

AN INQUIRY UNDER ROYAL COMMISSION.

-into-

THE PARTICULARS OF ALL MATERIAL AND EQUIPMENT  
PURCHASED, SOLD OR OTHERWISE DISPOSED OF FROM  
THE GOVERNMENT PRINTING BUREAU SINCE THE 1st  
of JANUARY, 1921.

- b y -

COLIN GEORGE SNIDER, COMMISSIONER

R E P O R T.

THE FINAL REPORT OF COLIN GEORGE SNIDER,

Judge of the County Court of the County of Wentworth, appointed a Commissioner under the Inquiries Act by Royal Commission, dated the 27th day of December, 1920, made pursuant to Order-in-Council;- which inquiry and investigation was extended by Royal Commission dated the 10th day of January, 1921.

Since the date of the preliminary report on the 10th day of March, 1921, YOUR COMMISSIONER held a further sitting on the 20th of April, 1921. That was the earliest date at which Abraham L. Florence's examination could be continued after the operation he had undergone at the end of January. From the evidence then given and the partial examination of the books of A. L. Florence & Son then made, it became apparent that those books should be examined by an accountant and further evidence thereafter should be taken in Ottawa and in Montreal. This having since been done YOUR COMMISSIONER now makes his final report covering "the particulars of all material and equipment purchased, sold or otherwise disposed of in or from the Printing Bureau since the 1st of January, 1919".

The material and equipment purchased at a cost of \$100 or over is listed and described in Exhibit 10, and Exhibit 8 gives particulars of all the sales and other dispositions of material or equipment subject to some quite unimportant exceptions described in the evidence.

A statement of the circumstances connected

with the discarding of machinery and material from the Printing Bureau with some estimates of the value and condition and need of such machinery is set forth by Clayton James Baldwin in his evidence taken at page 43. He is the Chief Mechanic of the Printing Bureau.

It appears that, with a few exceptions specially referred to below, all the purchases were made according to the usual Departmental practice and with the approval of the War Purchasing Commission. Only the last seven items out of a total of more than one hundred do not appear to have been covered by Purchasing Commission authority, and the amount expended on these items comes only to \$4,178.30, out of a total of nearly \$202,000. These seven items represent equipment ordered by L. R. Wolff, one of the experts referred to in the interim report, without, so far as appears, any consultation with the officials of the Department, and indeed without their knowledge. Beyond the informality of these purchases there appears to be no reason for adverse comment upon them, as it is made clear by the evidence of officers of the Bureau that this equipment was actually necessary.

There appear to have been twenty-nine separate sales of plant and equipment made, totalling in value \$45,118.60. The first step in the direction of preparing for these sales was the issue in the month of May, 1920, of a printed form of tender describing ninety-one items upon which tenders were desired. These items included machines and other equipment, and "18 tons of old type metal" (Item 64). This printed form was widely distributed and offers for different items were received from twenty-six different tenderers, some of the

items being the subject of several offers and some of them of no offers at all. For the "18 tons of old type metal", to which reference must again be made, there were five tenders, the lowest offer being \$2,745, received from A. L. Florence & Son of Ottawa, and the highest \$4,680, received from the Canada Metal Company of Toronto.

Later, about the month of October, a second mimeographed form of tender was prepared covering some twenty items, and this also was widely issued, some sixty firms being invited to tender. Tenders were actually received only from a few tenderers, and the equipment sold at this time was of small value by comparison either with that disposed of on the terms of tender issued in May, or with what was disposed of, chiefly, without tender, in the interval between May and October.

Of the total of twenty-nine sales, described in the list (Exhibit 8), twenty were made pursuant to the tenders put on either the May or October form, and these sales were all approved, according to the usual Departmental routine, by the Purchasing Commission. This having been ascertained, it was not considered necessary further to investigate these sales; the circumstances generally did not indicate that any useful purpose was likely to be served by so doing. Further inquiry was consequently limited to the remaining nine.

