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Part V

Capital Adjustment in Business Enterprises



Chapter 12

Available Figures on Capital Adjustment

CAPITAL ADJUSTMENT AS DEFINED BY ACCOUNTING RECORDS

CHANGES in the value of durable goods, not arising from current production or new investment, are recorded by entries representing:

- 1) Retirements and abandonments
- 2) Write-ups and write-downs of capital assets
- 3) Gains and losses on the sale of capital assets

All three entries may be grouped together, if we may stretch an accounting term, as 'capital (or surplus) adjustments', entries not considered relevant to the computation of current net profit or loss or of current capital consumption.

Data on capital adjustment, as just defined, are scarcer than other records of capital consumption. Retirements and abandonments are available for merely a few companies, and are not reported consistently even by them. Gains and losses on sales of capital assets, while collected and published by the Treasury Department for all corporations, relate to investments in stocks and bonds, as well as to property, plant, and equipment. Figures on revaluations of fixed assets by large industrial corporations have only recently been made public in usable form in reports to the Securities and Exchange Commission. Fragmentary though these materials are, however, their significance in measures of capital change prompts their

examination here. Problems of interpretation are considered in the next chapter.

RETIREMENTS AND ABANDONMENTS

We indicated in Chapter 5 that losses (or gains) revealed upon the retirement of assets may be treated, in accounting records, either as current charges (or credits) or as capital charges (or credits). The former practice is followed only when the annual accounts are not seriously distorted thereby. There is implicit acceptance, therefore, of gains and losses on retirements and abandonments as capital adjustment items.

Few data on retirements of fixed assets by business enterprises are available. The only figures we can present are those of steam railways (Table 41). They do not overlap those in Table 12, which represent retirements charged to current operations. The present figures reflect "charges connected

Table 41

Gains and Losses on Road and Equipment, Retired or Sold,
1919-1935

Class I Steam Railways (*Unit: \$1,000,000*)

	GAIN	LOSS	NET LOSS
1919	1.2	5.5	4.3
1920	6.4	10.5	4.1
1921	2.6	11.7	9.1
1922	1.5	33.6	32.1
1923	4.1	19.9	15.8
1924	2.9	20.5	17.6
1925	5.5	26.5	21.0
1926	4.3	26.6	22.3
1927	8.5	28.3	19.8
1928	8.3	24.6	16.3
1929	8.1	44.1	36.0
1930	7.4	39.0	31.6
1931	3.6	33.6	30.0
1932	6.7	25.0	18.3
1933	1.5	54.7	53.2
1934	0.7	70.4	69.7
1935	0.8	69.7	68.9

with the abandonment of lines and retirements of equipment which are not ordinarily chargeable to operating expenses. Included are the losses on property (other than land and equipment) retired and not replaced, and also the depreciation charges applicable to the period prior to July 1, 1907, not previously written off or provided for on equipment retired during the year."¹ The figures cover also gains on retired road and equipment and gains or losses on sales of fixed assets, with which they are combined in the original records.

Owing to the nature of the assets and finances of steam railways, and the control to which they and their accounts are subject, the importance and the time pattern of retirements of industrial property cannot easily be judged from these data.

Table 42

Net Profit or Loss on Sales of Capital Assets, 1929-1935

(Unit: \$1,000,000)

	1929	1930	1931	1932	1933	1934 ²	1935 ²
All enterprises							
Corporate	815	-290	-1,403	-1,563	-1,424	-54	231
Non-corporate ¹	5	-49	-114	-67	-83		
Total	820	-339	-1,517	-1,630	-1,507		
All enterprises other than financial							
Corporate	380	-54	-561	-674	-627	-33	44*
Non-corporate ¹	5	-49	-114	-67	-83		
Total	385	-103	-675	-741	-710		

¹ Estimated in the National Bureau study of national income.

² Not strictly comparable with figures for 1933 and earlier years owing to changes in the income tax law; see text.

* Preliminary estimate.

