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# The Guardian

Clear with a few cloudy intervals, continuing warm, light variable winds. Low-high at Charlottetown 52 and 78.

"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA FRIDAY, JULY 25, 1958

NOT MORE THAN FIVE CENTS

12 PAGES

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## Interest Rate Hits New Low

By ROY LaBERGE  
Canadian Press Staff Writer  
OTTAWA (CP) — An "easy money" situation in Canada has brought the Bank of Canada interest rate to a record low.  
The bank announced Thursday the rate fell this week to 1.22 per cent. It stood at 1.70 per cent last week and 1.91 a week earlier.  
Finance Minister Fleming said he saw in the drop some evidence of the strength the government hopes its conversion loan program will give the country's financial market.  
Until now, the record low had been 1.50 per cent, first established Feb. 8, 1944, and equalled Aug. 4, 1955.

**NOT AFFECTED**  
Mr. Fleming indicated the government call on holders of Victory Bonds to convert them to the new conversion issues had not directly affected the bank interest rate, which is tied to the yield of government short-term treasury bills.  
"The conversion program is in the long- and medium-term field," Mr. Fleming said in an interview. "It's not in the treasury bill field at all."

"I think we see here some evidence of the strength that we expect the conversion loan to impart to the whole financial market of Canada."  
Economists generally see a low Bank of Canada rate as reflecting an "easy money" situation in which borrowers find plenty of money available for loans and in which interest rates are low.

**SEEN IN LOANS**  
This is evident at least in the case of short-term loans. The bank rate — the central bank's lending charge to chartered banks and other lending institutions — is set at one-quarter of one per cent above the average yield for the 91-day treasury bills.  
The yield this week was down to .37 per cent, indicating a sharp increase in demand for the government notes. Last week their average yield was 1.45 per cent.



### RANGE OFFICER CHECKS SCORE

Major R. D. MacGillivray, Squaw Point, in his capacity as range officer, checks on a tie score at the Provincial Rifle Meet at Wolfville, Nova Scotia looks on.

## Unanimous Backing Won For CCF Link With Labor

By DON PEACOCK  
Canadian Press Staff Writer  
MONTREAL (CP) — The CCF national convention Thursday unanimously and with enthusiasm accepted a Canadian Labor Congress proposal that the two organizations along with other interested groups develop a "people's political movement."  
The unanimous decision of the

250-odd delegates attending the convention from all provinces was greeted with prolonged applause. The vote, merely a show of hands, was taken after almost four hours of debate, all but a smattering of it favoring the move.  
Present when the vote was taken was president Claude Jodoin of the 1,000,000-member CLC, who addressed the convention a few minutes later.

"I like the resolution that you adopted," he told the convention, recalling that a closely similar one was approved by the CLC national convention last April in Winnipeg.  
**OUTCOME OBSCURE**  
Exactly what the outcome will be of this latest togetherness move of the CLC and CCF remains obscure. What follows at first will be more discussions between officials of both groups and with any other groups or individuals interested.  
The eventual child of Thursday's union of CCF and CLC intentions likely will not be clearly recognizable for almost two years, when both organizations are due to hold national conventions again.

## Interprovincial Health Committee To Meet Here

Dr. M. Lorne Bonnell, provincial Minister of Health, has announced that the Interprovincial Planning Committee on Health for the four Atlantic Provinces will meet in Charlottetown on Monday and Tuesday of next week. This is the twenty-second meeting the committee has met in the past ten years and the meeting will take place at the Department of Health offices, Prince Street, Charlottetown.  
Representatives will be present from the four Atlantic Provinces and two members of the Department of National Health and Welfare will also sit on the conference.  
It is expected, Mr. Bonnell said, that many topics concerning health in the Maritime region will be discussed with the

main emphasis being placed on Hospital Insurance.  
Representing Prince Edward Island will be Dr. M.L. Bonnell, Dr. O.H. Curtis, Dr. B.D. Howatt, Dr. L.E. Prowse and Mr. C. Prught.  
Representatives from other provinces will include:  
Nova Scotia — Dr. J.S. Robertson, Dr. J. Stanton Mr. Rudolph, Mr. R. Black, Dr. G.G. Simms, Dr. Chester Stewart, Dr. Carvell MacIntosh.  
New Brunswick — Hon. J.F. McInerney Dr. J.A. Melanson, Dr. C.W. Kelly.  
Newfoundland — Hon. James McGrath, Dr. Leonard Miller Department of National Health and Welfare — Dr. Ken Charron, Dr. C.L. Francis.