Of these nine, four appear to have been made with sufficient regularity, namely those numbered (on Exhibit 8), 5, 9(1), 13, and 15 (10). Tenders for the

goods in question were made in writing and approved by John Munro, the Supervisor of Plant, and upon his recommendation, by Thomas Mulvey, K.C., the King's Printer. These sales do appear not to have been submitted to the Purchasing Commission, since at the time they were made that Commission was not functioning.

Of the remaining five, one (No.19) involved only \$16.00 for equipment, which, as appears from the particulars, was not unreasonably disposed of for that sum. Another, (No.8) involved \$100.00. That amount was received for goods of which there is no recorded description. The transaction is admitted to have been an oral one between Wolff personally and some representative of the Ottawa Monotype Composition Company, whose name, so far as Wolff's recollection extended, was Miller. It is said that it included some old type cases, old type racks, a chase rack, an imposition table, and seven or eight other small items of equipment, all of which Wolff says were at the time lying out in the rain. The sale was put through on verbal instructions from Wolff to F. G. Bronskill, the accountant, but the latter was never furnished with any particulars, and merely on Wolff's direction accepted \$100 in cash and issued a receipted sale invoice accordingly.

A third of the five sales now under consideration (No.11(2)0) covered 13,337 pounds of "old metal", which was disposed of on August 5th to the Canada Metal Company of Toronto at the same figure as that at which that Company had bought the 18 tons of old type metal two months before pursuant to a tender on the printed form referred to. It is said that the type metal

thus sold was of the same kind as that previously bought by the Company and that, upon its being decided to dispose of it, a request was sent to the Company asking if it would take it at the same price as had been paid for the eighteen tons. This action appears to have been taken on Wolff's direction without consultation with any of the responsible officers in the Printing Bureau. The public interest, however, does not appear to have suffered by the transaction.

There remain for consideration two sales to A. L. Florence & Son, metal and paper dealers at Ottawa. Both are numbered 6 on Exhibit 8 and were made about the 7th and 18th of August respectively. Each included a large number of items and the sums involved were \$10,090.35 and \$11,628.89, a total of \$21,719.24, or almost one-half of the whole amount realized upon all the sales of plant and equipment made from the Bureau, including those carried out both earlier and later after the preparation of forms of tender, their wide distribution and the careful examination and comparison by officers of both the Printing Bureau and the Purchasing Commission of tenders received.

The earliest step taken with relation to the first of these sales appears to have been on the 21st of July. On that day tenders were received from Alexander Fleck, Limited, iron founders of Ottawa, and from A. L. Florence & Son, of Ottawa, for some metal described as "wrought steel and cast scrap" or "shaftings and cast scrap" then at a garage on Balhousie Street.

The Fleck tender was for \$25.00 a ton and the Florence tender for \$40.00 a ton. These were submitted to the Purchasing Commission, who made some inquiries in writing on the subject of the quantity and kind of material, in reply to which they were advised that the approximate quantity was twenty tons, of which 95% was cast iron, old pipe, shafting, pulleys, old stereotype plates and wooden blocks, the quantity of each not having been measured. The Purchasing Commission then gave authority for the sale to A. L. Florence & Son, who proceeded to remove the material. During the course of the removal Florence was asked by Wolff and Baldwin to make a price upon some further iron lying elsewhere. This Florence agreed to take at the same price and the carting away proceeded continuously. There is no written record whatever of the extension of Florence's purchase to the second lot of iron, or any description of its character, but it appears to have consisted, at least in part, of machinery which was considered to have no value except as junk. Both lots of material are obviously included in the 90,040 pounds of old iron included among the items of the first sale, the total quantity being thus forty-five tons instead of twenty, and the purchase price \$1,800.80, or almost one-fifth of the whole amount of the invoice.

