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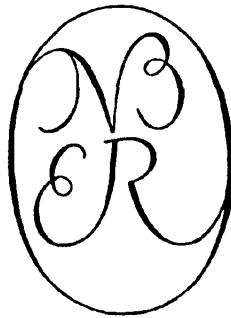
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Capital
and Rates of Return
in Manufacturing Industries

GEORGE J. STIGLER

UNIVERSITY OF CHICAGO



A STUDY BY THE
NATIONAL BUREAU OF ECONOMIC RESEARCH, NEW YORK

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IN MANUFACTURING INDUSTRIES

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

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Preface

CONSIDERING how often our economic system is described as “capitalistic” or “the profit system,” it is paradoxical that we have had relatively little information on the stock of capital or the rate of profits it yields in various industries. Ralph C. Epstein’s book of nearly thirty years ago, *Industrial Profits in the United States* (New York, National Bureau of Economic Research, 1934), was for long the only tolerably comprehensive source, and even now the Federal Trade Commission–Securities and Exchange Commission quarterly reports have important limitations.

I am confident, therefore, that economists will welcome the comprehensive and fairly detailed data on capital and rates of return in all manufacturing industries here presented. Their debt (and mine) is primarily to my two associates who conducted this laborious and difficult work. Mary O. Conlon and Claire Friedland have successively undertaken this responsibility and discharged it with skill and conscientiousness. At various times Nestor Terleckyj, Murray Brown, Arthur D’Antonio, George Friedman, Ann Novick, and Robert V. Goldstein also assisted in this work.

The analytical essays which comprise the larger part of the text apply the data, with varying success, to three traditional problems of economics: the tendency of rates of return to equality, determinants of the rate of investment, and relationships between capital and labor. My debt to Miss Friedland is equally heavy in this work.

Various readers of the manuscript have offered helpful suggestions, and particular acknowledgement is due to Gary S. Becker, Ralph L. Nelson, and Victor Fuchs. I am also indebted to the Directors who reviewed the manuscript, Melvin G. de Chazeau, Murray Shields, and Boris Shishkin.

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GEORGE J. STIGLER