

# May Relax Interest Rates Before Federal Election

By HAROLD MORRISON  
Canadian Press Staff Writer  
OTTAWA (CP)—The Bank of Canada's interest rate has swept to a new high but some aspects of federal planning appear to indicate the government will relax its "tight money" policy perhaps before the expected June vote.

For one thing, it was learned, the government plans to extend the current Prairie loans on farm-stored wheat into the 1957-58 crop year, boost the ceiling on individual loans but leave the question of new interest rate in abeyance until the summer.

The view in some quarters is by the time the warm weather rolls around and perhaps soon after Finance Minister Harris presents his budget toward the end of March, there may be a noticeable increase in the country's money supply and some decline in interest rates.

That might be a more opportune time for the government to announce a continuation of the present five-per-cent rate on the wheat loans. These loans are made by

banks and partially guaranteed by the government.

**REACHES RECORD**  
The Bank of Canada rate rose to a record 4.06 per cent Thursday, reflecting a continuing shortage of funds in the financial markets. The charge on loans to chartered banks and other institutions is fixed at one-quarter of one per cent above the week's average treasury bill rate.

Credit curbs and other economic factors have had some impact on Canadian home building which sagged sharply in January. Central Mortgage and Housing figures show that National Housing Act loans dropped to 251 in January from 1,245 a year ago. Starts on

new homes in centres of 5,000 persons or more slumped to 1,454 from 3,459 last year.

The over-all capital expansion of the country is expected to increase during 1957 but the rate of expansion is expected to drop sharply from the 1956 peak to about eight per cent from 24 per cent in 1956.

A federal survey forecasts capital investment this year at \$3,500,000,000, up about \$600,000,000 over 1956. The increase last year was about \$1,600,000,000.

Meanwhile the flow of goods has increased, reducing scarcities with the exception of some types of steels for which there still is heavy demand.

## Gov't Playing Passive Role In U. K. By-Elections

By ED SIMON  
Canadian Press Staff Writer  
LONDON (CP)—The Conservative party, which suffered a painful defeat in a by-election two weeks ago, is playing an almost passive role in two more contests to be decided Thursday.

While the government's unpopular rent bill contributed heavily to the loss of a Conservative seat at North Lewisham Feb. 14, it is the Labor and Liberal parties which are under fire in the Birmingham area seat of Wednesbury and the Welsh constituency of Carmarthen.

The government has no candidate in Carmarthen, where the tiny Liberal party seeks to retain one of its six seats against a challenge from one of the most revered names in the party's history, Lady Megan Lloyd George, daughter of the party's last prime minister and a onetime Liberal member of Parliament, is contesting the seat as a Labor candidate.

In Wednesbury labor is on the defensive. The seat, carried by Stanley Evans in the 1955 election, was vacated when Evans resigned in protest against Labor's Suez policy. Most observers believe the issue will throw some votes from Labor candidate John Stonehouse to Peter Tapsell, his Conservative opponent.

a protest against the cost of living, an issue which might win him a portion of the normal Labor vote.

The potential effect of the independent in Carmarthen is less clear cut. In a contest in which the Liberal candidate's name is John Morgan Davies, the entry of Mrs. Jennie Eirian Davies as a Welsh nationalist can be expected to cause some confusion.

On the other hand, the presence of a second woman in the field could affect Lady Megan's chances. And the nationalist cause—Mrs. Davies advocates dominion status for Wales—is believed to command sympathy among left-wing voters.

Liberals have been bitter in their criticism of Lady Megan, accusing her of betraying her heritage by switching to Labor. Lady Megan, ousted from the Commons in 1951 by a Labor opponent, reports that her father's tradition now has passed to the Labor party.

Present standing in the 630-seat House is: Conservatives 340; Labor 277; Liberals 5, independent 1, vacant 5.