## Albany Tourist Bureau Is Designed As Lighthouse

A light-house designed for a purpose other than the guidance of ships will serve as a tourist information centre at Albany. Construction of the novel design building has begun at the site a few hundred yards west of the intersection of the Trans Canada Highway to Summerside and Charlottetown.  
B. Earle MacDonald said yesterday the contact for the erec-

tion of the Tourist Bureau has been let to M.F. Schurman and will be completed this fall.  
The need for a tourist centre at this important juncture of the TCH has been felt for some time, Mr. MacDonald said it will afford visitors to and from the Province an opportunity to obtain information and at the same time give them a chance to view the scenery from the top of the "lighthouse".

Mr. MacDonald, the Bureau Director is Al Nicholson.  
**More Farm Credit Urged**  
OTTAWA (CP) — Progressive Conservative MPs from four provinces urged the federal government Thursday to make more long-term credit available to farmers on more generous terms.  
They told the Commons agriculture committee this should be done because private lending institutions no longer are interested in making mortgage loans to farmers.  
Increased federal activity in loans was urged by Gage W. Montgomery, Victoria - Carleton, N.B.; C. A. Milligan, Prince Edward - Lennox, Ont.; R. R. Southam, Moose Mountain, Sask., and Lawrence E. Kindt, MacLeod, Alta. The discussion came during committee study of a bill to amend the Canadian Farm Loan Act.  
OTTAWA MUST ACT  
Mr. Montgomery said since farmers are unable to obtain long-term loans from private institutions the government must be prepared to extend its activities in this field.  
"The government has got to be far more generous and take more risks," he said. "If the government doesn't, nobody else will."  
If the government suffered losses, they would have to be absorbed by the federal treasury.

## Mammoth Plane Order Is Sought

MONTREAL (CP) — Fred Kearns, vice-president (finance) of Canadair Limited confirmed Thursday that his company is attempting to sell \$100,000,000 worth of Canadian airliners in South America.  
"We are still negotiating," he said. "At the moment the prospects of our being successful are fair."  
He was commenting on a Montreal-dated item in The Financial Post, which said the sale would be conditional on Canadair building and operating a production plant in Brazil.  
Mr. Kearns said the report was factual. If the conditions were met, there would be a sure market for 100 Canadair 540 twin-engine turbo-prop airliners. There would be a chance of sales of more 540s as well as other Canadair products like the CL-44 airliner.  
The negotiations were being carried on by a Canadair sales team now in Brazil.

ALL THE TRIMMINGS  
Rising 36 feet in height, the bureau will have all the nautical features of its marine counterpart including glassed-in lantern room and balcony.  
On the main floor will be the information office and washrooms. A stairway will connect each of the four floors between the ground and the top of the building. A ventilator at the top will add realistic maritime touch.  
The building of frame construction will have an exterior finish of shingles. The interior will be most modern in design. A well at the site will provide plenty of fresh water at all times.  
Landscape of the site by the Department of Public Works will give the effect of an island in the centre of sunken gardens. Connecting bridges will provide access from the edge of the highway to the central island.  
The design of the tourist bureau was worked out by the Department of Public Works, Hon. J. George MacKay, Minister. The Bureau will be operated by the Prince Edward Tourist Bureau under Provincial Secretary, Hon.

## CONSULTANTS ON CAUSEWAY

HALIFAX (CP) — British engineering consultants of Toronto and Canadian Bureau of Allied Consulting Engineers Limited of Vancouver have been appointed consultants to federal government engineers studying the proposed Prince Edward Island - New Brunswick causeway.  
The government study is headed by G.B. Williams, chief engineer with the development engineering branch of the Department of Public Works. A site office has been established at Borden, P.E.I.

## House Session Will End Soon

OTTAWA (CP) — Senate government leader Walter M. Aesline said Thursday he expects that the current session of Parliament will end within the next two or three weeks.  
He made the statement shortly before the Senate approved a motion which has the effect of speeding up the handling of bills by the Upper Chamber.  
The motion makes it possible for the Senate to give second and final reading to bills in one day. However, any member still may seek adjournment of debate if he objects to this procedure.

## Town Clerk Faces Charge

MONCTON (CP) — Arthur Gougen, former town clerk and treasurer of suburban Dieppe, has been committed for trial in Supreme Court at Dorchester, N.B., next month on a charge of stealing \$16,901 from the town treasury.

