the census values of total stocks in each category as shown in Table 105, line 11. The results appear in Table 41.

TABLE 104
 Computation of Average Ratios of Goods in Process to Total
 Manufacturers' Inventories for Continuous, Discontinuous,
 and Mixed Industries, December 31, 1939

INDUSTRY (1)	CONTINUOUS		DISCONTINUOUS		MIXED	
	Ratio of goods in process to total stocks in sample (%) (2)	Census value of total stocks in ind. (\$ mil.) (3)	Ratio of goods in process to total stocks in sample (%) (4)	Census value of total stocks in ind. (\$ mil.) (5)	Ratio of goods in process to total stocks in sample (%) (6)	Census value of total stocks in ind. (\$ mil.) (7)
<i>Food, beverages & tob.</i>						
Baking powder	1.7	26				
Beet sugar	0.8	85				
Biscuits & crackers	0.5	14				
Cigarettes & tob. prod.			0.2	184		
Cane sugar	1.6	56				
Canning	2.9	197				
Confectionery	10.3	29				
Corn products	7.8	20				
Distilled liquors	1.6	180				
<i>Textiles & textile prod.</i>						
Cotton textiles						
Dyeing & finishing (excl. woolens)					21.9	277
Knitgoods (incl. hosiery)	12.2	34				
Silk					31.3	120
Wool carpets & rugs					21.8	19
Woolens & worsteds					30.7	53
					35.1	162
<i>Leather & leather prod.</i>						
Leather boots & shoes	12.1	97				
<i>Rubber & related prod.</i>						
Rubber prod.	7.4	170				
<i>Lumber & wood prod.</i>						
Furniture						
Lumber & timber			23.1	137		
Matches	36.0	6			1.7	192
<i>Chemicals & allied prod.</i>						
Chemicals (ind.)	15.8	180				
Petroleum	12.7	418				
Rayon & allied prod.	28.9	22				
Soap, cottonseed oil prod. & cooking fats	20.3	147				
<i>Stone, clay & glass prod.</i>						
Clay (other than pot- tery)						
Glass & glassware			11.0	13		
Gypsum & asbestos prod. & roof coating (excl. paint)			8.0	59		
Portland cement			13.0	31		
			10.9	46		

INDUSTRY (1)	CONTINUOUS		DISCONTINUOUS		MIXED	
	Ratio of goods in process to total stocks in sample (%) (2)	Census value of total stocks in ind. (\$ mil.) (3)	Ratio of goods in process to total stocks in sample (%) (4)	Census value of total stocks in ind. (\$ mil.) (5)	Ratio of goods in process to total stocks in sample (%) (6)	Census value of total stocks in ind. (\$ mil.) (7)
<i>Metals & metal prod.</i>						
Iron & steel						
Blast furnaces & steel rolling mill prod.	23.5	784				
Firearms & ammunition			46.5	19		
Gray-iron & malleable iron castings	13.5	36				
Hardware					35.2	42
Heating & cooking apparatus (excl. electric)			17.0	103		
Saws, files & tools			31.9	34		
Steel castings	26.9	24				
Machinery						
Domestic laundry equip.			29.3	10		
Engines, turbines, waterwheels & windmills			47.3	48		
Machine tool accessories & machinists' precision tools					39.2	24
Machine tools	51.2	69				
Pumps, pumping equip. & air compressors					34.1	57
Textile machinery & sewing machines					24.4	47
Nonferrous metals						
Silverware & plated ware			39.0	15		
Transp. equip.						
Aircraft			70.1	98		
Auto parts & accessories			32.5	160		
Automobiles			33.3	410		
Ships	69.4	42				

S U M M A R Y

Census value of total stocks held by industries in sample (\$ mil.)	2636	1367	993
% distribution of above	52.7	27.4	19.9
Weighted av. ratio (%): goods in process to total stocks	16.1	27.3	23.6

TABLE 105
 Manufacturers' Total Stocks by Major Industries
 and by Type of Production Process, December 31, 1939
 (millions of dollars)

	VALUE OF STOCKS BY PRODUCTION PROCESSES OF MINOR INDUSTRIES			
	Con- tinuous	Discon- tinuous	Mixed	Total
1 Food, beverages & tobacco				
Food & kindred products	1362			1362
Tobacco manufactures		184		184
2 Textiles & textile products	422	18	736	1176
3 Leather & leather products	149	114		263
4 Rubber products	170			170
5 Lumber & wood products	103	226	196	525
6 Paper, printing & publishing				
Paper & allied products	218		80	298
Printing & publishing				
7 Chemicals & allied products				
Chemicals	714			714
Products of petroleum & coal	479			479
8 Stone, clay & glass products	40	101	125	266
9 Metals & metal products				
Iron & steel & products (excl. mach.)	855	140	488	1483
Nonferrous metals & their products		439		439
Machinery (incl. electrical)	69	874	468	1411
Transp. equip. (incl. automobiles)	104	521		625
10 Miscellaneous	36	55	146	237
11 Total	4721	2672	2239	9632
12 % of total	49.1	27.7	23.2	100.0

APPENDIX E

Classification of Stocks of Finished Goods
 According to Character and Source of Raw Materials

To judge the relative importance of the various categories of finished goods stocks distinguished in Chapters 11 and 12, census values of stocks in each minor industry as of December 31, 1939 were classified according to the source of their raw materials—agricultural or nonagricultural—and according to their character—perishable or durable and staple. In many cases all the inven-