

FISHERMEN'S LOAN INQUIRY

NEXT MEETING MONDAY, JULY 10, 10 A.M. NORTH RUSTICO

The public inquiry into fishermen's loans, which commenced before His Honour Judge J. S. DesRoches, at Charlottetown on July 4th, is adjourned to meet at Stella Maris Hall, North Rustico on Monday, July 10th, at 10 A.M. The public is invited to be present, and evidence may be presented by anyone interested with or without the aid of counsel, as desired.

J. O. C. CAMPBELL, Counsel To The Commission.

Commission Inquiry Into Fishermen's Loan Board

Following is an official transcript of the evidence taken on Tuesday, the opening day of the Commission inquiry under Judge J. S. DesRoches into the operations of the Fishermen's Loan Board. The examination of the witnesses was conducted by the Commission counsel, Mr. J. O. C. Campbell, K.C.

Hon. B. W. LePage Sworn Mr. Campbell: First of all you live in Charlottetown and are a former Lieutenant Governor of the Province and I believe you were the first Chairman of the Fishermen's Loan Board in Prince Edward Island.

Mr. LePage: That's correct. Q—That commenced in 1936? A. That's correct. Q—And it was by agreement entered into between the Dominion Government and the Provincial Government and the Provincial Government whereby certain sums were to be advanced by the Dominion Government and certain sums by the Provincial Government—was that correct? A. Yes.

Q—And then this money was to be used to aid needy fishermen? A. Correct. Q—Now tell in your own words how you went about that business. A. We didn't receive any specific regulations. Q—No regulations made under the Act? A. No. We consulted the Province of Nova Scotia and New Brunswick with reference to how they were going to administer it. Got some information—not very important—all we got from Nova Scotia had to do with large fishing vessels—their needs were altogether different to those of this Province where we have only individual fishermen.

Q—Needs of the Province were different? A. Yes. Q—You decided you couldn't follow regulations in New Brunswick and Nova Scotia. A. No. I don't follow. We started system of loaning to the fishermen. Of course the fisherman had to make application and sign a lot of information with regard to his being a fisherman, to the using of materials he was to get, signing declaration on the same paper. Then if Board thought it advisable, order sent to a merchant in his vicinity and the note for him to sign with instructions to merchants to deliver nothing except for the benefit of the fisherman—fishing gear and other equipment.

Q—Equipment used in fishing? A. Then when the merchant returned his invoice with a statement of the supplies that he sent and the note that the fisherman signed, we investigated and forwarded to the Treasury Department for payment. Q—Checks sent to merchants? A. Check sent to merchant? A. The Treasury Department paid the merchant for the goods. Q—So that the whole idea was that the man had to get goods before he got money to cover. A. Yes. Q—These checks were issued to merchants for goods. A. Yes.

Q—As far as the side part of it was concerned, you relied on or trusted the merchant to some extent. A. Yes to some extent. We had key men all over the Province to give us considerable information. Q—I suppose you wrote to them for information and then formed some idea. A. Yes. In some cases we investigated personally with the fishermen. Q—Did you build any fish houses while you were still there? A. Yes. Twenty or twenty-one fish houses. Q—Tell us what they were used for. A. We investigated the need—about the most important item was a building to process the fish. Q—On the shore? A. Yes. Little shanties—no fish buyers would go near them. The Government arranged with Ottawa in 1937 that this would be permissible. Out of these same funds. Q—Some were quite large. A. Yes, they were good-sized. Q—Do you recall offhand what they would cost? A. It would only be an estimate—I think possibly two to four or five thousand dollars.

Q—As high as five? A. They are still standing—permanently built. Q—Do you recall how distributed over the Province. A. I think they were pretty fairly distributed in the three counties. That was the understanding. Q—This is not quite an admission. We still need your information. Just what are the fishing areas in Prince Edward Island, Judge DesRoches wants to know. Starting in Tignish. A. Miminegash, Tignish, Alberton, Cape Egmont, Fifteen Point, and then there is Rustico. Q—What about the South Shore? A. No, not that I recall. Q—There is a factory there? A. Yes. Q—Recall building any place on the North Shore? A. St. Peter's. One built there. Q—From St. Peter's to Souris. A. One at Newfrance, then Cable Head, Souris. One between Souris and East Point on South Shore and Murray Harbor. I just can't recall the other.

