

On leaving the Company's office I made it very plain to Mr. Gauthier that we were not through finally and cautioned him against destroying or removing any of the records to which we had had access. He fully understood the request.

On May 7th we revisited the R. & G. office for the purpose of checking up the books with information gathered from our examination of the incoming freight records at Derby Line, Rock Island, etc., and with certain information received from the company's customers and creditors (American producers). I first asked for the purchase journal; this Mr. Gauthier could not produce and in answer to questions "whether he had destroyed it", or "removed it to his home in Derby Line" his answer was "that he couldn't remember" but "he had not got it now". I also found that the greater portion of American Accounts Payable Ledger sheets had been removed from the ledger binder although these were still located in the office.

Similarly on our attempt to trace back the information to customers' accounts, we found that two (2) transfer binders were missing which we had previously seen, and that numerous accounts from the current binder for 1924 and 1925 were also missing. Gauthier admitted that these had been removed, his reason being that the ledger was too full and that he could not now produce them to us, although he would not definitely admit he had destroyed them.

On May 12th, 1926, Mr. Pelling and I again visited the company and could see no trace of certain of the 1925 cheques previously seen, but as Mr. Gauthier had already left for Ottawa we are not certain that these records were not somewhere about the premises.

I again visited the company this morning but was informed by Mr. Duncalfe, partner, that all records and books had been sent to Ottawa in response to request."

Have you examined the books brought up and submitted to-day by Mr. Gauthier?—A. Yes.

Q. Are the books that you examined on May 6th and which you had previously seen on March 16th, there now?—A. No, sir.

Q. Are the records now in the same state as they were May 6th?—A. No, sir; there are more things missing than there were.

Q. There are more things missing now?—A. Yes, sir.

Q. In fairness to Gauthier, it is suggested by Mr. Nash, that may have been because Mr. Duncalfe did not know what to send. In any event the books that were asked for are not there now?—A. No, sir.

*By the Chairman:*

Q. If you saw these books again, in looking around, would you know what is missing?—A. Absolutely, they have my writing in them. The purchase journal has some of my writing in it.

Mr. BELL: Let us have the witness make out a list—

*By the Chairman:*

Q. Are you going up to Rock Island again?—A. That is for Mr. Nash to say.

Mr. NASH: He is going back next week. If it is the desire of the Committee he will return now.

Mr. BELL: I was going to suggest that the witness make out a list of those things which he knows to be missing and that Duncalfe be called on to produce them. Do we need any motion?

Mr. CALDER, K.C.: You can request the witness.

[Mr. G. F. Leaver.]