

deducting the amount paid for interest on borrowed money. No item of expense for investments outside the manufacturing business, however, was reported.

The amounts in Table 13 are shown in the form of percentages in Table 14, which follows:

TABLE 14.—PERCENTAGES OF MANUFACTURING PROFIT AND FINAL PROFIT ON CAPITAL EMPLOYED AND ON NET SALES, BY GROUPS AND COMBINATIONS OF GROUPS OF ESTABLISHMENTS.

[For definition of terms "Manufacturing profit" and "Final profit" see p. 39.]

Establishments.	Groups.	Number of establishments.	Manufacturing profit on—		Final profit on—	
			Capital employed.	Net sales.	Capital employed.	Net sales.
			<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
All reporting.....	I to VIII.....	65	21.01	6.78	19.35	6.24
In New York City.....	I to IV.....	43	20.71	6.64	19.23	6.17
Outside New York City.....	V to VIII.....	22	21.53	7.04	19.55	6.39
Having net sales of—						
Less than \$100,000.....	I and V.....	21	16.27	4.96	15.21	4.64
\$100,000 and less than \$200,000.....	II and VI.....	20	16.41	5.20	15.70	4.97
\$200,000 and less than \$400,000.....	III and VII.....	15	22.32	6.74	21.02	6.35
\$400,000 and over.....	IV and VIII.....	9	23.30	8.02	20.85	7.17
In New York City having net sales of—						
Less than \$100,000.....	I.....	14	12.10	3.82	11.14	3.52
\$100,000 and less than \$200,000.....	II.....	12	24.66	6.00	24.77	6.03
\$200,000 and less than \$400,000.....	III.....	11	19.89	6.24	19.09	5.99
\$400,000 and over.....	IV.....	6	21.90	7.95	19.36	7.03
Outside of New York City having net sales of—						
Less than \$100,000.....	V.....	7	25.77	7.32	24.51	6.95
\$100,000 and less than \$200,000.....	VI.....	8	9.62	4.05	8.24	3.47
\$200,000 and less than \$400,000.....	VII.....	4	28.47	7.85	25.94	7.15
\$400,000 and over.....	VIII.....	3	25.94	8.13	23.66	7.41

The above table shows that, on an average, greater percentages of profit were earned by the larger establishments. The interesting fact is disclosed that the percentage of profit increased from the groups of smaller establishments to the groups of larger establishments, and this is true both when the capital invested and when the net sales are used as bases for calculating the percentage. The percentage of manufacturing profit, based on capital employed in business, increased from 16.27 per cent in the groups having net sales of less than \$100,000 during the year to 23.3 per cent in the groups having net sales of \$400,000 and over; and based on net sales, the percentage increased from 4.96 with the smaller establishments to 8.02 with the larger establishments. If the groups of establishments in New York City be examined separately, nearly the same regularity of increase will be seen, but there is no such regularity about the groups of establishments outside that city.

In Table 14 it will be seen that the profit on capital employed in business was three or four times as much as the profit on net sales. The percentages of manufacturing profit of all of the 65 establishments reporting, Groups I to VIII, were: On capital employed in business, 21.01; on net sales, 6.78.

The reports received during this investigation show great differences in the percentage of profit earned by muslin-underwear establishments. The fact that an establishment made a very small profit or had a loss may have been due to several causes, such as (a) poor shop management, (b) poor designing, (c) poor cost-finding system,