

Central Bank May Spark New Blowup With Gov't

By HAROLD MORRISON
Canadian Press Staff Writer
OTTAWA (CP) — The Bank of Canada appears to be heading toward a new round of "tight money" a move that could develop into another blowup with the Diefenbaker government.

Just when the government needs huge sources of funds for refinancing debts and new development plans, the central bank seems to be applying brakes to the expansion of the country's money supply, well-informed authorities say.

The tendency, therefore, would be toward higher interest rates as competition for available money supplies grows keener. Perhaps an indication of what lies ahead has already been given by the bank by boosting its interest rate for the third consecutive week.

The rate, applicable to loans to chartered banks and other financial institutions, rose to 1.96 per cent Thursday from 1.74 a week previous. It compares with the all-time low of 1.12 set in the week ended Aug. 2.

Since the Progressive Conservative government took office more than a year ago, the rate was gradually reduced from the record high of 4.33 per cent in August last year.

The drop, the bank said, was a reflection of a decline in the short-term money market. Rates on long-term loans still remained high. Yields have edged a little higher in the last few months and rates under the new \$6,400,000,000 conversion loan may set a still higher pattern.

In addition to its refinancing of wartime victory bonds, the government needs to find money to

finance a 1958-59 budget deficit, estimated at \$648,000,000 but which may go to \$700,000,000 or more.

MORE COLOMBO AID
It also has before it an exploratory plan requiring a direct expansion of the \$35,000,000-a-year contribution to Colombo Plan countries in South and Southeast Asia and a program of extending long-term credit to aid the exports drive.

The extent that Prime Minister Diefenbaker will be able to implement his plan will depend largely on the co-operation of the central bank, informants say. But apparently government advisers have had some trouble convincing the central bank that an expansion of the money supply at this stage would not be harmful.

One of Mr. Diefenbaker's election pledges was to reverse the so-called "tight-money" policy supported by the previous Liberal administration which in effect made loans harder to get and tended to increase interest rates.

FINANCIAL CLASH
During the 1958 election campaign last March, Finance Minister Fleming and Governor James E. Coyne of the Bank of Canada openly clashed on an interpretation of monetary policy.

Mr. Coyne said the bank had never followed a "tight-money" policy as suggested by the Conservatives, though the bank did follow a "sound money" policy. Mr. Fleming said Mr. Coyne was placing his own interpretation on the definition of tight money.

While the central bank appears to be concerned mainly with the

threat of inflation—living costs equalled the all-time high on Aug. 1—some federal economists maintain a little inflation won't hurt the country if it will lead to more jobs. There are some indications that this winter will see heavy unemployment again.

Rebekah Lodge Holds Meeting

MONTAGUE — There was a large attendance of officers, members and guests at the regular meeting of Acme Rebekah Lodge, Montague, Thursday evening.

The meeting was conducted by the Noble Grand, Mrs. Alice Greene.

Mrs. Annie Bears reported for the ways and means committee and Mrs. Hazel Hooley reported

for the pantry sale committee. Mrs. Hooley and Mrs. Florence Stewart were appointed on the committee in charge of the sale. Visitors from Charlottetown were welcomed by the Noble Grand, followed by the introduction of Mrs. Lily Smith, district deputy president for Prince Edward Island, by Mrs. Estelle Dennis, vice-president of the Maritime Rebekah Assembly. Mrs. Dennis gave an interesting and instructive resume of the high lights of the recent Grand Lodge Assembly held at Stellarton, N.S. At the close of the business session, members and friends enjoyed a lunch featuring corn-on-the-cob.

