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VISITING BANK OFFICIALS HONORED

Over two hundred guests attended a reception given by the local manager of the Bank of Montreal, R. G. Boyne and Mrs. Boyne at the Charlottetown Hotel last evening. The reception was given in honor of the visiting officials of the Bank of Montreal.

Kiddies Watch Helpless As Father Drowns

LIKELY, B.C. (CP) — Three small children, too young to know the workings of an outboard motor, watched helplessly Tuesday as their father was drowned in Queen Lake near here. Police dragged the lake Thursday for the two men, both non-swimmers. The two families started the fishing outing Tuesday. After the accident, the three children, one 10 and the others seven, managed to steer the boat to shore. Search parties found them 24 hours later, three miles from the lake in dense bushland. This caribou centre is about 60 miles northeast of Vancouver. The two men were identified by RCMP as Charles Wesley Steed and his brother Russell; Geraldine, seven-year-old daughter of Charles Wesley, Randall, 7, and Bradley, 10, sons of Russell Steed.

Union Officials Prepare For Hamilton Steel Plant Strike

HAMILTON, Ont. (CP)—United Steel Workers of America (USWA) officials prepared for a strike at the Steel Company of Canada plant here if a conciliation meeting in Toronto Monday is unsuccessful. Union and company officials were asked to meet with Labor Minister Daley of Ontario and chief conciliator officer Louis St. Pierre in Toronto Monday after a three-day union company meeting here ended without any agreement. The meeting, a last-minute attempt to stave off a strike, lasted only one hour during which union officials made shutdown arrangements. If no agreement is made at the Toronto meeting, union officials said the strike would start 7 a.m. Tuesday. Union members voted Wednesday in favor of strike action after the union rejected a conciliation board majority report. The majority report recommended no wage changes in a new two-year agreement. The union, representing 7,465 company workers at Canada's largest steel producing plant, sought a package increase of 33 cents an hour. Average wage now is \$2.56 an hour. Larry Sefton, USW director of District Six, said the union was "very disappointed by the company's attitude." H. J. Lawson, company industrial relations manager, declined to comment after the meeting. A walkout at the plant would cost 46 per cent of Canada's steel and usually sets the wage pattern for the country's steel industry.

15 Sailors Die, 35 Injured When Tankers Collide, Burn

NEWPORT, R.I. (AP) — Two tankers, groping through an early morning fog, crashed in flaming fury Thursday at the mouth of Newport harbor. At least 15 lives were lost. Thirty-five sailors were injured, many with gasoline- or fuel-oil-soaked bodies. A pilot was in hospital. The coast guard called off a search in mid-afternoon figuring all had been accounted for. The vessels were the Guilford, a 1,400-ton tanker, from Providence, Rhode Island, and the S. E. Graham, a 250-foot tanker, inbound to Providence with a gasoline cargo. Frank Powell, 42, who was at the wheel of the Graham, said he saw the Guilford, heading for Port Arthur, just struck his ship on the bow, struck aft of the foremast. Flames broke out almost immediately. Gasoline spewed out and blazed furiously. The crew launched a boat from the Graham but couldn't find it because of the poor visibility and had to leap into the sea.

Accuses Khrushchev Of Scrapping Talks' Plan

LONDON (Reuters) — Prime Minister Macmillan bluntly accused Nikita Khrushchev Thursday night of breaking an agreement to hold a summit meeting in the United Nations Security Council. Macmillan replied to the Soviet Premier's Letter of Tuesday, in which Khrushchev dropped the idea of summit talks on the Middle East and proposed instead a special session of the 81-member United Nations General Assembly. The prime minister said a General Assembly meeting would be "acceptable."