## REBELS WEIGH JOINING U.A.R.

# Nasser Plans Reported Plagued By Red Moves

## U.S. Spurs Preparation For Nikita Amid Russian Show Of Confidence

LONDON (AP) — Soviet Premier Nikita Khrushchev's agreement to attend a special summit conference of the United Nations Security Council on the Middle East crisis got an official welcome from this country.  
But a government statement — seeming to reflect American and French thinking — rejected as unrealistic Khrushchev's idea that the talks should start Monday.

It pledged Britain's readiness to participate "as soon as a special meeting of the Security Council can be conveniently arranged."  
The trend of thinking seemed to be that would be in about 10 days, or during the first week in August.

However, the U.S. Embassy in Moscow made preliminary arrangements for quick American clearance of Khrushchev's jet plane whenever it receives formal notification of his plans.  
**RUSS CONFIDENT**  
Self-confidence was reflected among the Russians at Khrushchev's decision to accept the West's challenge.

"He did it, he gave it to them," said a Moscow cab driver. "He will show them."  
And government and Communist party newspapers made fresh attacks on the United States

and President Eisenhower. Izvestia said the United States is so accustomed to settling all problems from positions of strength that it interprets military intervention as peaceful foreign policy. When Eisenhower speaks of human dignity, it said, he is thinking only of crowned, feudal heads of colonial states.  
Pravda accused the United States of meddling, wire-pulling

and open aggression in the Middle East; Eisenhower of "turning white into black and black into white."  
**RULER DISAPPOINTED**  
"The ruling circles of the United States who thought the Soviet Union would turn down a heads-of-government meeting within the framework of the United Nations will have to be (Continued on page 2 Col. 4)

UNITED NATIONS, N.Y. (AP) — Many UN diplomats feel the key phrase in Premier Khrushchev's latest message on a summit meeting is his reference to consultations outside the Security Council chamber.  
The feeling here is that whatever achievements come from any proposed high-level gathering will be the result of private talks among East-West leaders and not from the formal sessions of the 11-nation council.

## BY COUPLE OF WEEKS

## Delay Of Parley Is Sought By Ike

WASHINGTON (AP) — President Eisenhower Thursday drafted a reply to Soviet Premier Khrushchev's bid for a quick summit conference and sent it to British and French leaders for their perusal.  
The reply was reported mainly an attempt to pin Khrushchev down to a promise to abide by the rules of the United Nations Security Council at any hastily arranged New York meeting.  
Khrushchev proposed a summit conference on the Middle East to start Monday. But Eisenhower obviously was seeking to slow the rush by a couple of weeks.

This attitude could collide squarely with an apparent British-Soviet view that such a high-level conference be devoted to discussion, not voting, in view of the stature of the proposed participants.  
Eisenhower probably would seek clarification, it was felt, on Khrushchev's announced readiness to talk informally on unnamed important issues outside the Security Council chamber.  
While the White House maintained official silence, there were (Continued on page 2 col. 4)

The council probably would do little more than put its approval on agreements, if any, reached by the big powers. Khrushchev and Prime Minister Macmillan already have suggested that no resolutions be submitted to the council unless they arise from previous agreement.  
**PRIVATE TALKS**  
This clearly indicates private negotiations are envisaged. Secretary-General Dag Hammarskjöld, who has agreed to take part in any high-level meeting, is a strong believer in quiet diplomacy and he can be expected to take a leading role in any behind-the-scenes efforts.  
Advocates of private consultations see these main advantages: Private talks minimize the opportunity for propaganda, they can be limited to the few key leaders whose agreement is essential, and they are much more speedy than formal council discussions.

Although the reason for coming to the UN is ostensibly to take part in a Security Council meeting, some diplomats doubt whether there will be more than two or three meetings of the full council.  
Whether these meetings will be open or closed is one of the first questions to be decided. It seems likely now that at least the first session will be open. But this does not mean the general public will see even that much.  
Because of limited space in the council chamber, there is not even enough space to take care of the UN diplomats and the press.