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The Guardian — The Patriot

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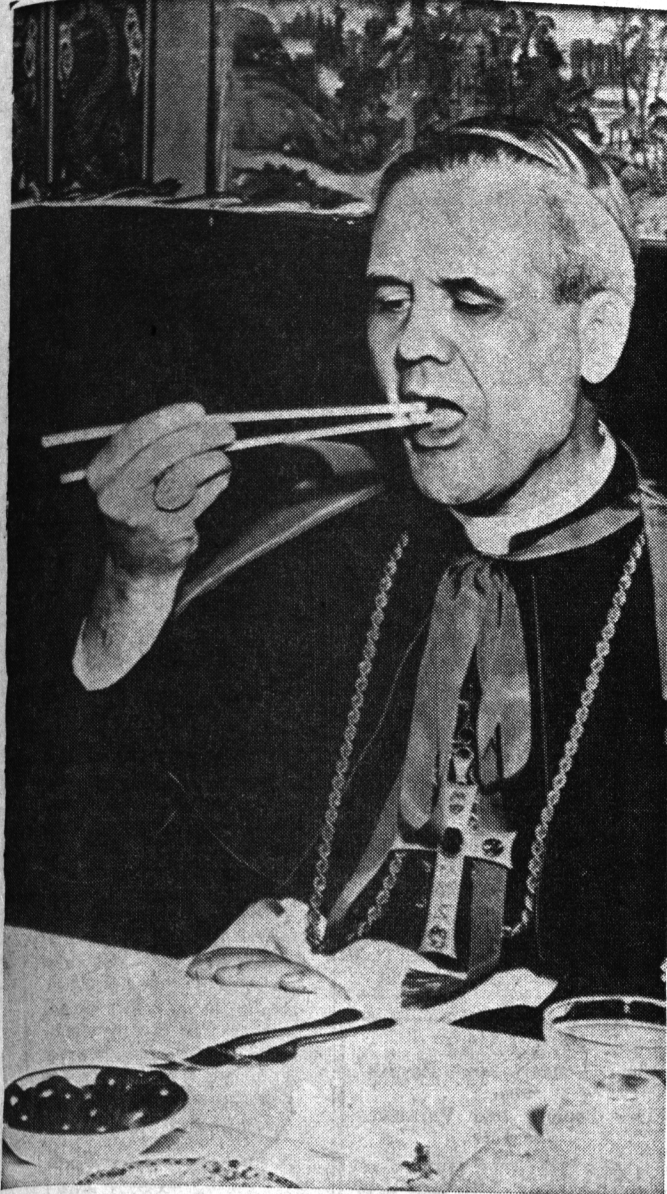
Evangelist—Rev. H. B. Jim Jones
North Carolina

With several church choirs

OPENING TONIGHT (MONDAY) FOR FIVE NIGHTS AT 8 P.M.

Closing Sunday, Sept. 14th at 8:30 p.m.

All welcome



CARDINAL TRIES CHOPSTICKS

MONTREAL — Paul-Emile Cardinal Leger called on experience in his younger days in Japan when he displayed skill with chopsticks during a banquet at the first Chinese oriental exhibition in Montreal. The Cardinal once served as superior of a mission in Japan. (CP Wirephoto)

Souris Exhibition Prize List, Classes Continued

Following are the results of judging at the Souris Exhibition:

ROOTS AND VEGETABLES

Table turnips for table or export: 1. Mrs. John Murphy, East Baltic; 2. Barbara MacInnis, Souris Line Road; 3. Pius Campbell, Little Harbour.

6 Swede turnips for stock: 1. Major Reid, Rollo Bay; 2. Major Reid, Rollo Bay.

6 Mangels for stock: 1. Mrs. Jackie Aitken, Fortune Bridge; 2. Major Reid; 3. Peter Ching.

6 Carrots for stock: 1. Daniel Sheehan, Bear River; 2. Agnes Sheehan, Bear River; 3. Mrs. Jackie Aitken.

6 half long carrots for table use: 1. Brendan MacAulay, Souris; 2. Clayton Bulpitt, Roseneath; 3. Mrs. Pius Campbell.

6 parsnips for table use: 1. Josephine MacInnis, Souris Line Road; 3. Anne Campbell.

6 beets for table use: 1. Anne Campbell, Little Harbour; 2. Mrs. Jackie Aitken; 3. Harold Bulpitt.

6 onions, white or yellow: 1. George MacEachern, Souris; 2. Mrs. Pius Campbell; 3. Mrs. Pius Campbell.

6 green tomatoes: 1. Agnes Sheehan; 2. Barbara MacInnis; 3. Josephine MacInnis.