SALE OF CAPITAL ASSETS

Table 42 suggests the order of magnitude of the net gain or loss resulting from the sale of property, plant, and equipment. Since the gains and losses reported by financial companies relate mainly to investments in stocks and bonds the exclusion

¹ *Statistics of Railways, 1933*, p. 561.

of this group yields figures more closely related to durable tangible goods. Even these figures are inexact for industrial corporations hold a considerable number of investments,² and land is included among capital assets. But on the basis of these figures, we may make a guess as to the magnitude of the gains and losses arising from the sale of fixed tangible assets. At the bottom of the severe depression covered in Table 42, annual net losses did not much exceed a half billion dollars. This figure is not more than 6 or 7 per cent of total depreciation, depletion, and maintenance charges and constitutes about 0.6 per cent of the corresponding capital assets (Table 51).

While the absolute magnitudes of the gains and losses are in doubt, there is reason to believe that Table 42 reflects the kind of movement characterizing the true magnitudes. The net figure became negative in 1930, reaching a maximum negative value in 1932. Between 1932 and 1934 the negative figure was cut in half, and in 1935 the net figure was positive.

The figures for 1934 and 1935 require qualification. The Revenue Act of 1934 limited deductions for capital losses, as follows: "Losses from sales or exchanges of capital assets shall be allowed only to the extent of \$2,000 plus the gains from such sales or exchanges."³ The large decline in losses between 1933 and 1934 may therefore reflect, to a considerable extent, the limitations imposed by this provision of the law. However, it is clear from the increase in the profits on sales of capital assets of those companies reporting net gains, between 1933 and 1934, that the direction of movement was upward, that is, toward smaller losses or even profits.⁴

² See the balance sheet aggregates published in *Statistics of Income*.

³ Sec. 117 (d). This limitation is qualified in the case of certain securities sold by certain banks or trust companies.

⁴ Separate figures are available on net gains of companies reporting net gains, and net losses of companies reporting net losses. We have confined our attention to the net difference between these because the figures for both profits and losses are themselves net.

REVALUATIONS OF FIXED ASSETS OF LARGE INDUSTRIAL CORPORATIONS

We turn now to the available material bearing on asset revaluations, write-ups and write-downs in 1925-34 inclusive, derived from reports made to the Securities and Exchange Commission. The data are confined to 272 large industrial corporations for the whole period and to 355 corporations for 1929-34 (Table 43);⁵ public utilities, finance, and real estate corporations are not included.⁶

Table 43

Write-ups and Write-downs of Property, Plant, and Equipment, 1925-1934

272 Large Industrial Corporations¹ (Unit: \$1,000)

	WRITE-UPS	WRITE-DOWNS	NET WRITE-UPS
1925	28,309	12,813	15,496
1926	65,944	24,356	41,588
1927	23,248	16,432	6,816
1928	26,255	68,429	-42,174
1929	14,359	128,578	-114,219
1930	24,392	16,723	7,669
1931	5,924	194,686	-188,762
1932	23	251,468	-251,445
1933	123	117,315	-117,192
1934	77	117,426	-117,349

¹ If we restrict ourselves to 1929-34, it is possible to increase the sample to 355 companies:

	WRITE-UPS	WRITE-DOWNS	NET WRITE-UPS
1929	16,064	139,705	-123,641
1930	25,171	18,789	6,382
1931	6,863	205,715	-198,852
1932	633	287,491	-286,858
1933	247	154,918	-154,671
1934	789	129,800	-129,011

The conformity of revaluations to the state of general business is quite rough. However, the largest negative figures are

⁵ Revaluations of land are included, probably more than in proportion to their importance in the total of property, plant, and equipment. However, there is reason to expect that the resulting inflation is not serious.

