

The net income left to stockholders, including the refundable excess profits tax, which was \$223,000,000 in 1936 and \$283,000,000 in 1939 reached a maximum of \$301,000,000 in 1942 and in 1945 was actually only \$273,000,000. The cash dividends paid to stockholders were much less in 1944 and 1945 than they were in 1939, although undistributed profits were, in consequence, that much larger. Depreciation items, which one would naturally expect to be much heavier in view of the intensified operations and the much greater wear and tear on plant, did not show a trend unduly out of line. They did show, however, a gradual upward movement from \$117,000,000 in 1939 to \$191,000,000 in 1942 and a decrease to \$147,000,000 in 1945. Part of the increase in the earlier years of the War of 1939-45 was accounted for by the increased capital investment in plant during those years. This latter item was \$98,000,000 in 1939 and \$155,000,000 in 1941, after which it decreased to \$77,000,000 in 1943 and was up again to \$150,000,000 in 1945.

### 7.—Financial Statistics Showing Source and Use of Funds for 709 Industrial Companies, 1936-45

(In Millions of Dollars)

NOTE.—The sample includes all those companies with 1941 assets over \$200,000 for which consistent reports were available in sufficient detail for the period 1936-45. This statement, compiled by the Bank of Canada, is designed to show net cash received from all sources and paid out for all purposes: revaluations or purely bookkeeping transactions which affect items of the balance sheet, particularly plant, property and equipment, preferred and common stock outstanding and, in a few instances, funded debt, are not reflected in the statement. Figures are for the respective fiscal years ended nearest to Dec. 31 of the year stated.

Item	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
<b>Source of Funds</b>										
Net income to stockholders (including refundable excess profits tax).....	223	285	235	283	278	300	301	281	270	273
Cash dividends.....	-182	-216	-229	-220	-221	-221	-205	-194	-192	-190
Undistributed profits (including refundable excess profits tax).....	41	69	6	63	57	79	96	87	78	83
Depreciation charges <sup>1</sup> .....	106	113	110	117	140	170	191	185	157	147
Other non-cash charges against current income <sup>2</sup> .....	4	2	2	3	1	4	3	2	2	2
Totals, Funds from Current Income..	151	184	118	183	198	253	290	274	237	232
Issue of common stock.....	10	15	14	9	9	6	4	-1	8	20
<b>Totals, Net Sources of Funds..</b>	<b>161</b>	<b>199</b>	<b>132</b>	<b>192</b>	<b>207</b>	<b>259</b>	<b>294</b>	<b>273</b>	<b>245</b>	<b>252</b>
<b>Use of Funds</b>										
Investment in plant, property and equipment.....	-69	-135	-100	-98	-121	-155	-126	-77	-98	-150
Investment in inventories.....	-37	-56	20	-51	-121	-138	-18	-52	43	19
Investment in other companies.....	-7	-6	18	-23	5	-	7	3	-4	-3
Investment in refundable excess profits tax.....	-	-	-	-	-	-	-20	-34	-28	-26
Redemption of funded debt.....	-13	-16	-16	16	-22	-25	-26	-14	-22	7
Redemption of preferred stock.....	-2	-2	-1	5	-2	-2	-	-5	-2	-10
Increase in miscellaneous liabilities (less miscellaneous assets) <sup>3</sup> .....	-11	-4	-15	-8	13	15	15	-	-19	-40
Totals.....	-159	-219	-94	-191	-248	-305	-168	-179	-130	-203
Increase in working capital, excluding inventories.....	-2	20	-38	-1	41	46	-126	-94	-115	-49
<b>Totals, Net Uses of Funds.....</b>	<b>-161</b>	<b>-199</b>	<b>-132</b>	<b>-192</b>	<b>-207</b>	<b>-259</b>	<b>-294</b>	<b>-273</b>	<b>-245</b>	<b>-252</b>

<sup>1</sup> Includes depletion and deferred development.

<sup>2</sup> Includes amortization of bond discount.

<sup>3</sup> After adjustment relating to tax accruals and other transactions of previous years.