## NASSER WELCOMES KING SAUD

King Saud of Saudi Arabia, left, walks with Egypt's President Nasser, center, and Nasser's adviser, Ali Sabry, at Cairo's Almaza military airport on Saud's arrival to attend an Arab four-power conference, Saud is scheduled to report tomorrow to Nasser. King Hussein of Jordan and President Shukri Kuwaty of Syria on his recent talks with President Eisenhower in Washington. (AP Wirephoto via radio from Cairo)

## TIGNISH

Mr. Timothy Conway who recently signed up for duties with the Royal Canadian Navy, and was on duty at Charlottetown spent last week-end visiting his parents, Mr. and Mrs. Joseph Conway, Tignish. He left on Monday morning to return to H.M.C.S. Cornwallis, N. S., where he will take his basic training.

Mr. and Mrs. Gerald Hackett who had spent the past several months in Halifax, N. S., returned to their home in Norway last week.

Congratulations are being extended to Miss Elsie Conway and Miss Barbara Shea, Tignish, who were among the class of girls receiving their caps in a ceremony held in City Hospital during the week of February 17th. Both Miss Shea and Miss Conway are graduates of Tignish High School with the June class of 1956. Miss Conway is the daughter of Mr. and Mrs. Joseph Conway, and Miss Shea is the daughter of Mr. and Mrs. W. J. Shea, all of Tignish Village.

Mr. Ira Ellsworth has returned to his home in Ascension, after a three months period of living

in Saint John, N. B., where he was employed.

Mrs. Fred Fitzgerald, Tignish, has entered the Western Hospital, Alberton, where she will receive treatment. Her many friends hope she may soon be returning home in good health.

Mr. and Mrs. Frederick Fitzgerald and daughter, Rhonda, have returned to Toronto, Ont., after a visit with Mr. Fitzgerald's parents, Mr. and Mrs. Fred Fitzgerald, Tignish.

Mrs. Emmanuel P. Doucette of Tignish, spent a week in Summerside, visiting her daughters, Mrs. Elmer Arsenault, and Mrs. Joseph Gallant and their families.

Mrs. Joseph E. Bernard, Nail Pond, visited for two days of last week with her brother, Mr. J. Peter Gaudet, Tignish.

Tignish Village is quite T. V. minded with twenty-two T. V. sets in operation at the present time, and quite a number of other homes seriously considering having a set installed in the near future.

Mr. Henry E. Doucette, Tignish, is a patient in the City Hospital, Charlottetown, receiving treatment prior to undergoing an abdominal operation.

Mrs. Camelle Chaisson who recently returned from Western Hos-

pital is staying at the home of her friend, Mrs. Fred A. Gaudet, Tignish Corner. Mrs. Chaisson and her daughter, Camilla plan to soon return to their homes in Toronto, Ont.

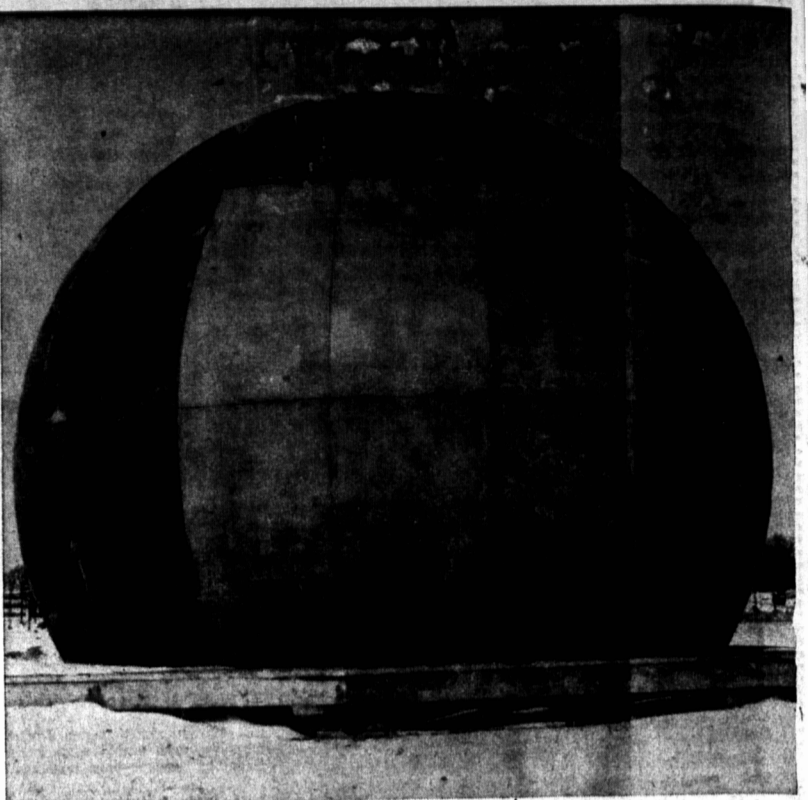
Pte. Leo Martin, serving with the Canadian Army, spent a seven day leave in Tignish, visiting with relatives and friends.