On August 7th A. L. Florence & Son made by letter to the King's Printer (Exhibit 22) an offer of "\$6.25 per Cwt. for your 40 or 50 tons of stereotype" and "35 cents each for the brass plates". There is no record of any one else having been asked to examine

or make any proposal for the purchase of this material, and so far as appears its delivery to Florence proceeded forthwith. It seems quite clear that A. L. Florence & Son's offer was the only one received. It was initialed by James Munro, the Supervisor of Plant, at Wolff's request, and having been so was approved by Mr. Mulvey, the King's Printer.

It is to be observed that the invoice covering the first sale to A. L. Florence & Son includes no stereotype at the price quoted of \$6.25 per Cwt., but there is included therein 20,700 pounds of stereo plates and blocks at 5½ cents, the price of this material being \$1,086.75. There is no intelligible explanation of the reduction in price. When the discrepancy was first pointed out to Florence before his operation he said he did not understand it. Later he confused this offer with a subsequent offer of the 18th of August referred to below for similar material at 5½ cents per pound, and alleged a verbal arrangement with Wolff for an allowance of one quarter of a cent by reason of some of the plates having wooden blocks which added to the weight but reduced the value owing to the necessity of their removal before sale. Wolff absolutely denies any intervention on the matter of price, but the accountant, Bronskill, says that he entered the prices and made out the invoices from figures supplied him by Baldwin, the Chief Mechanic, and the latter states that he obtained his information as to the prices to be charged from Wolff. The proper inference from the whole evidence would appear to be that Baldwin's statement should be accepted in prefer-



ence to Wolff's.

In the first sale there are included 3,404 brass galleys with iron rims at 35 cents each, the amount paid for them being \$1,191.40. These are evidently the "brass plates" referred to in the tender. The remaining items are not covered by any written offer. Six of them are for small amounts totalling \$450, but one item is a large one and the charge for it account for more than half of the total value of this sale. This charge is for 88,809 pounds of linotype metal at  $6\frac{1}{2}$  cents, a total of \$5,550.56. No officer of the Printing Bureau seems to have been consulted with regard to either this sale or any of those represented by the small items. Florence says that the sales were made as a result of successive offers made by him at Wolff's verbal request. It does not appear that the public interest suffered in connection with the sales represented by the small items, but it appears that the price accepted for the linotype metal was unduly low. It was stated in evidence that in transactions of this kind a profit of half a cent was looked upon as substantial, but within ten days after this purchase A.L. Florence & Son sold to other dealers in Ottawa at  $8\frac{1}{2}$  cents a quantity of linotype metal slightly exceeding the quantity thus bought. He therefore made an immediate profit of two cents per pound (nearly \$1,800), which was equal to just over 32% on the amount actually paid.

On the 18th of August a further written offer was made by A. L. Florence & Son to the King's Printer. This was for "old lead at  $8\frac{1}{2}$  cents per lb.,

old stereo plates at  $5\frac{1}{2}$  cents per lb., old lino metal, mixed, at  $5\frac{1}{2}$  cents per lb., old type metal at  $9\frac{1}{2}$  cents per lb." This offer, according to Florence, was made on Wolff's invitation, and with respect to it, as in other items, Mr. Wolff gave an incredible account of a series of inquiries and directions looking to the obtaining of other offers. Like the tender of August 7th this offer was initialled by James Munro, the Supervisor of Plant, and on his recommendation approved by the King's Printer.

As in the case of the first sale, only some of the items included in the second are explicable by reference to this written tender. Of the \$11,628.89 involved in this second purchase by Florence, \$1,268.37 is referable to 14,922 pounds of old lead at the tendered price of  $8\frac{1}{2}$  cents: \$735.35 to 13,370 pounds of old stereo plates at the tendered price of  $5\frac{1}{2}$  cents, and \$4,889.18 to 51,465 pounds of old foundry type at the tendered price of  $9\frac{1}{2}$  cents. There is no linotype metal included in the second sale.