6 ears corn, table use: 1. Mrs. Carl S. McVane; 2. Elizabeth MacInnis.

6 stalks fodder corn: 1. Mrs. Jackie Aitken; 2. Major Reid; 3. Mrs. Pius Campbell.

6 cabbage late: 1. Reginald S. MacDonald, Souris.

6 Cucumbers for table use: 1. Mrs. Jackie Aitken; 2. Myrtle McGregor; 3. Mrs. Carl S. McVane.

Largest pumpkin or squash by weight: 1. Elizabeth MacInnis; 2. Barbara MacInnis; 3. Mrs. Carl S. McVane.

Squash, Hubbard type: 1. Mrs. Jackie Aitken.

Onions, juttler or potato, 5 natural clumps: 1. Harold Bulpitt; 2. Mrs. George S. MacDonald, East Baltic; 3. Mrs. George S. MacDonald.

Collection table vegetables: 1. Harold Bulpitt, Roseneath; 2. Mrs. Carl S. McVane; 3. Mrs. Peter McInnis.

6 summer squash: 1. Harold Bulpitt; 2. Mrs. Carl S. McVane.

30 tubers (Kathadin) seed: 1. Fred and Frank Coffin, Rollo Bay; 2. Harold MacGregor, East Baltic; 3. Aubrey MacGregor, East Baltic.

30 tubers, Sebago seed: 1. Clarence Burke, Fortune Bridge; 2. Arthur Dixon, Rollo Bay West; 3. Pius Campbell.

30 potatoes, any other variety seed: 1. Howard Dixon; 2. Pius Campbell; 3. Aldan McLaren.

30 potatoes tablestock: 1. Fred and Frank Coffin; 2. Howard Dixon; 3. Arthur Dixon.

Grand champion seed: Fred and Frank Coffin.

Reserve champion seed: Howard Dixon.

Grand champion tablestock: Fred and Frank Coffin.

Reserve champion tablestock: Howard Dixon.

SWINE
Reg. Yorkshire boar farrowed in 1958: 1. Chester Whiteaway, Murray River; 2. N. W. MacLeod and Sons, Bridgetown; 3. Chester Whiteaway.

AT HELEN'S: New shipment of fall hats just arrived. See them at M. F. MacDonald's Store, Montague.

COME to the Mission tonight in Montague Trinity United Church, 8 p.m. Preacher Rev. Jim Jones. Music by Cherry Valley choir.

Boar farrowed before 1958:

1. Fred and Frank Coffin; 2. N. W. MacLeod and Sons; 3. Joseph MacIsaac, St. Peters.

Yorkshire sow born in 1958: 1. N. W. MacLeod and Sons; 2. N. W. MacLeod and Sons; 3. Chester Whiteaway.

Sow born before 1958: 1. Russell Buell, Abney; 2. Russell Buell; 3. N. W. MacLeod and Sons.

Grade Yorkshire sow over 8 months: 1. Fred and Frank Coffin; 2. Fred and Frank Coffin.

Senior herd, 1 boar 2 sows: 1. N. W. MacLeod and Sons.

Junior herd farrowed in 1958: 1. N. W. MacLeod and Sons; 2. Chester Whiteaway; 3. Fred and Frank Coffin.

Champion male registered: Fred and Frank Coffin.

Champion female registered: Russell Buell.

MARKET HOGS
Pen of 3 bacon hogs: 1. Preston Bryenton and Son; 2. Jackie Aitken; 3. Bruce Stead.

Single bacon hog: 1. Bruce Stead; 2. Jackie Aitken; 3. Jackie Aitken.

Matthew and MacLean special: Single bacon type hog under 8 months: 1. Bruce Stead; 2. Jackie Aitken; Pen 3 bacon hogs: 1. Preston Bryenton, 2. Jackie Aitken.

MacAulay Bros. Special: Champion Bacon Hog of Show: Bruce Stead.

R.T. Holman's Special: Grand champion swine, male or female: Male: Fred and Frank Coffin; Female: Russell Buell.

