



The newsboy's bike is capital

THE NEWSBOY starts a route, on foot. He can deliver 35 papers, he makes \$3.15 a week, on bad days some customers have to wait.

He spends some money for movies but saves some to buy a bicycle. Now he can deliver 70 papers, make \$6.30 a week, and his customers get their papers more promptly.

Now he can save more (profit) but he is wise and so puts some away in a special fund to replace the bike when it wears out. That's depreciation reserve.

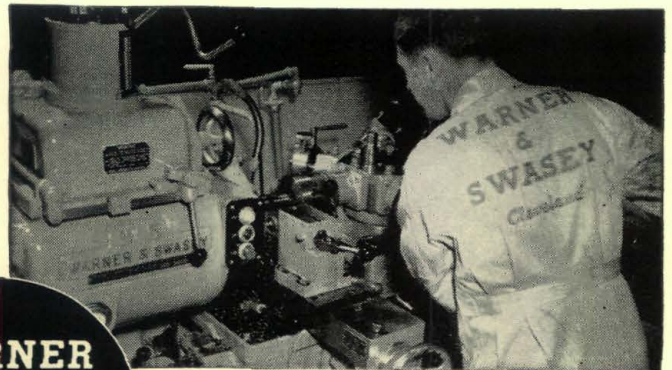
If he's *very* ambitious he buys two bikes, takes on another route and hires another boy (wages) to cover it. Now he needs twice as much depreciation reserve, or when the second bike breaks down he will have no money to replace it, and so the second boy would be out of a job or

would have to deliver on foot at half the wages.

That's all there is to business.

Is the first newsboy wicked because he makes a profit? Should he be prevented from accumulating bicycle replacement money? Is he oppressing the second boy by supplying a bicycle so he, too, can deliver more and so earn more?

No? Yet many people in high places say business men are, when they do identical things. Think of the newsboy's bike when you listen to your next speech.



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