There are several comparatively small items included in the second sale. The largest of these is an additional 1450 old brass galleys for \$507.50, being as before at the rate of 35 cents each, and there are four other items which together amount to only \$171.80. The remaining large item in this account is a charge of \$4,057.19 for 64,915 pounds of "old mixed metal at  $6\frac{1}{2}$  cents". Of the discrepancy between this price and the price of  $8\frac{1}{2}$  cents quoted in the written offer for "old lino metal, mixed", no intelligible explanation is given by the witnesses. Florence, when the difference was called to his attention, said that the account

was in error and that there was at no time on his part an intention of paying more than he had offered. The evidence of Wolff, Bronskill and Baldwin on the point is the same as their evidence with regard to the earlier sale of August 7th.

It will be observed that, taking the two items of importance in respect of which the written offer and the price actually charged differ, there is a variance in the one case downwards from the price offered of one cent per pound, but in the other case an increase above the price offer<sup>ed</sup> of three-quarters of a cent per pound. As the quantity of material in question in the latter case was 64,915 pounds and in the former case only 20,700 pounds, the result to the public of these two differences was actually a gain of \$693.86.

A very large proportion of the whole amounts received on these sales made between June and September is the price of type metal sold. In the printed form of tender issued in May 18 tons were listed for disposal. Subsequently an additional 126 $\frac{1}{2}$  tons was sold to A. L. Florence & Son and the Canada Metal Company. Of these nearly fifty tons was the linotype metal standing in Dominion Voters Lists no longer required under the new Dominion Elections Act. Some was monotype standing in publications, such as the Militia List, which was broken up as being unnecessary, but a large proportion was type of a character peculiar to the Printing Bureau which was used for a special purpose.

The practice in the Printing Bureau had been

to keep in type certain publications likely to be re-issued from time to time, such as the Post-Office Guide, the Public Accounts, the Trade and Commerce Statistics, and others. On a re-issue being called for, the necessary corrections were made and the old type used so far as it was not involved in the alterations. For this purpose there was employed a special type known as "foundry type", which was set by hand instead of by machine.

The experts decided that every job should be reset by machine every time it was required, or at least that no setting should be done by hand. They therefore decided to abandon the use of the special type and to dispose of it, a decision which involved not only the sale of the foundry type in the cases and in store, but also a large number of pages of set type, including a number of publications described in Exhibit 23, and some others of the breaking up of which no record appears to have been kept. It is said that the resetting of some of these publications will involve great expense, although it is claimed by the experts that an ultimate economy will be effected.

The breaking up of these publications which were in standing type was done at the order of Mr. R.L. Wolff. The evidence of Mr. Achille Boudreault, foreman of the Printing Bureau, at pages 313 to 326, and the evidence of Mr. H. M. McClury, general foreman of composition, pages 347 to 350 of the evidence and 402 to 405, and the evidence of Mr. L. A. Belleau, foreman of Parliamentary Room No. 2, pages 398 to 401 of the evidence, give full information as to the names, use-

fulness and importance of the publications in standing type, or at least most of them, which were broken up and the type from which was sold as scrap metal.

On examination of the books of A.L.Florence & Son, an entry in the King's Printer account gave rise to some suspicion. An item of \$600,00 had been charged in the ledger to the King's Printer and this entry had been subsequently reversed. On tracing back through the books it was found that this sum was entered in the cheque register, (Exhibit 43), on the 7th of August, 1920, the same day on which Florence tendered for the Government stereotype plates and brass galleys. The first words of the entry had been erased, apparently scraped out, and the meaningless words "metal-given" written over these original first words. The remaining words of the cheque register entry "given on account of goods" were not written over anything that had been erased, but it seems very probable that they were written at the time the first words were scraped out. The bookkeeper, Miss Leah Kriger, admits she erased what was written, though she does not know why nor what it was which she erased, she wrote "metal given" over the erasure but does not know on what authority. She says she posted it to the King's Printer's account but does not know why unless because she knew they had bought metal from the Government Printing Bureau. She admits she reversed the entry and charged it to Smelters Limited.

On securing production of the cheque, (Exhibit 39), it was found that A. L. Florence had personally drawn the cash and he swore he paid it in

money to Nathan Takefman of Montreal that day in Ottawa, the brother of the man who in effect was Smelters Limited. Florence said this was paid on account of \$3,789.07, which he said he owed Smelters Limited for white metal bought from Smelters Limited in July or August.

