

7.—Analysis of Operating Profits for 628 Companies, 1936-42—concluded

NET INCOME TO STOCKHOLDERS—concluded

Item	No. of Companies	1936	1937	1938	1939	1940	1941	1942	
								Net Income to Stockholders	Of Which— Forced Saving
								p.c.	p.c.
Iron, steel and products (excl. machinery).....	46	6.1	11.9	9.2	13.5	13.6	15.1	15.9	2.0
Machinery.....	57	5.9	12.5	9.3	7.2	11.7	17.8	20.7	3.3
Gold mining.....	40	39.3	41.5	44.2	43.8	41.2	36.3	29.2	
Other non-ferrous metals (excl. electrical) ⁴	18	65.5	96.5	71.0	87.6	85.8	95.1	90.1	2.0
Electrical machinery and equipment.....	23	4.1	7.3	6.2	6.2	6.7	7.3	8.6	1.6
Coal and petroleum ⁴	27	34.3	37.7	35.5	33.3	29.4	28.9	25.1	—
Non-metallic minerals (excl. fuels).....	20	1.8	4.3	4.6	5.1	4.7	5.3	5.4	0.2
Chemicals.....	32	8.8	10.5	9.4	13.0	11.7	12.4	11.5	0.4
Wholesale trade and service.....	54	3.3	3.8	3.1	4.3	4.4	4.5	5.1	0.5
Retail trade.....	19	4.3	5.3	4.4	5.2	5.4	6.3	7.1	0.6
Retail service.....	15	0.4	0.7	0.9	0.9	1.1	1.6	1.7	0.2
Electric utilities.....	24	19.6	22.5	22.1	23.9	21.0	22.5	24.4	1.3
Communications.....	6	6.9	7.7	8.0	8.1	8.2	9.8	9.9	0.8
Railways.....	1	6.0	9.5	1.3	9.8	20.1	34.4	40.4	—
Other transportation and storage.....	31	-0.4	0.2	-0.4	2.0	3.6	5.2	5.0	0.6
Totals, 628 Companies.....	628	251.4	328.4	268.7	327.8	337.0	379.9	379.4	18.7

¹ The increased rate of excess profits tax (and forced saving) imposed in the 1942 Budget did not go into force until July 1, 1942, and consequently the effect over a full year will not be apparent until 1943 statements are available.

² For purposes of comparability any special capital charges made against income account in company reports have been added back, as well as special inventory reserve provision amounting to 2.5, 8.3, 14.6, 5.2 in the years 1939 to 1942, respectively. Depletion charges as specified in footnote (4) have also been added back into net income to stockholders. Thus profits shown in this table are overstated to the extent that no deductions are made for these factors. See also footnote (3).

³ Includes current bond interest earned but not paid in cash of 2.2, 2.4, 0.6, 1.7, 2.4, 2.3 and 1.9 in the years 1936 to 1942, respectively.

⁴ Depletion charges have been added back into "Net Income to Stockholders" for the years 1936 to 1942 respectively, as follows: pulp and paper, 1.3, 1.7, 1.4, 1.0, 2.0, 2.0 and 2.0; other non-ferrous metals, 2.3, 3.6, 3.3, 3.6, 3.9, 4.2 and 4.0; coal and petroleum, 0.5, 0.8, 0.8, 0.3, 0.4, 0.5 and 0.5. Thus, in these cases, and in other cases such as gold mining, where depletion has not been charged in the accounting statements, profits are over-stated.