Canada Packers Special: Best sow, any age: Russell Buell; Best boar, any age: Fred and Frank Coffin.

Bird's Feed Service Special: Champion male registered: Fred and Frank Coffin; Champion female registered: Russell Buell.

STRATHCONA — Miss Audrey MacMillan, Agriculture representative, complimented the Bridgetown and district 4-H Club members on how well they showed their entries at their second annual Achievement Day held on Saturday at the farm of the club leader, Grover MacKay, Strathcona.

About 40 interested parents and neighbours were on hand and heard Miss MacMillan remark that the club showed a 100 per cent improvement over last year.

Following were the results: Years Work For Ayrshires: 1. Mary Acorn; 2. Blair MacKenzie; 3. Roger Acorn; 4. Joe Acorn; 5. Billy MacLeod; 6. Donnie MacKenzie.

Years Work For Holsteins: 1. Gail MacKay; 2. Jean MacKay; 3. Lloyd MacKay; 4. Cecil MacKay; 5. Garth Taylor.

Judging Classes: 1. Roger Acorn; 2. Billie MacLeod; 3. Lloyd MacKay; 4. Joe Acorn; 5. Garth Taylor.

Showmanship: 1. Dianne Hunter; 2. Gail MacKay; 3. Joe Acorn; 4. Jean MacKay; 5. Lloyd MacKay.

Yearling Ayrshires: 1. Joe Acorn; 2. Larry Acorn; 3. Billie MacLeod; 4. Blair MacKenzie; 5. Roger Acorn.

Yearling Holsteins: 1. Jean MacKay; 2. Lloyd MacKay; 3. Gail MacKay; 4. Dianne Hunter; 5. Garth Taylor.

ARMY CHIEF ON TOUR
NEW DEL. (AP)—Gen. K. S. Thimayya, chief of the Indian Army staff left Thursday en route to Canada and the United States. Thimayya arrives in Canada Oct. 8 and the United States Oct. 16.

NEGROES CANCEL DANCE
LONDON (Reuters)—An African student organization Thursday cancelled a dance in the Paddington area of London where there have been recent racial clashes. A spokesman said the decision was taken "in order to avoid any further incident."

YEO Theatre MONTAGUE

MON. - TUE. SEPT. 8 - 9 SHOWS AT 8:30

"HOT SPELL"

ANTHONY QUINN — SHIRLEY BOOTH
The exciting story of the big city in the heat of summer. The father who falls in love with his son's wife, the bad daughter, and the pathetic mother make this new move a movie goer's must.

COMING WEDNESDAY - THURSDAY
"THE CURSE OF FRANKENSTEIN"

PROVINCIAL PLOWING MATCH AND EXHIBITION AT DUNDAS WEDNESDAY and THURSDAY September 10 and 11

- 11 PLOWING CLASSES
- PRIZE LIST ON REQUEST
- 287 HORSE AND CATTLE CLASSES
- OVER \$5000 IN PRIZES

PROGRAMME

Wednesday, Sept. 10th

CLASS 1—Gang Plow Seniors
CLASS 2—Single Furrow Novice
CLASS 3—Single Furrow, Boys under 16
CLASS 4—Tractors, 2 Sod
CLASS 5—Tractors, 3 Sod
CLASS 6—Tractors, boys or girls under 16

HORSE CLASSES All Carriage and Saddle
SENIOR SPORTS
ALL DAIRY CATTLE, Sheep, Swine & Poultry
Plowing Starts at 10 a.m.
Horse Judging Starts at 1 p.m.

Thursday, Sept. 11th

CLASS 7—Single Furrow, Open
CLASS 8—Gang Plow, Under 16
CLASS 9—Tractor, 2 and 3 Sod, Ladies
CLASS 10—Esso Provincial Championship
CLASS 11—Maritime Championship

ALL BEEF CATTLE
HORSE CLASSES all general purpose, draft
JUNIOR SPORTS
STEP DANCING
Handicraft entries close at 10 a.m. Wednesday September 10th

All classes open to Province, except Cattle, Sheep and Hog Classes, which are open to King's County and that portion of Queen's County East and South of Hillsboro River. Livestock judging starts at 12 o'clock noon.