⁶ The sample is described in the note to this chapter.

those in 1931-34, while in four of the six preceding years net revaluations were upward. The large write-downs in 1929 are accounted for chiefly by one company, the United States Steel Corporation. Of the 129 million dollars (Table 43) 113 million were reported by it. The aggregates are thus clearly subject to large erratic movements due to the action of one or two

Table 44

Net Write-ups of Property, Plant, and Equipment, 1925-1934
Two Groups of Large Industrial Corporations¹ (Unit: \$1,000)

	153 CORPORATIONS	119 CORPORATIONS	TOTAL
1925	-2,241	17,737	15,496
1926	-17,394	58,982	41,588
1927	5,509	1,307	6,816
1928	2,612	-44,786	-42,174
1929	1,255	-115,474	-114,219
1930	4,685	2,984	7,669
1931	-91,355	-97,407	-188,762
1932	-236,263	-15,182	-251,445
1933	-60,984	-56,208	-117,192
1934	-59,653	-57,696	-117,349

¹ A third group of 83 corporations is available since 1928 (cf. Table 43, footnote):

1929	-9,422	1931	-10,090	1933	-37,479
1930	-1,287	1932	-35,413	1934	-11,662

large concerns. The same corporation (U. S. Steel) reported write-downs in 1935 of 270 million dollars. This amount is probably sufficient, if we covered that year, to mark it as the low point, in terms of net write-ups.⁷

The random influences mentioned are revealed also if we divide the 272 corporations into two groups (Table 44).⁸ For

⁷ If it were possible to separate out write-downs of intangibles from the 1929 and 1935 figures for U. S. Steel the magnitude of the erratic movements mentioned would be reduced greatly.

⁸ The group of 153 corporations is that examined in National Bureau *Bulletin* 62 (Revaluations of Fixed Assets, 1925-1934). The other 119 companies have been added to the sample since the publication of this *Bulletin*.

the second group, 119 corporations, large net write-downs are revealed for 1928 and 1929. For both groups, in each year, 1931-34, the figures are negative; in four of the preceding six years they are positive.

The large influence exerted by huge corporations is avoided if we consider the number of companies reporting revaluations

Table 45

Corporations reporting Revaluations of Property, Plant, and Equipment, Number, 1925-1934¹

	TOTAL		153 CORPORATIONS		119 CORPORATIONS	
	Write-ups	Write-downs	Write-ups	Write-downs	Write-ups	Write-downs
1925	12	10	4	9	8	1
1926	13	13	4	8	9	5
1927	14	11	7	7	7	4
1928	16	16	13	6	3	10
1929	12	15	7	6	5	11
1930	8	23	4	8	4	15
1931	4	48	3	24	1	24
1932	1	55	..	30	1	25
1933	2	44	..	22	2	22
1934	1	27	1	13	..	14

¹ The sample of 83 corporations, previously mentioned but not included above, shows the following figures for the period since 1928:

	WRITE-UPS	WRITE-DOWNS		WRITE-UPS	WRITE-DOWNS
1929	4	8	1932	2	15
1930	3	4	1933	1	23
1931	2	10	1934	2	14

in each year, rather than the amount of revaluations. Table 45 shows smaller random fluctuations than does Table 44. While it is, of course, the *amount* of write-up or write-down that is significant in the measurement of capital adjustment and capital change, it must not be forgotten that our figures are confined to a sample of large companies. If we attempt to draw, from the sample, any conclusions as to all business concerns, the data on *number* of companies making revaluations are of some use.

The importance of revaluations may be measured in rela-

tion to the corresponding assets.⁹ The ratio for each industrial group is given in Table 46.¹⁰

Write-ups of property account were surprisingly small, the total for the decade falling well below depreciation charges for one year, except in the construction industry and in three manufacturing subgroups.

Total write-downs were exceeded by write-ups of property, plant, and equipment, in only three industrial groups: beverages, leather, and printing. This preponderance of write-downs accords with what we know of the economic history of the period 1925-34. Write-ups during and immediately following the War may have exceeded write-downs, but that period lies outside the scope of the records analyzed here.

