

of 10 gross. Then we look on down this pencil sheet, cut down each and every one of the items accordingly—you will notice in some places I marked some items, "142 1-2 2-10-X"—and so on down the sheet. In this case there were 29 or 30 different items, all of which had to have the prices correctly traced down, extensions correctly made, checked, re-checked, added up, and totaled, and checked back, and there pack had to be deducted, after which the 12 per cent. had to be figured out, and deducted, giving the net value of the production for that week. Then we take the net value of the production that week, and from it take the total amount of expense, and materials used, the expense including labor, rent, light, insurance, and so forth, and, if this expense is greater than the value of the pencils, then the factory has operated that week at a loss. In this case a deficit shows, showing that that week we operated at a loss. The shipments were gotten off down there from this sheet. Those are my initials on the top.

Now, besides the making of this large sheet (Defendant's Exhibit 2) proper, there is in the making of the financial report three other sheets, that I usually make out. Now one of those little sheets, that are usually made—and I want to call your attention to the fact that I didn't typewrite this; I just filled these figures in; I am no typewriter; I can not operate a machine; I have two or three dozen of those every now and then typewritten together, and keep them in blank in my desk; I didn't typewrite those on that day, or any other day; I just filled those figures in those blanks—this is the sheet (Defendant's Exhibit 11), called the comparison sheet between 1912 and 1913, which is nothing more nor less than taking the vital figures, the vital statistics of one week of 1913, and comparing them with the same week of 1912, to see how we have improved or gone backward every week one year apart. Of course the putting of these down involves going back into the proper week in this folder, and getting that out. However, I noticed the week in 1912 corresponding with the week of April 24th in 1913, was a week of 45 hours instead of 50 hours.

In addition to that, I made out two condensed financial reports, (Defendant's Exhibits 43 and 46), that is, give the main figures. I didn't typewrite this sheet, either; as I say, I can not operate a machine. I just filled in the figures, which have to be picked out from this large financial report, fill them in for the week ending—that does not show the date it was made, but it shows for the week ending April 24th, the production in dollars, the total expenditure in dollars, the result, which in this week, as I wrote in "deficit" in dollars; show the shipments, which in this week were very good, and the orders received, which were gotten from that great big sheet. These were enough figures for a director or stockholder of the Company to receive, and are practically the only figures he is interested in. He don't care to hear how much we make of this pencil or that pencil. The only thing he is interested in is dividends, if we are able to give them to him. One of these sheets