Principal Points Q—What would you say were the principal points—would there be five or ten principal points on the Island? A. Oh yes. Q—It was done by considering the best or principal fishing points in the Counties—Tignish, Albert Miminegash, West Prince-Egmont Bay, Fifteen Point-East Prince, New London, Rustico in Queens, Cape Wolfe, St. Peter's, Cable Head, Souris or near Souris and Murray Harbor in King's County. A. Yes. Mr. DesRoches: (Commissioner). While you're on the point, you supplied no fishing centers from Cape Wolfe to Murray Harbor on the South Side. A. I don't remember anything being spent there as

far as fishing is concerned. Mr. Campbell: Are there any fishing centers taking from Victoria to Wood Island, apart from Charlottetown. A. No. I guess Wood Island, apart from Charlottetown. A. I guess Wood Island is the only important one there would be. Now since the war it is built up. Q—I notice fishermen going out there and hauling traps. I guess Wood Island is the only important one there would be. Now since the war it is built up. Q—I notice fishermen going out there and hauling traps. I don't suppose they do that in Charlottetown. A. Not that I know of. Canoe Cove is another place we have missed. It's quite a fishing center. Q—Would you say Canoe Cove is more of a fishing center than Victoria? A. About the same. Q—Did you ever experience any difficulty in your time? How did repayments come in. A. I think fairly well. We had nothing to do with records of repayment.

Lean Years Q—You had some pretty lean years during your term. A. Yes. Q—When did you leave the Board in 1939 about August? A. When I was appointed Lieutenant Governor. Q—Who followed you? A. Mr. H. H. Cox. Q—Can you tell us who followed Mr. Cox. A. Mr. Wade Hughes. Q—After Mr. Wade Hughes? A. Mr. Marin Gallant and then the Hon. Wilfred Arsenault followed him. I believe he was Chairman at the conclusion of the other Board. Q—Is there anything further you wish to add? A. Nothing I can recall. Q—Nothing arose during your term. A. There were a few abuses. We found from information that a very small proportion—perhaps a half dozen cases during my term had ill-used and sold their gear, that they had bought with the loan. Passed it over to the authorities. One fellow got a couple of months for it. As a general thing, fishermen are a very fine class. They used money and gear honestly for their benefit. Q—There was one other form of relief. Were you there when that storm was on. There was additional money. A. Thirty thousand dollars granted. Province paid up a third. Q—Additional money from Ottawa doesn't appear here. It does have a little bit of bearing on your Honor's investigation. People say this is relief money. Storm in fall of 1938 and that fall there was another agreement (which I will file in due course). There was another agreement. \$30,000 was paid up by Ottawa and was matched one-third by the Province in the same way, and that was direct relief to replace losses suffered in this storm and that fund was administered by your Board, but it was direct relief and no notes were taken for it. A. We investigated each case. Q—A man would lose his gear in a storm—you divided the money as best you could. A. Yes. Q—That had nothing to do with Fishermen's Loans. A. Nothing at all. Q—Now is there anything further? A. Nothing very much. Q—Your memory is pretty good. Mr. DesRoches: (Commissioner): From 1936 to 1939 when you vacated office of Chairman of Fishermen's Loan Board, what were conditions among fishermen? A. Conditions weren't good by any means. There were some fishermen, of course, who would have taken loans, but when they had to give a note and pay back, they wouldn't bother our Board any.