In percentages of the corresponding asset values in 1934, write-downs of property and equipment slightly exceeded 10 per cent. Even on a per annum basis they were appreciable compared with depreciation. But their significance is also measured by the total for the decade, since their cumulative effect on book values is important.¹¹

The ratios vary considerably from one industry to another, and are influenced, as suggested earlier, by revaluations of one or two large companies in some of the groups. Examination of

⁹ The importance of the revaluations is judged here in relation to the net book value of the corresponding assets at the end of 1934. Since some of the revaluations consisted of writing-off a large portion of the property account, the ratios derived may sometimes be very large. (When an asset is entirely written-off, as intangible assets often are, the ratio will be infinity; see *Bulletin 62*.) It would perhaps have been preferable to compare the amount of revaluations with the book value of the corresponding asset before revaluation. But the ratios used here are adequate for our purpose, and were considerably less difficult to obtain.

¹⁰ Any inclusion of land values in the property account tends to be balanced by a corresponding inclusion of revaluations of land.

¹¹ The totals are not *exact* measures of the cumulative effects, for depreciation and depletion charges eventually wipe out the book value of the particular asset affected and thus render revaluations of merely passing influence on book values. (For such tangible property as land the situation is otherwise.) But most of the revaluations occurred during the second five years of the decade under inspection.

Table 46

Total Write-ups and Write-downs of Property, Plant, and Equipment, 1925-1934, in Relation to the Net Book Values of the Corresponding Assets in 1934

By Industries

	NUMBER OF CORPORATIONS IN SAMPLE	AGGREGATE		
		Write-ups	Write-downs	Net write-ups
<i>Industrial group</i>				
<i>(as a percentage of net book value of assets)</i>				
Mining	19	2.8	7.3	-4.5
Manufacturing	213	1.8	10.9	-9.1
Construction	6	31.6	36.1	-4.5
Trade	27	2.5	3.1	-0.6
Service	7	3.1	4.1	-1.0
Grand total	272	2.0	10.2	-8.2
<i>Manufacturing subgroup</i>				
Foods	17	2.3	15.7	-13.4
Beverages	3	5.8	...	5.8
Tobacco	9	...	14.3	-14.3
Textiles	24	4.1	29.6	-25.5
Leather	8	25.4	23.6	1.8
Rubber	9	0.3	5.5	-5.2
Lumber	3	1.9	7.9	-6.0
Paper	12	0.9	8.4	-7.5
Printing and publishing	5	16.3	5.1	11.2
Petroleum	13	4.4	21.7	-17.3
Chemicals	15	0.9	9.2	-8.3
Drugs	4	2.3	2.5	-0.2
Stone, clay, and glass	11	0.8	10.4	-9.6
Iron and steel	15	0.5	5.8	-5.3
Nonferrous metals	10	1.5	3.7	-2.2
Machinery	20	0.1	5.9	-5.8
Automobiles and accessories	13	0.5	18.6	-18.1
Misc. metals	15	12.9	33.7	-20.8
Misc. manufacturing	7	0.3	19.3	-19.0
Total manufacturing	213	1.8	10.9	-9.1

the frequency distribution of the ratios, each company counting as one item, indicates how representative the averages are. The distributions also raise questions concerning the nature

Table 47

Net Write-ups of Property, Plant, and Equipment, 1925-1934,
as Percentages of the Net Book Values of the Corresponding
Assets in 1934

*Frequency distribution by sizes of percentages—Each corporation
counts as one item*

