

# Bank Governor Defends Insurance Fund Decision

OTTAWA (CP) — Governor James E. Coyne of the Bank of Canada said Tuesday the unemployment insurance fund would have "fouled its own nest" and smashed the bond market if it had attempted to dump its \$308,000,000 worth of victory bonds last year.

He was replying to Paul Martin (L. — Essex East) who suggested that the fund, of which Mr. Coyne is a member of the investment committee, should not have converted the bonds but should have sold them and purchased 91-day treasury bills to remain "liquid" in view of mounting unemployment last year and a heavy drain on the fund.

The fund later showed a net loss of some \$10,000,000 in 1958-59, partly because it sold some of the converted bonds at a loss to buy government treasury bills.

Mr. Coyne appeared as a witness before the Commons industrial relations committee which is studying government legislation to boost unemployment insurance rates and expand its operations.

OPPOSED BY LIBERALS

The committee finally gave its approval to the legislation with the Liberals shouting "on division," indicating their opposition.

The bill had been debated before the committee for 13 days. It now goes back to the Commons for final approval, before it is sent to the Senate.

Mr. Coyne suggested a long-term view should be taken of the fund's operations. Over the years it had shown total earnings of some \$271,000,000.

The issue of the fund's investment policy arose through earlier statements that during the last 2 1/2 years—during a period of high unemployment—the fund dropped to some \$457,000,000 from \$224,000,000. The fund administers unemployment insurance revenues and outlays.

DUAL OPERATIONS

Mr. Martin suggested there was something "incompatible" in the dual operations of the fund's investment committee. The mem-

bers not only had to look after the best interests of the fund's major contributors—the workers and employers—but also had the job of advising the government on monetary policy.

Mr. Coyne replied heatedly that he did look after the fund's best interests. On the investment committee along with Mr. Coyne are Kenneth Taylor, deputy finance minister, and George Cushing, assistant deputy labor minister.

Mr. Coyne said it had to be remembered that the fund's entire holdings were in government securities. It held more of these securities than the total holdings of all of the life insurance companies in Canada. These made for "very unyieldy" operations. The committee tried to earn for the fund the best possible interest.

## G'town School Meeting Held

The annual meeting of Georgetown School District No. 1 was held in the school on Tuesday evening, June 2nd. Mayor A.H. Stewart was appointed chairman for the meeting and Mrs. N.W. Hansen, School Secretary, acted as secretary.

The minutes of the last annual meeting were read and adopted. Mr. H.S. MacLean presented the Board of Trustees annual report. The auditor's report was read to the meeting by the secretary and was adopted. Mr. Arnold Wigham of Montague was appointed auditor for the ensuing year. The secretary read the supervisor's report, which was also adopted.

The sum of eleven thousand, five hundred and sixty dollars was voted to cover the teachers' supplements, school running expenses and the annual payment of principal and interest on the bond

Mrs. Spurgeon Walker and Mrs. Alec Arsenault were appointed trustees for a one year period. Mr. Neil A. Wight and Mr. J.B. Scully will serve as trustees for two years and Mr. Emerson Llewellyn was appointed to serve for three years.

A vote of thanks was tendered Mr. H.S. MacLean for his untiring efforts as a trustee and his work during the erection of the new school building. The meeting closed with the reading of the minutes.

## MISCOUCHE

Eric Arsenault of Miscouche has returned to his home after spending some time in the Prince County Hospital where he received treatment.

A large number of boys and girls received their first Holy Communion at St. John the Baptist Church, Miscouche on Thursday morning.

Sister St. Marie, music teacher at Miscouche convent has been awarded a scholarship to attend a summer school for music at Montreal.

A number of people of Miscouche attended "Fashion Fantasy" which recently took place at Birchwood High School Auditorium in Charlottetown. Much credit is due to Sister St. Clair who teaches home economics there.

Peter DesRoches is out again after having been confined to his home with illness.

The annual Corpus Christi procession took place at St. John the Baptist Church, Miscouche on Sunday.

Mrs. Frank Coffey of Madison, N.J., U.S.A., recently visited in Miscouche the guest of her parents, Mr. and Mrs. Cyrus DesRoches.

The annual school meeting of Miscouche district took place on Tuesday evening. Gabriel Arsenault was elected as the new trustee.

On Wednesday evening the Miscouche Parish Council of the Catholic Women's League held their monthly meeting in one of the convent classrooms. After the meeting, bingo was enjoyed by all.

## West Point Group Holds Meeting

O'LEARY — The regular meeting of the West Point Presbyterian Society met in the church on Tuesday evening, June 2nd with the president Alton Ellis presiding.

A story, "Sowing Seeds", was read by Sandra MacIsaac. The devotionals closed by repeating the Lord's Prayer in unison. Roll call was answered by 16 members and two visitors present.

The next meeting will be answered at next meeting with a verse containing the word "watch".

Devotional leaders: scripture, Donnie Livingstone; prayer, Rev. I. Y. Garrett; story by Mrs. Garrett. The secretary was asked to write a thank you letter to the Department of Physical Fitness for the ball and hat.

It was decided to hold a wicker roast at a later date. Questions were put in the question box and answered and Rev. J.Y. Garrett gave a brief talk.

**SOUTH LAKE SCHOOL**

The following is the report for South Lake School for May.

Grade VII: 1. Margaret Stewart; 2. Charlie MacDonald; 3. Blirling MacDonald.

Grade VI: 1. Blair MacDonald.

Grade IV: 1. Heather MacDonald; 2. Elmer MacDonald; 3. Bernard MacDonald.

Grade III: 1. Gail MacDonald; 2. Jay MacDonald; 3. Paula MacDonald and Gary MacDonald, (equal).

Grade II: 1. Roger Bruce; 2. Allen Bruce; 3. Jim Cheverie.

Grade I: 1. Barbara MacDonald.

Mrs. Marguerite McMahon Teacher.

**RAILWAY CENTRE**

Grew, the great railway junction and locomotive-manufacturing centre in England, formerly was a small farm settlement.

## GEORGETOWN

Lt. Bernard Walsh of H.M.C.S. Swans, Royal Canadian Navy, is spending his leave with his parents, Mr. and Mrs. Earl Walsh.

Mr. William J. Fitzgerald attended the Maritime Postmaster's Convention, held in Moncton, N.B., from June 1 to June 3rd, where he was presented with a twenty-five year service award.

Mr. and Mrs. S. P. Tyler of Wolfville, N.S., are holidaying in Georgetown at the former Fair child residence on Water Street. While here they are visiting their daughter, Mrs. Edward Easton and Mr. Easton.

Mr. and Mrs. Raymond Solomon motored to Charlottetown on Wednesday.

Mr. Cecil LeLacheur of the Dominion Government Department of Agriculture, was a recent visitor to his home in Georgetown.

Mrs. William E. Murphy left on Thursday, June 4th, by air for Cold Lake, Alberta; where she will join her husband who is stationed at Cold Lake with the Royal Canadian Air Force.

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