Organization Q—Now, Mr. Campbell, has the witness what was the organization of his staff, clerical staff if any. Mr. Campbell: Mrs. Higson wasn't with you at the start. A. I wouldn't remember—Miss Gallant was the first. Q—Henry Gallant's daughter—Brenda Gallant. Mr. DesRoches: What was her official appointment. Mr. LePage: Just a stenographer. Mr. Campbell: She and you were the only staff you had. A. There were two other members on the Commission. Q—Who were they? A. Mr. Acorn, H. H. Cox from Souris and Mr. Anes Gallant from Bloomfield. Q—You spoke of information you got in the country. Get that tree? A. In some places we had clerghymen get us information. Relyed on good men. So far as Queen's County was concerned, we had personal knowledge of all fishermen. Mr. DesRoches: Ask the witness if these applications are made with the fisherman or the merchant. Mr. Campbell: Would application originate with fisherman or merchant. A. The fisherman would be the man. Q—Would you say that the merchants hearing of the loans would tell a fisherman "Here now,

you can get your gear from me" A. No real knowledge of that. I suppose the fishermen assisted them in getting their share. Q—In any event the applications came to you from the fishermen. A. Oh yes. Q—Mr. LePage is the furthest removed from the present. Commissioner: Thank you very much for your assistance. Mr. LePage: My memory doesn't serve me like it used to. Mr. Marin Gallant Sworn Mr. Campbell: You were Chairman on the Fishermen's Loan Board for just one year. A. One year and a month. Q—Give us the date. A. First appointed in place of Anes Gallant April 6, 1944, and then was appointed Chairman on February 1st, 1947. Q—On the Board as a member with Mr. Hughes as Chairman to February 23rd 1948. A. Yes. Q—When you resigned? A. Yes. Q—On board four years—chairman for one year. A. Yes. Q—When you went on as a member, Wade Hughes was Chairman? A. Yes. Q—Until you became chairman. A. Yes. Q—Recall who other member was that first time? A. Don't remember now. Q—I think it was Mr. Campbell. A. Yes, that's who it was. Q—Now you came on in 1944. You followed Mr. LePage as Chairman. Wade Hughes followed him. Do you know when Wade Hughes became Chairman? A. No. Q—Chairman before you went on? A. Yes. Q—Know how long Mr. Cox was Chairman. A. Wasn't chairman very long. Q—Short time any way. A. Yes. Q—When you went on the Board until you were Chairman, you just acted in an advisory capacity to other members. A. Oh yes. Q—That is from 1944 to 1947 you didn't know a great deal about the internal workings of it. A. No. Q—Usually met once a month? A. Sometimes a little oftener. Q—You have heard Mr. LePage's evidence as to the methods used in his time. You made inquiries. You're from Prince County. When it was an application from Prince County, before you were Chairman, would you be consulted? A. Beg your pardon? Q—Before you were Chairman, were you consulted about Prince County loans? A. Yes. Q—You would be required to approve Prince County loans. A. Yes, if they were good loans, if the parties were good. Q—Before the loan was made, did you satisfy yourself as to the parties? A. Yes. Q—Make inquiries of "somebody" A. Yes. Q—Did you use clergymen to some extent? A. On occasion, yes. Not too often, especially away where I didn't know parties, such as Tignish. Q—In Summerside or Egmont Bay you would know the people. A. Yes. Q—When you became chairman, was Mrs. Higson there then? A. Yes.

Boat-Building Loans Q—Tell us how you operated, same way as Mr. LePage described. A. Even before I became chairman when I became a member of the Board the greater part of loans asked for were fairly large loans. These loans were for building boats. Q—After you became chairman. A. From '45 on. Q—Loans became larger—what do you mean by that. A. Not so large. Q—What was a normal loan before that. A. I would say they had asked for \$40, or \$50. Q—A small loan. Mr. DesRoches: (Commissioner): Tell me the maximum a fisherman could spend. Mr. Campbell: What was the maximum a fisherman could spend in those years. A. Seems to me it was \$40. Later on when I was chairman there were demands made for buying second hand boats, engines—we set a certain maximum. Q—How much was it? A. About \$200. In some cases a little more than that. They were getting to building larger boats than previously, wanting bigger loans. In a good many cases loans demanded by fishermen belonging to some union, or association of some kind—the association would back them up, secure it. Q—Loan made to the association. Large loan? A. The manager of the association signed a letter and say this man wants to buy an engine, wants to build a new boat—give him three or four hundred dollars. Besides that, there were loans made early in the spring to the association itself. Q—You started them off. A. They could pay it off in the fall. Then the loans made to individuals—fishermen, clear of that, who were in good standing with the Fishermen's Loan Board. Q—This pressure for larger amounts commenced in 1944 and continued increasing. A. Yes, somewhere around there. Don't know whether it was increased very much. To a certain extent. Q—I notice in Exhibit "C" that there are a fairly large number of loans. I notice there are a hundred and upwards of loans of \$250.00 from the External Auditor's report; a considerable number for \$500.00; one to Fishermen's Co-operative in Charlottetown for \$6,400.00—about one hundred loans, according to the report over \$250.00. A. Oh yes. Q—Large loans made largely to associations? A. Were for buying fishing establishments such as at Miminegash. Q—What did they do? A. On the south side—they were bought during my term. Q—What were bought? A. Building belonging to Mr. George Wall. Q—Bought by whom? A. Fishermen's Union down there. They