Total Retail Sales Higher

OTTAWA (CP)—A drop in the off-cuff buying of automobiles has reduced credit sales in retail shops but Canadians are still a little more in debt than they were a year ago. Total retail sales—cash and credit—rose to an estimated \$3,302,300,000 in the first three months of 1958, up 2.8 per cent from the 1957 first quarter, the bureau of statistics reported Thursday. Cash sales rose to \$2,169,000,000 from \$2,065,600,000 while credit sales eased to \$1,133,300,000 from \$1,145,800,000. In the credit field, department store sales increased by 8.7 per cent while those for automobiles dropped by 10.6 per cent. The debt owing to retail shops on March 31 totalled \$931,800,000 down from the \$1,015,700,000 on Dec. 31 but up from the \$910,500,000 on March 31 last year.

U.K. COMPOSER DIES

LONDON (Reuters) — Joseph Holbrooke, 80, once hailed as one of the most promising British composers, died at his home in London Tuesday night. Holbrooke first made his mark as a composer for orchestra in 1900, when his symphonic poem The Raven named after the poem by Edgar Allan Poe was played at London's Crystal Palace. Holbrooke's works were at one time widely performed, but he was largely forgotten in the latter half of his life.

SOURDOUGHS ASTOUNDED

WHITEHORSE, Y.T. (CP) Skookum Jim and the two-ton Swede, and a host of other hardy but ill-manicured sourdoughs, will be stirring in their graves. Whitehorse, capital of the mining Yukon and a two-fisted northern town, now has a beauty parlor for men. Said one astounded sourdough: "I'd like to see one of them little gals try to get the soup and bacon grease out of this beard and permanent-wave it."

Death Seals Lips Of The Human Torch

PONTIAC, Mich. (AP)—Death Thursday sealed the lips of Teamster Union business agent Frank Kierdorf only a few hours after Michigan officials charged he became a human torch while trying to set a Flint dry cleaning shop on fire. Kierdorf, who was burned over 85 per cent of his body Monday, maintained in his only statement to police that he was abducted by two unidentified men who tossed some fluid on him and set it afire. Teamster president James R. Hoffa denied Thursday before the Senate rackets committee at Washington that he ever instructed Frank Kierdorf to commit arson.

HUNT SLOWS DOWN

The intensive police search for the alleged assassins slowed down as investigation uncovered many discrepancies in Kierdorf's account. Michigan Attorney General Paul L. Adams said Thursday he was convinced that Kierdorf, 56, instead of being the victim of a plot, actually was caught in a blazing trap he himself had helped start. Adams said he also believed that Herman Kierdorf, 68, Frank's missing uncle and a recently resigned official of the Teamsters Union, was "in on the deal." Authorities had questioned Frank Kierdorf many times in efforts to shake his story but he refused any further statements.

Defence Missile Fails To Locate Its Target Plane

CAPE CANAVERAL, Fla. (AP) A BOMARC air defence interceptor missile was launched successfully by remote control from 1,500 miles away Thursday, but it failed to find its target. The missile, touted as the most highly developed air defence weapon, roared aloft after someone pressed a button in Kingston, N.Y. The button was connected to one of the world's largest electronic computers. The air force announced that the mid-course guidance system failed to function properly as the BOMARC streaked at three times the speed of sound across the South Atlantic. The missile was aimed at a simulated enemy bomber—actually an unmanned B-17 drone—cruising some 250 miles off the cape. The primary objective of the

U.S. Radar Antenna Fails To Locate Its Target Plane

A radar antenna at Patrick air force base, 19 miles south of the Cape, picked up signals from the drone, relaying them to the control centre at Kingston by special cable. SAGE, which means semi-automatic ground environment, went into effect June 27. In seconds, the computer produced filing data which was fed into the missile's sensitive guidance system. Special communication lines connected the computer with the BOMARC site. Then someone in Kingston pressed a button and the missile thudded into action. The Kingston installation is an eastern air defence base centred on the most densely populated and highly industrialized section of the U.S. It covers the New York-Philadelphia metropolitan areas, all of New Jersey and parts of Connecticut, Rhode Island and Delaware.

STOCK DOUBLED

He said that as a result of action taken at last year's annual session, stock in the company had doubled. He added that "reserves have increased over four times, and surplus, six. Our current asset and current liability relationship is now also favorable." He warned, however, that despite the current favorable trend, the future potential of the Association depended chiefly on the steps taken in order to maintain and ensure a continuing increase in working capital. It was decided that the date for the next annual meeting be left up to the board of directors.

