

*By Mr. Calder, K.C.:*

Q. If he is in Eastern Ontario, he ought to be able to be reached. Where was the last report from?—A. I know they were heading for—they were going to try to make a few towns, like Belleville, Cobourg, and Kingston.

Q. From where was the last report?—A. I have not heard from him. Sometimes when I go out—I do not want you to feel I am evading the questions.

Q. I must tell you that is exactly the way I feel now?—A. I go out on Monday morning, as I hope to do next week, and I will not report anything until Saturday when I come in.

Q. You are going in on Saturday?—A. Yes.

Q. I want you to call me up on the 'phone to-morrow and tell me where Mr. Goldberg was last heard from, and where he will be on Monday.—A. I see. Mr.—Who is it? What is the name?

Q. Mr. Morris Goldberg, the gentleman who looks after the book-keeping? The questions I want to ask are entirely on the books.

The CHAIRMAN: Now, Mr. Calder, I think it is better to have this sixteenth report printed. Then, if they do not appear on Tuesday as ordered, they will be obliged to suffer to the full extent of this report without it being contradicted, if they have any reason to offer why they are not here.

Witness discharged.

Mr. CALDER, K.C.: I will call Mr. Alexander.

CHARLES B. ALEXANDER called and sworn.

Q. In the discharge of your duties, as Customs Preventive Officer, did you have occasion to investigate the Royal Cloak Company?—A. I did, sir.

Q. You saw certain American invoices?—A. Yes.

Q. Where are they now?—A. I handed them to the auditors for the Committee.

Q. All those you received?—A. Every one, sir.

Q. Did you try to get a copy of the Textile Mills Corporation account of the Empress Novelty Company in New York?—A. I did.

Q. With what result?—A. Officer Dayboll, the Canadian Customs officer in New York, was instructed to visit both firms, but when he arrived he found that all books and data were destroyed, except for the year 1925, in both instances.

Q. When did you make this investigation?—A. In December of last year, and in January of this year.

Q. What explanation was given to you by the Royal Cloak Company, with reference to their dealings with the Empress Novelty Company?—A. I found two sets of invoices in every instance, pinned together. The first invoice was for merchandise, and the second invoice was for service, passage, and styles. The service, passage and styles invoice was dated the same day as the merchandise invoice, and the serial number followed that of the merchandise invoice. I asked Mr. Goldberg his explanation for this, as the amount on the service and styles invoice was in every case practically double that of the merchandise invoice, which in any case had gone through Customs. His explanation was that the service and styles referred to commissions, to New York buyers and also remuneration for time taken by the New York buyers in taking him around the different firms in New York.

Q. Did you put it to him that it should be added to the invoice of the goods?—A. I did sir, yes.

Q. As a factor in the costs?—A. Yes.

[Mr. C. B. Alexander.]