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7-4 7-6

DAILY CRYPTOQUOTE—Here's how to work it:

AXYDLBAAXE IS LONG FELLOW One letter simply stands for another. In this example A is used for the three L's, X for the two O's, etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

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Yesterday's Cryptogram: MUSIC'S THE CORDIAL OF A TROUBLED BREST. THE SOFTEST REMEDY THAT GRIEF CAN FIND—OLDHAM.

SAULT STE. MARIE, Mich., July 5—(AP)—A Battalion of anti-aircraft artillery was ordered Saturday to the vital Soo locks on what the United States army called "a training mission." At the same time, security measures were stepped up with the closing of the four American locks on the St. Mary's River to all passenger ships.

INJURED BY BOMB DIGBY, N. S., July 5—(CP)—Believed injured when a home-made bomb exploded, 17-year-old Gordon Mount was in hospital here tonight doing "as well as can be expected." Neighbors found Mount, writhing in agony on the floor of his father's workshop last night following an explosion.

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had to form themselves into a union. Mr. Wall wanted a certain amount for the building. They would form themselves into a union. Q—You haven't been in politics for some years. How long since you ran? A. Didn't run in the last election. Q—Last election in December 1947. You were chairman at that time. Mr. DesRoches: Get evidence as to other members. Mr. Campbell: Who were other members of the Board. A. George E. Neville, Dugal MacKenzie. No Written Regulations Mr. DesRoches: Find out what written regulations were. Mr. Campbell: No written regulations. A. No. Q—The one you put in in January 1949—not any regulations governing—the agreement says from time to time between the Minister and Premier—it operated loosely—A. Whenever large amounts were demanded for one thousand or two thousand, perhaps for the season, we would always bring it before the executive council or if the fishermen desired to buy a building, building owned by the Government we would always put that up to them. Q—Are those the buildings that had been bought by Mr. LePage? A. Yes. Q—Sold some to fishermen. A. Yes, whenever the fishermen offered a reasonable amount for the building, the Government considered it. Q—Put through Council? A. Yes. Q—You were chairman for a

Market Prospects "Encouraging" For Fishery Products OTTAWA, July 5—(CP) Market prospects this year are "encouraging" for most of Canada's fisheries products, the Fisheries Department reported today in its marketing bulletin. North American markets, which accounted for 80 per cent of the marketed value of Canadian fish last year, are expected to be "stronger." Canadians themselves are expected to eat more fish as a result of high consumer purchasing power and because fish now is cheaper than other protein foods. Canadian fishery products are in a "relatively favorable" position in the United States, despite increased competition from other countries. What have you to say as regards irregularities—one of the matters concerned with the formation of this Commission was whether there were any irregularities. You were Chairman. Any connection with election and Fishermen's Loan Board. A. Well no, I don't know. There was quite a rush at the time. Asking for loans, but nothing irregular at all as far as I know. Were certain parties who applied for loans, insistent on getting certain loans for fishing gear. We granted part of them. Q—How much did you cut them. A. Cut down applications by about half. (To be continued)