

R. v. Shiffer et al*Large-scale Black Market in Textiles — Note-books Reveal Many Covert Ramifications — Income Tax Evasions — Heavy Penalties*

Price fixing and rationing of essential goods during the war were necessary steps founded on a decent regard for the rights of all and designed to give fair and equitable distribution of commodities that were or might be in short supply. Transactions not conforming to this system of economy are known as black market activities, and those who buy goods at more than the legal price contribute to the evils of black market as much as does the man who sells them. Actually there could be no such thing as a black market if there were not people willing to buy in it; it takes more than one person to create a black market, and many thoughtless people are wrong in blaming only the vendor.

Any person who knowingly pays more than ceiling prices is in effect taking an unfair advantage of his fellow-citizens, undermines public security and authority, and is guilty of a criminal offence. How easily usually honest merchants can be drawn into a complicated net of dishonest, greedy and corrupt practices is to be seen in the present case, where widespread evasions of the regulations resulted in one of the largest black market operations ever exposed in a Canadian Court or for that matter encountered by the Royal Canadian Mounted Police.

The investigation began when Sam Morganstern, proprietor of Madison Tailored Clothes, Toronto, Ont., was found to be selling suits at prices in excess of the maximum permitted by the Wartime Prices and Trade Board Regulations. Under questioning by R.C.M.P. investigators Morganstern claimed that Nathan Gold, owner of English Clothes Shop, Toronto, S. Cohen, owner of Helen's Coat Shop, Guelph, Ont., and Sam Stien of Excellent Tailoring Co., Toronto, had complained to him of being forced to pay Shiffer Lightman

Woollens, a textile wholesale company in Toronto, a large "bonus" per yard when buying cloth.

Exploring the case, the R.C.M.P. Black Market Squad searched the premises of Golden Tailors, Toronto, owned and operated by Samuel Golden, and for cross-checking purposes seized invoices and ledgers, also a small note-book containing entries of money in various amounts. Interrogated as to the meaning of these entries, Golden explained that they represented cash payments he had made to Shiffer Lightman over and above the invoice price, and that only by paying this extra charge was he able to get cloth in sufficient quantities to enable him to carry on his business.

It soon became apparent from facts obtained that the complaints were too detailed to be entirely fabricated, and that undoubtedly illegal dealings on a large scale were taking place. As the inquiry continued a systematic survey of conditions in the textile trade as they pertained to certain retailers was conducted, and soon the police were on the track of a gigantic black market ring. It was evident throughout that Shiffer Lightman Woollens was doing an illegal business in a big way for inordinate profits, and when the month of May drew to a close the investigators considered they were justified in making a deeper and closer study of that firm's business methods. Lightman, it was learned, had sold his interests in the company to his partner, Abraham Moses Shiffer, whose son Joseph Jack Shiffer was now sole owner, he having bought out his father.

The concern's premises were searched under a warrant on May 30, 1946. The owner was away on holidays at the time and his father was in charge. Ledgers and other documents recording the firm's business transactions for the three years