



REBELS ARE MARCHED TO JAIL

A guard watches as Nicaraguan rebel leaders are marched to detention barracks after their capture by government forces in Nicaragua. They are millionaire Luis Cardenal, left, and wealthy newspaper editor Pedro Joaquín Chamorro. (AP Wirephoto)

Railway Finance Examination Recommended To Commons

OTTAWA (CP) — Examination of the CNR's capital structure should be undertaken by the royal commission on railway problems, Lionel Chevrier (L-Montreal Laurier) said Monday in the Commons.

The former Liberal transport minister said the commission should at least examine some aspects of CNR finances, even though it could not go into the whole question in the time available.

However, Finance Minister Fleming said the commission had been set up primarily to deal with freight rate matters, and its terms of reference would not include dealing with the CNR's capitalization.

The publicly-owned corporation went through its latest recapitalization in 1951, following recommendation of the Turgeon Royal Commission on Transportation.

The CNR discussion developed as the House considered the government's annual measure to authorize CNR capital expenditures. For 1959, they are \$348,900,000.

ONLY 24 MPS

As debate moved over various railway matters, attendance slipped to a low of 24 members in the 265-seat house. The quorum is 20.

Mr. Chevrier and Liberal financial critic William Bendickson (Kenora-Rainy River) suggested party politics had been involved in Progressive Conservative appointments to the seven-member CNR board of directors.

Mr. Fleming denied it and also said the present government had extended the expiring terms of two directors appointed by the Liberals.

Mr. Chevrier mentioned that W. Gerald Stewart of Moncton, N.B., who succeeded Ralph Brennan of Saint John, N.B. Jan. 21 as a director, was a past president of the New Brunswick Progressive Conservative Association.

A LIBERAL TOO

Tom Bell (PC-Saint John, Albert) interjected that Mr. Brennan had been treasurer of the Liberal party in the Saint John area some time ago.

Mr. Chevrier also suggested that Herbert W. Marsh of Regina, who succeeded H. J. Parker of Winnipeg March 9, appeared to be "more competent in CPR affairs rather than those of the CNR." He did not explain the reference.

Mr. Fleming, defending the conservative-appointed directors, said they are "distinguished men giving worthy public service."

Nothing had been done to justify any assertion that the government was playing politics with CNR appointments.

Mr. Bendickson said one new member of the CNR board is a

defeated Progressive Conservative candidate and another a campaign funds collector for the Conservative party. He did not identify them by name.

He also said the 1958 CNR deficit of \$51,600,000 largest since 1938, would have been some \$7,000,000 greater except for some "bookkeeping" suggested by Mr. Fleming.

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New Short-Term Govt. Bond Issue Of \$200 Million Offered By Fleming

By HAROLD MORRISON
 Canadian Press Staff Writer
 OTTAWA (CP)—Finance Minister Fleming Monday offered investors a new \$200,000,000 short-term government bond issue at eye-catching high yields and announced his borrowings this year will not be as large as anticipated in his April 9 budget.

"Our borrowings requirements this year are going to be substantially less than I indicated when I introduced the budget," he said in the Commons as he was questioned about the government's market operations.

"Tighter and lighter money," commented opposition financial critic William Bendickson (L-Kenora-Rainy River).

The new bond issue, made up of two maturities, would help the government pay off a \$500,000,000 July 1 maturity, but it would add to a log-jam of maturities to be paid off next year, perhaps as much as \$1,300,000,000.

ON SALE NOW

The new issue on which Bank of Canada books opened at 8 p.m. EDT was made up of a nine-month maturity of 2 1/4 per cent due April 1, 1960, offered at 98 per cent and yielding about 5.50 per cent, and a 17 1/2-month maturity of three per cent due Dec. 15, 1960, offered at 96.30 per cent to yield about 5.68 per cent.

The government already has issued \$385,000,000 worth of a 2 1/4-per-cent bonds due next April 1 and \$515,000,000 worth of the three-per-cent maturity due Dec. 15, 1960.

In addition a week ago it offered \$200,000,000 worth of one-year treasury bills maturing in June next year—the first such

one-year treasury bill—all adding to the debt to be paid in 1960.

But Mr. Fleming suggested the situation was a little rosier than he had anticipated. In his April 9 budget, he forecast new government borrowings for the current fiscal year at \$850,000,000 net. With anticipations of a sale of Canada Savings Bonds next fall, he indicated the actual net borrowings would be about \$600,000,000—about one-half the 1958-59 total.

Informants said that the Canadian economy and the federal treasury is strengthening and that actual net borrowings might be reduced to some \$500,000,000. This estimate was based on the hope of a big savings bonds sale next fall and the continuation of a high volume of government treasury bill offerings—the ones maturing in 91 and 182 days.

AMHERST, (CP)—An official of Enamel and Heating Products Limited said Monday night work would begin immediately on a \$1,000,000 sub-contract for components of Albatross Aircraft for RCAF search and rescue.

The official said the plant here will build aft fuselages and horizontal and vertical stabilizers. No re-tooling would be necessary because the plant was turning out the same type of units for the Canadian Navy.

Award of the sub-contract by the Grumman Engineering Corporation of the United States was announced in the Commons Monday by Defence Production Minister O'Hurley.

The aircraft plant here employs

Work Will Start Immediately On Million Dollar Contract

about 250. A company statement said award of the contract would mean maintenance of the present work force for about two years. The first units were scheduled to be delivered to Grumman Dec. 15.

The company employs about 200 in a second plant turning out stoves and burners here, and another 250 in a similar plant in nearby Sackville, N.B.

York School meeting was held on Tuesday evening June 2nd and both teachers are remaining for another year; Mrs. George Whiteway and Mrs. Will Crockett.

Mr. and Mrs. Frankie Lewis, York spent the weekend in Ellerslie at the home of Mr. and Mrs. Robert Millar, Mrs. Lewis' parents.

Miss Rose Wais Charlotte-town spent the weekend with her parents Mr. and Mrs. Harold Wais York.

Mr. and Mrs. Jack Sanders Calgary Alberta are spending their holidays with Mr. and Mrs. Peter Proud. Mrs. Sanders was the former Christine Proud York.

Miss Alethea Brown Calgary Alberta is visiting at the home of her parents Mr. and Mrs. Leith Brown York.

Mr. and Mrs. Ernest Machon and two children Laugbie and Janice Murray Harbour spent last Sunday at the home of Mr. and Mrs. Harry Welton York.

A shower was held in York hall on Saturday June 6th in honor of Mr. and Mrs. Jack

YORK NOTES

Mr. and Mrs. Raymond Vessey and son Allison, York, were recent visitors to Charlottetown.

Mrs. Lahn Lewis, York, has as her guest her father Mr. John MacLennan Glen Valley.

Mrs. Arthur Johnson has returned to her home in York after being a patient in the P.E. Island Hospital.

Standard Calgary, Mrs. Sanderson home of her parents Mr. and Mrs. Peter Proud York. A large crowd strolled and a nice time was enjoyed by all.

Mr. and Mrs. E. MacArthur and two children Union Road were the guests of Mr. and Mrs. Arthur Johnson York recently.

Miss Barbara Cooper Charlottetown spent Sunday at the home of her parents Mr. and Mrs. West Cooper York.

Mrs. Allen Brown spent the weekend with his parents Mr. and Mrs. Leith Brown York.

Mr. Kenneth MacDowell Glen Valley paid a short visit to York on Sunday. He was accompanied back by his daughter Mrs. Conald Crockett who will spend a short holiday at her home B.O.

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