SURPRISE COMPROMISE

U.N. Council Votes To Call Emergency Session

OTTAWA (CP) — The Bank of Canada's interest rate climbed from a record low of 1.12 per cent last week to 1.48 per cent this week, the central bank reported Thursday. Two weeks ago the rate was 1.22 per cent. Previous record low was 1.50 per cent established Aug. 4, 1955. The rate is set at one-quarter of one per cent above the average yield for short-term government treasury bills. The yield this week was up to 1.23 per cent from 0.87 per cent last week. This week's yield resulted from acceptance of tenders on \$115,000,000 of the bills, maturing Nov. 7, 1958, at an average price of \$99.695.

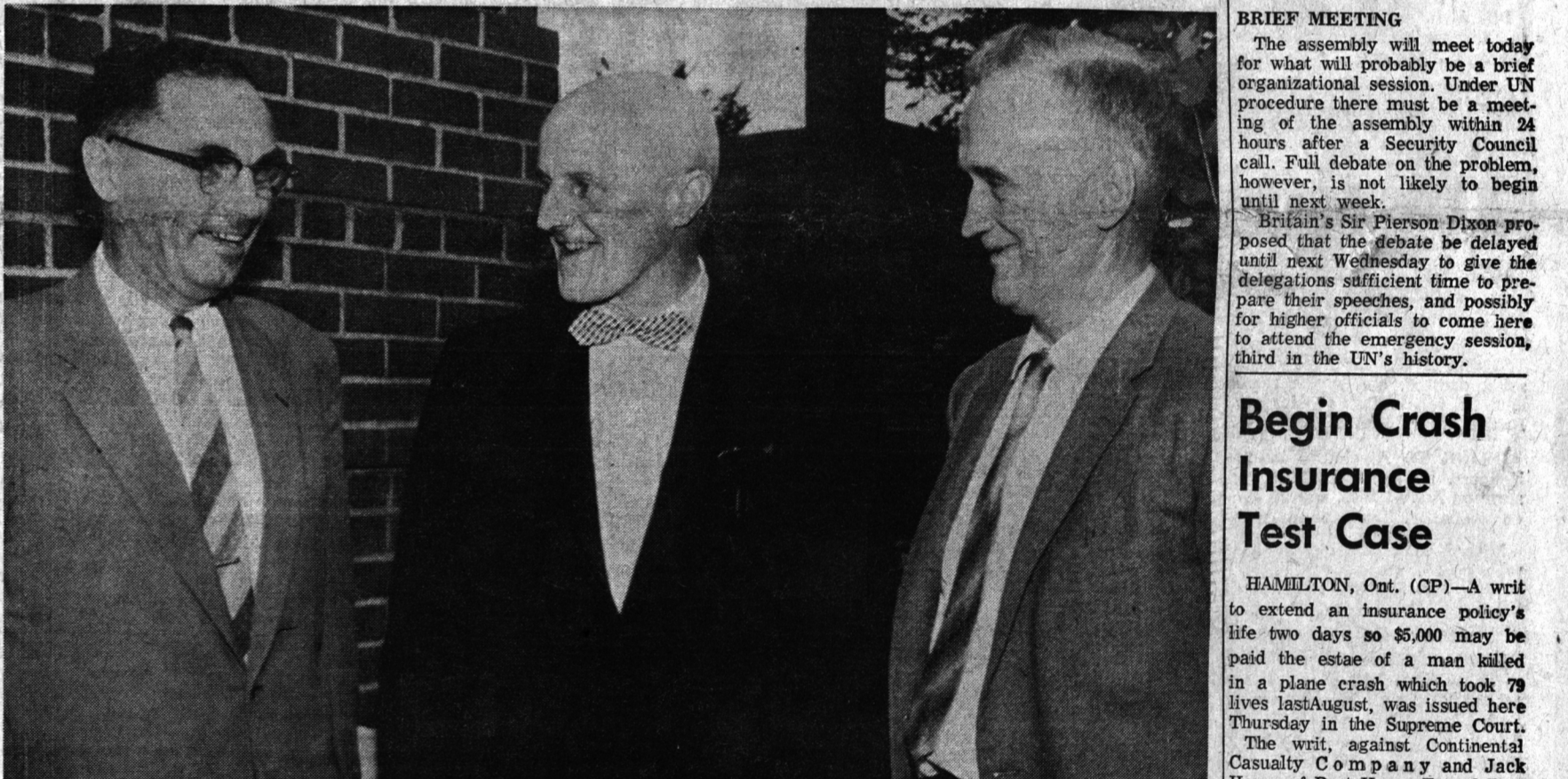
Bank Of Canada Interest Climbs

New Brunswickers Give Princess Royal Welcome

OTTAWA (CP) — The Senate banking committee Wednesday approved a government bill to boost the Canadian farm loan board's lending capacity to \$120,000,000 from \$80,000,000. The bill was approved previously by the Commons. F. L. Chester, commissioner of the board, told the committee that the board's funds will be exhausted by Oct. 15. More money was needed to meet an increasing demand across the country for farm credit. The day began overcast and humid but by the time the princess arrived the sun was shining. Mrs. O'Brien presented her with a bouquet of Irish bells, cornflowers and stephanotis as she stepped off the train. PIPES SKIRL WELCOME Bagpipes skirled a royal salute was given and the princess inspected a guard of honor from the 2nd Battalion Black Watch from nearby Camp Gagetown. As she got into a convertible for the trip to the University of New Brunswick for a civic luncheon, the crowd swarmed around in spite of the best efforts of RCMP to hold them back. Other scheduled events Thursday included a visit to the legislature building to sign the government visitors' book and meet members of the legislative assembly, a visit to College Field to meet provincial leaders of the Boy Scout and Girl Guide movements, a visit to the provincial polo centre and health clinic, and a dinner given by the New Brunswick government. Today she has no public engagements but will attend harness racing at Fredericton Raceway this evening. WILL OPEN BRIDGE Saturday she will attend a ceremony marking the official opening of a new multi-million dollar Trans-Canada Highway bridge spanning the St. John River here. The bridge has been named the Princess Margaret Bridge. Later after an inspection of Canada's largest military training

