

salesman sells little or big bills; his salary goes on and his expense goes on. Rent, heat, light, power, sales department men, and all that, is figured out, as you could find by looking back, continuously from week to week, and there is no work other than jotting it down to figure in this total..

The repair sundries is also arbitrary at \$150.00. The machine shop, however, is available. It appears alongside of "Investment". "Investment" is crossed out, and "Machine shop" written in. There is a reason for that. The time was at the inception of our business when every machine built by us was so much additional added to the value of our plant. In other words, it was like investing more money in it, in the plant, but the time came, when we quit making machines, and then we simply kept them in repair, and we charged that to expense, crossing out "investment" and putting down "Machine Shop" as an expense item.

The material is arrived at on the bases, gross, net. The gross basis is the total amount of pencils packed, as per the packing reports handed in by Miss Eula May Flowers, and the net basis is the total amount, total gross, packed by report of Miss Eula May Flowers less the amount of repacked, of which I have spoken. In this case the gross amount was 2851 gross, net 2830 1/2 gross, the smaller being the net figure. The slats are figured at 22 cents per gross, and that's simply taking the 2830 1/2 gross down to the slat item, and multiplying that by 22 cents, and putting it down to the materials. Then from the figures derived from the packing reports we figure rubbers used, according to the character or grade of the pencil manufactured; 6 1/2 ¢ cheapest, 9 ¢ medium, 14 ¢ high grade. Then comes the tips. The tips