## Disorders In Syria Viewed As Affecting Iraq Attitude

BEIRUT (AP) — President Nasser was reported Thursday plagued by Communist disorders in his province of Syria just as Iraqi rebel leaders began talking of joining his United Arab Republic.  
The Iraqi rebel regime professes to be anti-Communist. It is said to have stiff-armed Red elements trying to climb aboard the revolutionary wagon. So it may follow events in Syria with interest.  
Reliable informants returning from Syria said the Communists were active in Aleppo, an agricultural and industrial centre in northern Syria. They said the Communists, although outlawed by Nasser, organized 50-man groups to shout "down with Nasser" in the streets. They said more than 200 were arrested.  
The informants reported that on July 5 the leftist transport union went on strike in Aleppo. Nasser brought in troops and operated public transport, breaking the strike.

are being prepared. Iraqi Deputy Premier Abdel Salam Aref told the newspaper Sabah el Kheir he is "looking forward to the day when union will be achieved between all liberated Arab countries."  
Nagy Taleb, Iraq's new minister of social affairs, said union with the U.A.R. is "our only guarantee for independence."  
Aref said U.A.R.-Iraqi committees are being formed to discuss military, political, economic and educational matters "with the aim of uniting similar institutions in all these fields."  
In Beirut, attention was centred on the hope that next week's parliamentary election of a new president would end the 76-day-old rebellion, clearing the way for withdrawal of U.S. troops.  
The Lebanese association of industrialists indicated it will call off a threatened general close-down of all industry until it sees what parliament does. The shutdown would protest to have wrought by the revolution.  
The association had threatened to close down Thursday unless parliament picked a president who could restore peace. Parliament postponed Thursday's election session for a week to give negotiators for both sides time to agree on an acceptable candidate.  
The rebels have been gunning for pro-Western President Camille Chamoun, whose term expires in September. If a candidate cannot be found acceptable to both sides, this little country faces real civil war.

**BAD CROP YEAR**  
Northern Syria has fallen on hard times since the Union of Egypt and Syria in February. The Communists are trying to blame the depression on Nasser, the travellers said. But the real trouble, they added, was a bad crop year that cut buying power. This forced industry layoffs.  
Two high officials of the Iraqi regime were quoted by a Cairo newspaper as saying negotiations for a union with Nasser's U.A.R.

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## Permanent Neutrality Could Come For Arabs

By GEORGE KITCHEN  
Canadian Press Staff Writer  
A status of permanent neutrality for the Arab states, their independence guaranteed by East and West, is one of the positive achievements that could come out of a summit conference.  
This is one of the ideas being kicked around in diplomatic circles as a means of returning political stability to the Middle East and enabling Britain and the United States to withdraw their troops from Jordan and Lebanon. The idea would be to model the

Middle East settlement somewhat along the lines of the arrangement by which the big powers in 1955 restored independence to Austria and guaranteed her independence in return for a pledge of permanent neutrality. Both Russia and the West have abided by the 1955 treaty.  
**HARD BARGAINING**  
If such an agreement were reached for the Middle East, it presumably would have to include provision for some sort of UN force, armed or unarmed, to move in to fill the vacuum created by the withdrawal of the Anglo-American forces.  
It also presumably would have to come out of the private—as opposed to public—talks that take place when the Big Five powers meet at the UN Security Council in New York. Utterances at any public sessions likely will be made solely for public consumption, on both sides. It is in the closed-door talks that the hard bargaining, and give-and-take, can be expected.  
The scope of the New York talks depends upon how far the Big Five agree to carry their negotiations and how long they expect to be in session.  
**RADIO INCITEMENTS**  
If it attempts to achieve a general Middle East settlement, the summit conference must also take up the issue of psychological warfare, which includes the constant pourings by the government-controlled radio stations in Cairo and Damascus of incitements to the Arab peoples to revolt or assassinate their leaders.  
To halt such subversion, the Big Five must have the agreement of Egypt's Gamal Abdel Nasser and his United Arab Republic. That may prove to be the hardest agreement of all to obtain.



**QUEEN MOTHER ACCEPTS TOTEM POLE**  
During a ceremony in the from the government and people of British Columbia, Canada, Britain's Queen Mother accepted a 100-foot totem pole as a gift. The Queen Mother is shown talking with Chief Mungo Martin who carved the pole, and his granddaughter, Mrs. Helen Hunt. Part of the totem pole is shown behind them. Man with Queen Mother is unidentified.

## Coaldust Wash Dropped On Desk

SYDNEY (CP) — A Sydney housewife dumped her coaldust laden wash on Mayor Russell Urquhart's desk here Thursday shortly before city council met to discuss the dust from Dominion Coal Company stockpile.  
The unidentified woman's comments to the mayor—if any—were unavailable.  
City council commended the company for placing a sprinkler on its 700,000-ton Victoria Road coal pile. Dust from the pile has caused a number of complaints from residents.  
Ald. Seymour Hines told council: "Just as soon as that stuff is removed I will take action to see that in future coal is piled somewhere outside the city limits."