It also appeared very suspicious that \$3000 more, which he says he paid on 26th August, 1920, to Takefman in Montreal for Smelters Limited on the same account, was not paid by cheque. He drew the cash in Ottawa and he says he carried it to Montreal and handed it over there. Both Florence and Takefman swore an invoice for these goods had been given to Florence before the \$3000 payment was made. No such invoice was produced, although production was requested. Florence said he paid the balance, \$189.07, on the 7th of September, 1920. He was then requested to produce his freight bills for this white or type metal as a means of corroborating his evidence that he had in fact bought such metal at this time in Montreal from Smelters Limited. He said he could not do it as the metal had been shipped from time to time in small lots with waste paper, all billed as waste paper in order to secure lower freight rates. An invoice dated 14th October 1920 was produced (Exhibit 38) but it shows only the \$3000 payment and says nothing of the other two payments.

Being suspicious as to this alleged purchase from Smelters Limited and the payment of these sums for it, N. Takefman was subpoenaed and examined. He corroborated what H. L. Florence had said. But Takefman

was ordered to produce the books of account of Smelters Limited, in which these transactions were entered, at his examination in Ottawa on 20th April, 1920. He came without these books and said that all the books and records of his own Company, except his current ledgers, and all the books of Smelters Limited were burned on April 11th, 1921, in a fire in his premises in Montreal to which he had just moved them.

The evidence thus far given by A. L. Florence, Miss Kriger, and Nathan Takefman, not being at all satisfactory, YOUR COMMISSIONER decided to pursue the inquiry further.

Mr. John Mulhall, of Ottawa, an accountant, was employed to make an examination of the books of A. L. Florence and Son, and inquiries were set on foot with regard to Takefman's fire on April 11th, 1921.

Mr. Mulhall's report, dated on May 16th, is transmitted herewith. The chief points with regard to the books of A. L. Florence & Son, which appear from it, are the following:-

(1) That the representative accounts covering all sales and purchases of white metals are so incorrectly kept that they afford little or no guide to the actual purchases and sales made by Florence.

Throughout the firm's financial year, which ended on the 1st of November, 1920, very much more white metal appears to have been sold than is recorded to have been purchased, although at the beginning of the year the inventory value of white metal was nil.

(2). The sale amounting to \$10,654.50 made to Baker and Betcherman of Ottawa on the 18th of August, 1920, and including a charge for a quantity of stereotype, identical with the quantity purchased from the Printing Bureau on the 7th for exactly the price paid to the Printing Bureau, was not entered as a sale but in reduction of purchases, and there was later, on September 1st, credited, apparently in respect of it, an item of

\$858.25 as "profit" to Baker and Betcherman. Further no sales tax was charged on this invoice.

(3) A credit to the Canada Metal Company of \$1,131.03 was made in the general ledger but never credited to the Company itself.

(4) Three sales, respectively to the Canada Metal Company, the Journal Company and the Moore Type Foundry, made in the financial year 1919-20 were not charged until the beginning of the next financial year when the entries purported to show that some \$7,429.76 of white metal had been delivered out of a quantity on hand inventoried at only \$500.

(5) The \$600 cheque of the 7th August, already referred to as having been first charged to the King's Printer, was shown to have been the subject of two subsequent transfers, the first on September 1st from the King's Printer to the representative "white metals account", and the second on the 14th of October from this representative account to Smelters Limited. Further, the \$3,000 cheque forming part of the consideration paid Smelters Limited, had been first posted to a wrong account and this appeared to be true also of the \$600 cheque of August 16th.

Other monies had also about this time been charged to representative accounts instead of directly to vendors, according to the ordinary practice.