	50.0 AND OVER	40.0 TO 49.9	30.0 TO 39.9	20.0 TO 29.9	10.0 TO 19.9	0.1 TO 9.9	0.0	-0.1 TO -9.9
<i>Industrial group</i>								
Mining	1	..	..	1	..	1	12	1
Manufacturing	4	2	5	1	3	11	84	26
Construction	..	1	..	..	..	1	1	1
Trade	..	..	..	..	..	..	17	4
Service	..	..	..	1	..	1	1	1
Grand total	5	3	5	3	3	14	115	33
<i>Manufacturing subgroup</i>								
Foods	1	..	..	1	..	2	6	3
Beverages	..	..	1	..	..	..	2	..
Tobacco	..	..	..	..	..	..	7	..
Textiles	..	1	1	..	..	..	10	3
Leather	1	..	..	..	..	..	4	1
Rubber	..	..	1	..	..	..	2	2
Lumber	..	..	..	..	..	..	2	..
Paper	..	..	..	..	..	1	5	2
Printing and publishing	..	1	..	..	..	..	1	2
Petroleum	..	..	..	..	1	..	3	..
Chemicals	..	..	..	..	..	1	8	1
Drugs	..	..	..	..	..	1	2	..
Stone, clay, and glass	..	..	..	..	..	..	5	2
Iron and steel	1	..	1	..	..	3	6	2
Nonferrous metals	..	..	..	..	1	1	1	3
Machinery	..	..	..	..	1	..	9	2
Automobiles	..	..	..	..	..	1	4	..
Misc. metals	1	..	..	..	..	1	4	2
Misc. manufacturing	..	..	1	..	..	..	3	1
Total manufacturing	4	2	5	1	3	11	84	26

of the underlying forces making for revaluations or their absence (Tables 47 and 48).

It is clear from Table 47 that the revaluations summarized

-10.0 TO -19.9	-20.0 TO -29.9	-30.0 TO -39.9	-40.0 TO -49.9	-50.0 TO -59.9	-60.0 TO -69.9	-70.0 TO -79.9	-80.0 TO -89.9	-90.0 TO -99.9	-100.0 AND UNDER	TOTAL NUMBER
1	1	..	..	..	..	..	..	..	1	19
12	12	13	4	4	5	7	2	4	14	213
1	1	..	..	..	..	..	..	..	..	6
1	..	1	1	..	1	..	1	..	1	27
2	..	..	..	..	..	..	..	..	1	7
17	14	14	5	4	6	7	3	4	17	272
1	..	1	1	1	..	..	..	..	..	17
..	..	..	..	..	..	..	..	..	..	3
..	..	1	..	..	..	..	..	1	..	9
1	1	2	..	..	2	..	..	..	3	24
..	..	..	..	..	1	..	..	1	..	8
3	..	..	..	..	..	..	..	..	1	9
..	..	..	..	..	..	..	..	..	1	3
1	..	..	1	1	..	..	..	1	..	12
1	..	..	..	..	..	..	..	..	..	5
1	2	1	..	..	..	1	1	..	3	13
..	2	1	..	..	..	..	..	..	2	15
..	1	..	..	..	..	..	..	..	..	4
..	1	1	1	1	..	..	..	..	..	11
1	..	1	..	..	..	..	..	..	..	15
..	..	3	..	..	..	1	..	..	..	10
1	2	1	..	..	..	2	..	1	1	20
1	1	..	1	1	1	2	..	..	1	13
1	1	1	..	..	..	1	1	..	2	15
..	1	..	..	..	1	..	..	..	..	7
12	12	13	4	4	5	7	2	4	14	213

in Table 46 represent revaluations by little more than one-half of the corporations in the sample. Thirty-three of the corporations reporting revaluations reported net write-ups;

91 reported net write-downs exceeding 10 per cent of the 1934 book value. Extreme net revaluations (greater than 30 per cent of book value) were made by 73 companies, 13 upward and 60 downward. The large scatter in the relative amounts of revaluation is characteristic of each industrial division.

Table 48

Revaluations of Property, Plant and Equipment, 1925-1934, as Percentages of the Net Book Values of the Corresponding Assets in 1934

Frequency distributions by sizes of percentages—Each corporation counts as one item

PERCENTAGE	WRITE-UPS	WRITE-DOWNS
0.0	206	132
0.1 to 9.9	32	36
10.0 to 19.9	5	18
20.0 to 29.9	5	13
30.0 to 39.9	6	16
40.0 to 49.9	4	6
50.0 to 59.9	2	4
60.0 to 69.9	3	10
70.0 to 79.9	1	8
80.0 to 89.9	..	3
90.0 to 99.9	1	5
100.0 and over	7	21
Total number	272	272

In Table 48 we distinguish between gross write-ups and gross write-downs. This enables us to determine to what extent the net figures in Table 47 are the result of the balancing of write-downs against write-ups within individual companies. Of 66 companies reporting write-ups (Table 48), 33 also reported write-downs sufficient in size to balance or over-balance the write-ups, leaving only 33 with net write-ups (Table 47). Of 140 concerns that reported write-downs (Table 48), only 16 reported write-ups of sufficient amount to balance or over-balance their write-downs.