REFRESHMENTS - LUNCHES - MUSIC - GAMES - SPORT
Admission --- 75c and 25c

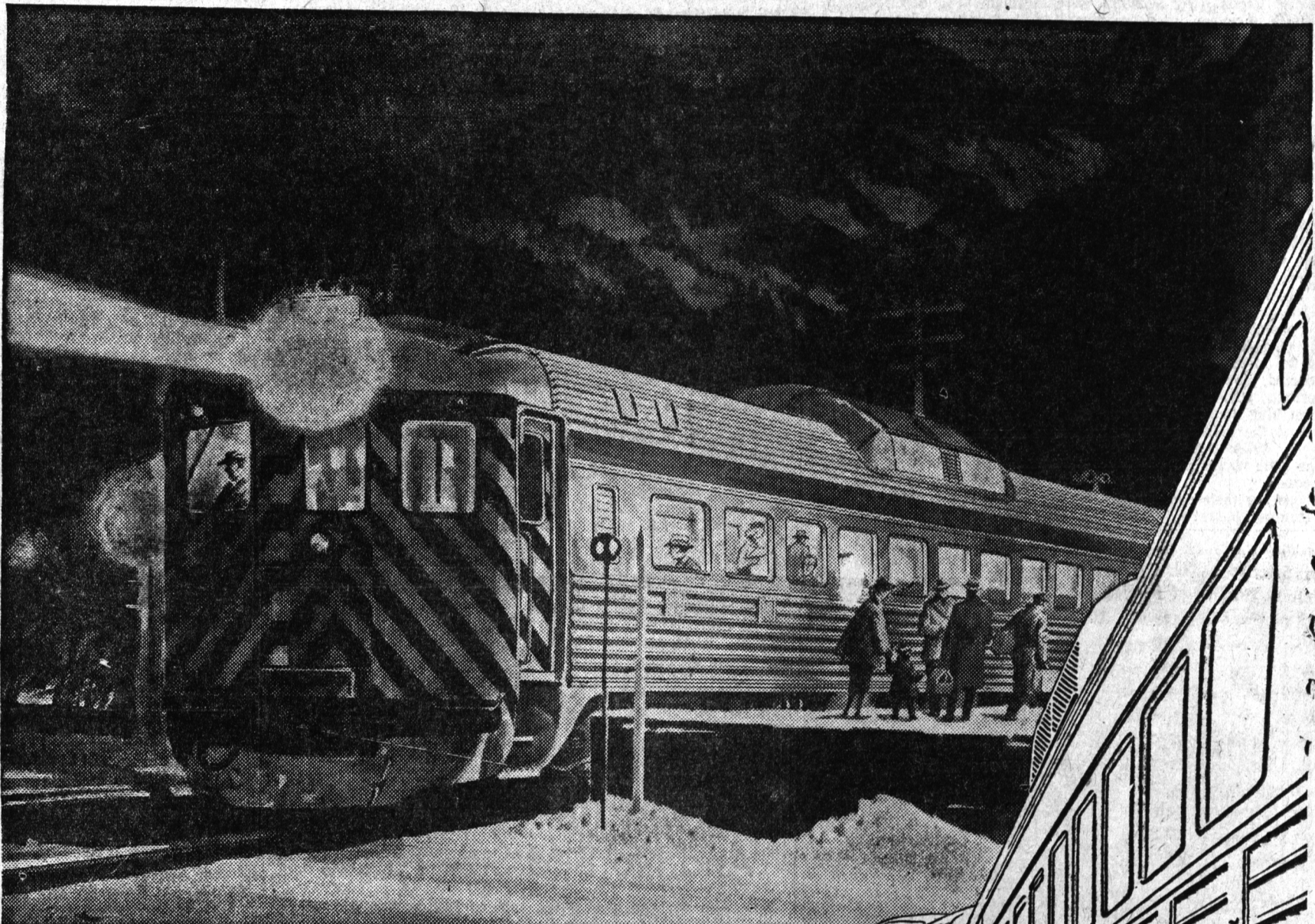
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