(6) Withdrawals from petty cash and by cheque by A.L. Florence personally were unusually large in the early part of September, \$4,347 appearing to have been withdrawn between the 2nd and 12th of September. A sum of \$4,932.31 (of which \$2,000 appeared to refer to so much of these withdrawals) was at the close of the financial year on October 31st credited back to Florence and charged to representative purchase accounts. The travelling expense charges were also unusually large in August and September, 1920.

(7) A very curious series of entries were made in a suspense account during June and July, 1920, the sum of the amounts charged to this account being subsequently transferred to the debit of paper purchases.

Notwithstanding upon the receipt of the report, arrangements were made to pursue the examination of A. L. Florence and Miss Kriger, and a sitting for that purpose was fixed for the 26th of May at Ottawa, when the books which



had been examined by Mr. Mulhall were directed to be produced. Messrs. Baker and Betcherman were also subpoenaed to produce their records regarding the purchase referred to in the report.

At the sitting so arranged, Mr. Betcherman attended and gave evidence that during 1920 Baker had taken no part in the operations of the firm of which he later ceased to be a member. With regard to the sale in question Betcherman's memory was incredibly defective. His books showed only the payment of \$9,796.25, being the amount of the invoice less the profit credited as above indicated. His evidence on the subject of this profit was contradictory and incredible, and afforded no explanation of the irregularity of the entry of the sale in A. L. Florence & Son's books.

When this sitting commenced neither A. L. Florence, nor Miss Kriger, was in attendance, but Mr. A. E. Fripp, K. C. M. P. appeared on behalf of A. L. Florence & Son, and reported that on the 18th instant A. L. Florence had undergone another serious operation, which, according to the medical certificate, would prevent him from doing business for a further period of a month. Miss Kriger, Mr. Fripp said, had not been in attendance at A. L. Florence & Son's office since May 9th, when there had been a fire in the warehouse as a result of which she had suffered from exposure.

Miss Kriger's attendance was, however, later obtained, at first without the books, and still later with the purchase and sale ledgers and a cheque register, which according to her statement, were all the books she was able

to find. Upon her being questioned on the subject of the books, Mr. Fripp objected that having regard to the terms of the Commission, YOUR COMMISSIONER was without authority to go into any matters not directly connected with purchases from the Printing Bureau. YOUR COMMISSIONER was inclined to think that this objection was well taken, but no ruling was then given, and as appears below it did not become necessary to make any.

A further short adjournment until 2 p.m. was made to secure the missing and important books of original entry. At that hour A. L. Florence himself attended under the charge of his physician, but contrary to the latter's orders. He was obviously very far from fit and YOUR COMMISSIONER was concerned about the possible results of even the mildest examination. Evidence was, however, led by Mr. Fripp on the subject of the loss of the remaining books of account, which had, it appeared, been all left in A. L. Florence & Son's office by Mr. Mulhall when he left it about five o'clock on the afternoon of May 9th, when he had just finished securing all the information he required for the purpose of making his report. A fire broke out about six o'clock on the same day. It was confined to the fifth story of the warehouse, which was throughout of concrete construction, and no damage except by water had been done on the other floors. The office was on the ground floor. Its ceiling was an unbroken sheet of concrete and the only openings between that floor and the next above were at some distance away from it. The evidence amounted to

no more than that a number of unauthorized people had been in and about the premises during the fire, and that the missing books could not now be found. It did not appear that any search had been made for them in the interval between the 9th and 26th of May, and it did appear that on the morning of the 10th of May about eleven o'clock, when Mr. Mulhall, having heard of the fire, paid a visit to A. L. Florence & Son's premises, the tables and desks in the office were all covered with tarpaulins and nothing was said by either A. L. Florence or Miss Kriger on the subject of the disappearance of any books. No evidence was given to indicate by whom the protecting tarpaulins were put in place.

YOUR COMMISSIONER was inclined wholly to disbelieve the statements made with regard to the loss of the books bearing on the matters under consideration, while all others remain, and he does not believe the story that any outsider carried them off during the confusion caused by the fire.