REVALUATIONS OF FIXED ASSETS OF PUBLIC UTILITIES

A considerable body of data on revaluations of public utility property has been compiled by the Federal Trade Commission.¹² These revaluations, as reported by the Commission, are huge. "Write-ups, improperly capitalized intangibles, and inflation" included in the capital assets of a sample of holding, subholding, and operating companies in the electric and gas fields totaled, gross, 1,491 million dollars on the final dates of examination.¹³ In relation to corresponding capital assets, write-ups were 9.6 per cent for the holding companies, 16.5 per cent for the subholding companies, and 22.1 per cent for the operating companies.¹⁴

The size of these figures prompts our interest. But it is impossible to make use of them for our present purpose. The most serious objection is to the indefinite time-span that they cover. The final dates of the examined records of the companies run from December 31, 1927 to December 31, 1933.¹⁵ Initial dates of the examined records are much more scattered. Some of the records covered begin in 1901; others as late as 1926 and 1929.¹⁶ The revaluations noted occurred during pre-War years, the World War and the last decade and a half.¹⁷ Still another difficulty lies in the scope of 'capital assets'. These include, among utilities, investments in securities of subsidiaries and in intangibles, as well as in tangible fixed plant and equipment. The capital assets of the holding and subholding companies are almost entirely securities.¹⁸ And among the operating companies an appreciable portion of capital assets consists of franchises, organization expense, services rendered by promoters,

¹² *Senate Document 92*, 70th Cong., 1st Sess.

¹³ *Op. cit.*, *Report No. 72A*, p. 302.

¹⁴ *Ibid.*, pp. 185, 189.

¹⁵ *Ibid.*, pp. 181-3, 187-8.

¹⁶ *Ibid.*, p. 193.

¹⁷ Examples: 1913 write-up (*Report No. 45*, pp. 1902, 1897); 1916 write-up (*Report No. 35*, pp. 232-4); 1930 write-up (*Report No. 29*, pp. 92, 96).

¹⁸ *Report No. 72A*, pp. 183-4.

bond discounts, premiums and expenses, etc.¹⁹ The revaluations mentioned, therefore, are often of intangibles, probably more than in proportion to their importance in capital assets.²⁰ Finally, among the write-ups the Federal Trade Commission includes inter-company profits on the sale of fixed assets. These, however, we have classified among gains on the sale of capital assets. For these various reasons, the above body of data cannot be used here.²¹

¹⁹ For example, *Report No. 46*, p. 1519.

²⁰ This is true of industrials (see *Bulletin 62*); but for this group the figures are available separately, with very few exceptions, and have been eliminated from tables in this chapter.

²¹ These remarks apply, also, to the data on revaluations by natural gas utilities, *Report No. 84A*.

Note: SOURCES AND METHODS OF ESTIMATION

RETIREMENTS AND ABANDONMENTS

The data on steam railway retirements and sales are taken from the annual *Statistics of Railways* published by the Interstate Commerce Commission.

PROFITS AND LOSSES ON SALES OF CAPITAL ASSETS

Profits and losses for 1930-35 (and profits for 1929) are derived from *Statistics of Income* and from special tabulations prepared by the Treasury Department. The 1929 losses are Department of Commerce estimates based on the assumption that for most industrial groups 1929 losses equalled 0.53433 of 1930 losses.

