In 1948 the American Brakeblok Division had the largest dollar sales volume in its history. Net sales were more than $8,700,000; however, the profit realized, while an improvement over 1947, was not as large as it should have been, particularly when compared with pre-war years.

	1948	1947	1946	1940	1939
Net Sales	$8,704,500	$7,959,500	$8,226,900	$2,924,300	$2,458,300
Net Profit Before Taxes	539,800	175,800	1,322,600	564,300	455,300
Percent of Net Sales	6.2%	2.2%	16.2%	19.3%	18.5%

This condition was attributable to brake lining selling prices not having been increased in proportion to the increases in costs and also to a reduction in the relative sales volume in the profitable replacement field as compared to the original equipment volume.

Original equipment selling prices were increased 10% in 1946, 3% in 1947 and 13.5% in 1948. Replacement selling prices for brake lining were increased 6% in 1946, 6% in 1947 and 10% in 1948. At year-end, original equipment prices were up 28.6% and replacement prices 23.5% over O.P.A. prices.

Replacement sales improved considerably over 1947, but the relative replacement volume is still not large enough to compensate for the low-profit original equipment volume.

Brake lining sales break down as follows for 1948:

	Percent of Total Brake Lining Sales	Percent Profit Before Taxes (Includes LIFO)
Pressed Materials		
Original Equipment	11%	15.5%
Replacement	17%	7.4%
Total	28%	10.5%

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