Having regard to A. L. Florence's state of health, it was considered unsafe to subject him to any serious cross-examination, and YOUR COMMISSIONER was not of opinion that any advantage would be gained by the further cross-examination of Miss Kriger, based merely on Mr. Mulhall's report of the contents of the missing books.

YOUR COMMISSIONER was also of opinion that the prospect of obtaining any further information of value from A. L. Florence personally was not bright enough to justify <sup>further</sup> a month's delay in the making of this report.

He therefore decided to hold no further sitting in Ottawa but proceeded to Montreal to take the evidence already arranged for on the subject of the Takefman fire.

At this sitting in Montreal both Moses Takefman, former secretary and the active administrative officer of Smelters Limited, and his brother Nathan Takefman, who had already been examined and had taken over the management of Smelters Limited when Moses Takefman had enlisted in 1916, were in attendance and were represented by Mr. W. C. McCarthy of Ottawa.

They were examined separately and gave contradictory evidence upon a number of points, but agreed on the point of Nathan Takefman's exclusive responsibility for and knowledge of the alleged sale to A. L. Florence & Son.

Nathan Takefman gave in detail the character and quantity of the stock moved to the premises at 185 Van Horne Avenue, Montreal, in which a very insignificant fire occurred on April 11th. He indicated a point against the west wall of the little 10 x 10 office building where his books of account, and those of Smelters Limited, had been placed on the floor in a pile about two feet high. It was in this west wall, some feet from the floor, that the fire was. It was in the centre of the wall and apparently had its origin outside. He swore positively that all the books had been completely destroyed by fire. District Chief Boucher, of the Montreal Fire Department, who had first arrived at the scene of the fire, and a fireman (Desjardins) who had assisted in handling the single line of hose used thereat, were

both subsequently called, and both described a very slight blaze, practically confined to a small area in the upper part of one wall of the wooden shack in question. They both agreed that this fire was in the wall against the bottom of which the books were said by Takefman to have been piled, but that it was not sufficiently near the floor to have affected them, and was not at any time considerable enough to have consumed them. They were both of opinion that the books were not where Takefman said they were at all, nor in fact in the building.

YOUR COMMISSIONER had no doubt that the books in question were not destroyed by fire as Takefman swore positively they were.

One other direct conflict of evidence must be referred to. The brothers Max J. Sachs and Thomas Sachs, the members of the firm of Sachs Brothers, both gave evidence to the effect that in August, 1920, Nathan Takefman at their office on Ottawa offered to sell them either 100 tons of foundry type or 100 tons of stereolintype, which was supposed to have come from the Printing Bureau. A. L. Florence asserts positively that Nathan Takefman never had any authority to make any offer to any person of any type metal from the Printing Bureau, and Nathan Takefman denies that he did so. He admits a conversation with the brothers Sachs on the subject of the sale of metal at about the time in question, but asserts that the metal which he offered was not type metal, but bullet metal. He also limits the quantity in question to one carload, which might be anything from 12,000 to 50,000 pounds in weight.

The evidence in the opinion of Your Commissioner leads to the strong suspicion that the \$600 and the \$3000 drawn in cash from the Bank by A. L. Florence in August, 1920, being the time when he made the purchases from the Printing Bureau, and which he says he paid to Smelters Limited on an account which he owed them, was not so paid, and that no such account was due to Smelters Limited. Both these sums, as well as other unusually large sums drawn by Florence in the latter part of 1920, were so treated in his books as to show there was considerable difficulty to decide where it would be well to enter them.

The parties concerned positively deny that any corrupt or improper transaction took place between them in connection with the irregular sales, (No. 6 in Exhibit 8), made by Wolff to A. L. Florence without real competition and without sufficient authority, but facts and circumstances disclosed by the evidence and discovered in the books and the extraordinary evidence of destruction by fire and of disappearance of important books of account, both in Montreal and in Ottawa, make it impossible for Your Commissioner to report that he finds or is convinced that no such improper transaction took place.

All of which is respectfully submitted.

Dated this 6th day of June, 1921.

*Colin G. Sinder*  
*Commissioner*