Will Be Third In History

UNITED NATIONS, N.Y. (CP) The United Nations Security Council, reaching a surprise compromise at the last minute, voted unanimously Thursday night to call an emergency meeting of the UN General Assembly to deal with the Middle East situation. Faced with opposing United States and Russian motions for the full 81-member parliament called on the assembly to discuss in general terms the touchy situation caused by the intervention of U.S. and British forces in Jordan and Lebanon. Avoided on the one hand was the Soviet Union's call for the assembly to meet on bringing about an immediate withdrawal of the troops, and on the other the American contention that the assembly meet under the "uniting for peace" precedent. The assembly will meet today for what will probably be a brief organizational session. Under UN procedure there must be a meeting of the assembly within 24 hours after a Security Council call. Full debate on the problem, however, is not likely to begin until next week. Britain's Sir Pierson Dixon proposed that the debate be delayed until next Wednesday to give the delegations sufficient time to prepare their speeches, and possibly for higher officials to come here to attend the emergency session, third in the UN's history.



British P.M. In Cyprus For Meeting

ATHENS (Reuters) — Prime Minister Macmillan arrived here Thursday night from London for urgent talks with the Greek government in a bid to bring peace to Cyprus. Macmillan will confer with Greek Premier Constantine Karamanlis before flying to Ankara for further talks with Turkish Premier Adnan Menderes. Macmillan's Mediterranean mission is aimed at consolidating a truce declared this week by Greek and Turkish underground groups on Cyprus after fresh rioting and guerrilla fighting caused 150 violent deaths there in two months. The fighting between the Greek and Turkish Cypriot communities results from the deadlock over the island's political future.

