

APPENDIX No. 1

it, and those who are not practical may not want to understand it?—A. For the paper specified, 17 x 22, 20 lb., Empire Bond Linen, No. 8 envelope cuts five envelopes per sheet, one ream contains 500 sheets of paper, and costs 12 cents a pound. That is, the No. 8 envelope that we are discussing will cut five out of one sheet, and that would make eight pounds of paper to the thousand envelopes, and it costs \$2.40 per ream. That would make it 96 cents for the paper that goes into the envelopes. 35 cents is a very, very cheap rate for making the envelopes. I might, before going on, say here that the representative of the Barber & Ellis Company in quoting to them on an envelope that is identical with the envelope they supplied us asked \$1.33, unprinted. I am told so by the Mortimer Company.

By Mr. Daniel:

Q. Are you reading from the paper now?—A. No, I am just making that statement. Well, the cost of the paper was 96 cents and the making 35 cents, and then there is waste which amounts to five per cent, which would make six and a half cents. Four pasteboard boxes which cost two and one-half cents each, equal ten cents—these envelopes would cost more than they would ordinarily, because we had them put up in quarters instead of halves, and it would require five cents more for the boxes. If you look at the order you will see that it calls for quarters instead of halves—the packing boxes cost three cents per thousand and the freight seven cents—the freight from Brantford here is 53 cents per hundred.

By Mr. Fowler:

Q. They still filled the order and sent a cheque back to the department?—A. Yes.

Q. Although they had lost so much money on the order according to your figures?—A. I am just giving you the figures. The printing was done on the Harris press; on the ordinary press it costs forty cents, but I am admitting that he did it on the Harris press at a cost of twenty-five cents. You must take into consideration in considering this question that these envelopes were in 25,000 lots; they were not in one order of 125,000, which meant that each time he put them over the Harris press he had to make a new plate to suit the different envelopes, involving a loss of about one hour and a half's time each time he changed them, and that loss would not make it any cheaper than if the work was done on the ordinary press. That makes a total cost of \$1.82½ without any profit. Now, I cannot possibly figure anything but that, considering the price he paid for his paper, and the labour he put on it, he could not have included anything that he had to pay for the freight, extra pasteboard boxes, the three large boxes, some four feet square each, containing the envelopes, and it would also take some time for packing these; so that taking everything into consideration I cannot see where it was possible for the Barber & Ellis Company to have printed these envelopes at less than \$1.82½.

By Mr. Crocket:

Q. This firm is still in business?—A. That may be. I am quite willing to give you gentlemen any information that you desire. I can tell you what he paid for his paper; I even know that much.

By Mr. Daniel:

Q. How do you know what price the Barber & Ellis Company paid for their paper?—A. Because I know the closest price the Rolland people would sell at. The trade know that we are large purchasers, and they have such confidence in me that I can go to them and find out the exact prices at which they sell their goods.

Q. Then why can you not buy at those prices?—A. They will not sell to me at those prices. I can go to men in town and they will tell me what price they pay for their goods. I can always find out what anything costs.