REVALUATIONS OF FIXED ASSETS OF LARGE CORPORATIONS

Our analysis is based on data derived from reports made by listed industrial corporations to the Securities and Exchange Commission. As sworn statements, certified by public accountants, and made in reply to a uniform and specific question, they lend themselves readily to summary.

The question concerning write-ups and write-downs, which appears in 'Form 10, Application for Registration Pursuant to Section 12 (b) and (c) of the Securities Exchange Act of 1934', is as follows:

"If, since January 1, 1925, there have been any increases or decreases in *investments*, in *property*, *plant* and *equipment* or in *intangible assets*, resulting from substantially revaluing such assets, state:

- (1) In what year or years such revaluations were made.
- (2) The amounts of such write-ups or write-downs, and the accounts affected, including the contra entry or entries.
- (3) If, in connection with such revaluations, any adjustments were made in related reserve accounts, state the accounts and amounts, with explanations."

The 'Instruction Book for Form 10 for Corporations', in explanation of this question, states:

"These items do not refer to adjustments made in the ordinary course of business, but only to major revaluations made

for the purpose of entering in the books current values, reproduction costs, or any values other than original cost."

Our study is confined to an examination of reports of large industrial concerns (mining and manufacturing chiefly, with a few from trade, construction, and service) covering 1925-34, inclusive. The companies were chosen at random from the file of S.E.C. reports of the New York Stock Exchange, New York Curb Exchange, and Chicago Stock Exchange, and therefore include only corporations listed on these. Consolidated reports, rather than the individual reports of related companies, were used wherever possible. The sample is essentially one of large companies only, since most listed corporations are big.

The data are further limited in that only solvent companies in existence in 1934 are included. Revaluations of assets made by corporations prior to consolidation or liquidation are omitted. While they may reach large amounts per company, the number of concerns is small. Still another qualification, related to the preceding, is that only the history of the existing legal entity is fully covered.²² In our analysis corporations coming into existence after 1925 were singled out from those incorporated prior to 1925 and eliminated from the sample to avoid the statistical errors that might otherwise arise.

The size of the sample may be judged by a comparison of the assets of the sample corporations with the assets of all corporations, in the comparable industrial groups, in the United States (Table 49). An important reason for the variation in the percentages in the last column is the variation in average size of companies from industry to industry.

²² According to an amendment to the instruction book (Release No. 191, Securities Exchange Act of 1934, April 24, 1935) revaluation by predecessor companies must be included in Form 10 only if: "(1) The registrant is the successor to a predecessor and at the time of such succession continued under substantially the same ownership and control as such predecessor; and (2) the registrant succeeded to: either (a) substantially all the assets of such predecessor; or (b) a substantial portion thereof and such portion was segregated on the books of such predecessor." It seems that before the date of this amendment there was no requirement that entries in the books of predecessors should be reported, and in fact they were omitted from most reports.

Table 49

Relative Importance of Sample used in studying Revaluations, as measured by Book Value of Property, Plant, and Equipment, 1934

	SAMPLE CORPORATIONS	ALL REPORTING CORPORATIONS ¹ (\$1,000,000)	SAMPLE AS PER- CENTAGE OF ALL CORPORATIONS
<i>Industrial group</i>			
Mining	641	5,464	11.7
Manufacturing	8,145	22,889	35.6
Construction	39	468	8.3
Trade	504	3,672	13.7
Service	230	5,088	4.5
Grand total	9,560	37,581	25.4
<i>Manufacturing subgroup</i>			
Foods	639	2,419	26.4
Beverages	17	453	3.8
Tobacco	46	86	53.5
Textiles	149	1,844	8.1
Leather	50	187	26.7
Rubber	264	389	67.9
Lumber	66	1,271	5.2
Paper	270	1,042	25.9
Printing and publishing	47	753	6.2
Chemicals	1,884	5,142	36.6
Stone, clay, and glass	208	1,002	20.8
Metals	4,401	7,792	56.5
Misc. manufacturing	106	509	20.8
Total manufacturing	8,145	22,889	35.6

¹ SOURCE: *Statistics of Income for 1934*