Producers' Co-Op Ass'n Has Strong Business Upsurge

AT THE co-operative meetings in Charlottetown yesterday, Mr. R. S. Staples (left) of Ottawa, the national Co-op president, Mr. Donald MacDonald of Charlottetown, the manager of the P.E.I. Producers' Co-operative Association and Mr. Louis O'Connor of Clinton, the retiring president of the Producers' Co-op. Committees appointed to attend to the business dealing of the Association for the coming year included the Nomination Committee Bernard Shea, Walter MacMillan, and Cecil MacArthur, Resolution Committee — Allison Profit, Lorne Calbeck and Frank Davies; Creditables — Mrs. Peterson. Donald A. MacDonald, manager of the Association, read the Manager's statement (Financial), met with favorable impressions from the delegates. The Association's banker, Wm. Hayward, manager of the Bank of Nova Scotia, said that he was pleased to note that the Association, after two years of drudgery, was finally coming into its own. He cited financial working basis the organization had built up over the past year. He also added further praise on the Financial statement's auditor, Gordon Williams. \$28,000 PROFIT The Distribution of Surplus statement, read by Mr. MacDonald, showed that the Association enjoyed a surplus of \$28,000 profit. He said that approximately \$15,000 (or 56 per cent) were goods purchased by members of the Association. The Reserve fund received approximately \$5,675 or 20 per cent. The remainder saw six per cent be used as dividends for members five per cent went into the educational fund, three per cent went produce, one per cent for eggs and poultry, two per cent for bags and 3/4 per cent for fertilizer. The remaining profit, after income tax has been deducted, will be put into the reserve fund, Neil Sangster, promotional and (Continued on page 2 col. 3)

Drowned Man Is From Stanhope

Allan Bertram Misener, formerly of Stanhope, P. E. I. was drowned in the Assiniboine River near Brandon, Man. last Saturday. Lacking identification on the body, police were led to identify of the deceased through fingerprint files in Ottawa taken while Misener was a member of the armed forces during the last war. Parents of the drowned man are Mr. and Mrs. Bertram Misener, Stanhope. It is understood that the late Mr. Misener will be buried in Brandon, Manitoba.

Begin Crash Insurance Test Case

HAMILTON, Ont. (CP)—A writ to extend an insurance policy's life two days so \$5,000 may be paid the estate of a man killed in a plane crash which took 79 lives last August, was issued here Thursday in the Supreme Court. The writ, against Continental Casualty Company and Jack House of Post House Travel Bureau, both of Toronto, seeks to extend to 33 days from 31 days an insurance policy bought through Mr. House by Charles Albert Ogranby, a 65-year-old retired CNR engineer from Willow Cove, Ont., who died in the crash. The estate claim notes that the 31-day period, alleged to have covered a month's trip to Britain, expired before a Maritimes Central Airways airliner, carrying Canadian Legion members and their families returning from a holiday in England, took off for the flight home. WANT PAYMENT MADE The writ asks that the period be extended and that payment of the \$5,000 be ordered to the estate, two of whose beneficiaries are George V. Granby of Aldershot, Ont., and Mrs. George Mutch of Hamilton, son and daughter of the man killed aboard the plane which crashed Aug. 10, 1957, east of Montreal. T. J. McKenna, solicitor for the estate, said he believes the action is a test case and that a number of other lawsuits are awaiting the claim's outcome.

Parliament At A Glance

BY THE CANADIAN PRESS Thursday, Aug. 7, 1958 George McNeil (L—Ottawa West) suggested political patronage is involved in switching the CNR's audit work to a firm headed by a former Progressive Conservative election candidate. Transport Minister Hees denied that political factors influenced the appointment. Senator A. K. Hugesen (L—Quebec) said he hopes Prime Minister Diefenbaker's election campaign "vision" won't turn into an inflationary nightmare. Friday, Aug. 8, 1958 The Commons meets at 11 a.m. EDT to debate defence department estimates. The Senate is adjourned to 8 p.m. Tuesday, Aug. 12.