Mrs. James Pennessy, Tignish, spent Wednesday in Alberton, visiting her mother, Mrs. Leon Perry who is ill and in hospital.

Mr. and Mrs. Russell Perry, and Mr. and Mrs. Joseph Perry, Tignish, visited one evening last week with Mr. and Mrs. Alphonse Perry, Palmer Road, South.

Mr. and Mrs. E. C. Perry, Tignish, spent last Monday in Rustico, visiting Mrs. Perry's brother, Rev. J. H. LeClair, parish priest at Rustico.

Billy Ready, eight-year-old son of Mr. and Mrs. Lloyd Ready, Tignish, is a patient in the Prince County Hospital, Summerside. Billy was taken to hospital by Dr. W. A. Shea of Alberton, and on Sunday and immediately operated on and had an inflamed appendix removed. This is Mr. and Mrs. Ready's third child to be operated on in the Prince County Hospital within the period of



## RIGID RADOME FOR R. C. A. F.

A new rigid radome has been designed for the RCAF by the National Research Council. Used as a protective covering for electronic search equipment, the dome does not require pressurization to maintain rigidity. (National Defence Photo)

## Tuberculosis Rate In Nfld. Declines

CORNER BROOK, Nfld. (CP)—Newfoundland's tuberculosis rate is declining steadily but the disease "is still a long way from being licked," Dr. E. S. Peter, medical superintendent of the West Coast Sanatorium, said in an interview Tuesday.

Dr. Peter said TB now ranks sixth as a cause of death behind heart disease, cancer, nervous disorders, accidents and pneumonia.

The Newfoundland TB death rate in 1955, last year for which complete figures are available, was 19.9 for each 100,000 population. Although the highest Canadian rate this compared with 26.4 in 1954 and 70.8 in 1951.

## BORDEN

The death occurred at Vancouver, February 11, 1957, of John Webster son of the late Benjamin and Grace Warren Webster of Augustine Cove, P.E.I., at the age of 82 years. When a young man, John went to British Columbia and with his wife who was formerly Mamie Crockett of Charlottetown, they made their home at Fort Laughey, B.C. His wife predeceased him some years ago. He is survived by a son, Warren and a daughter Marion.

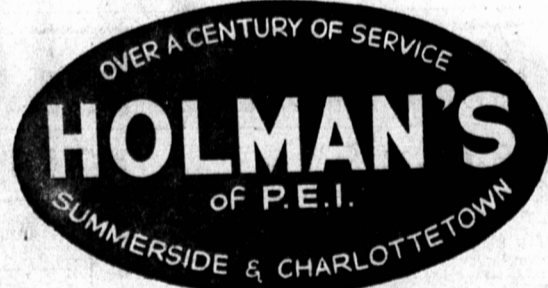
Mr. and Mrs. Charles MacKenzie of Winsloe, who have been visiting Borden at the home of their son, Capt. Herb MacKenzie and Mrs. MacKenzie left on Saturday, Feb. 23, for Boston, where they will attend the funeral of Mrs. MacKenzie's sister, Miss Mary MacLennan.

On Friday evening, Feb. 22nd, the Borden Sisters and Cape Traverse Sisters battled to a 4-4 tie in Borden Rink. Cape Traverse

## SMALLER SIZE

Australian wallabies are smaller members of the kangaroo species.

goals were scored by Helen O'Halloran, 2, and Esther Carruthers and Lois Muttart with one each. Borden goals were scored by Imelda Kelly 3, and Carol Currie, 1.



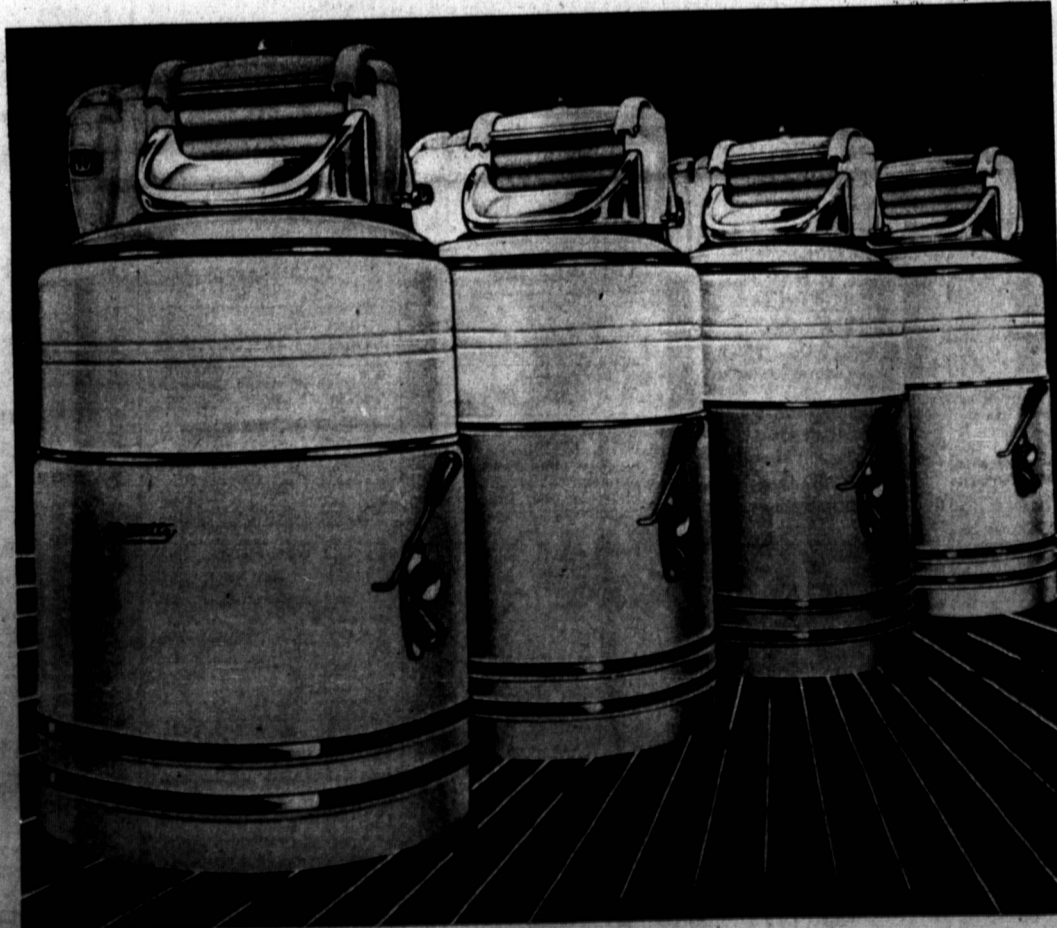
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