

# \$5,600,000 Bond Issue Is Sold By Island's Govt.

## Yanks Buy \$4,000,000; Rest Is Sold In Canada



MR. McQUAID

A \$5,600,000 provincial government bond issue has been sold successfully, Hon. Melvin McQuaid, provincial treasurer announced last night following a meeting of the Cabinet.

With \$4,000,000 disposed of privately on the United States market and the balance sold on the Canadian market under a fiscal agency arrangement, it was the biggest single bond sale ever negotiated in the history of the Province, Mr. McQuaid said.

Mr. McQuaid said proceeds of the sale would be used partially for the refunding of debentures already due and partially for the retirement of the bank overdraft which accrued by reason of capital expenditure.

The \$4,000,000 issue floated in the United States sold at par to mature on December 1, 1979, with an option to the Province to redeem in whole or in part after November 30, 1976, the provincial treasurer noted.

Only one other issue of Prince Edward Island debentures had ever been sold on the United States market, Mr. McQuaid observed. This was in 1951, when a \$2,500,000 issue was disposed of at a coupon rate of four per cent.

Mr. McQuaid stated that the decision to sell on the American market was taken only after the most expert advice obtainable on the matter had been received.

"We have not lost sight of the fact that borrowing in the United States involves a liability to purchase the American funds periodically for interest and principal over the entire life of the obligation, but the net saving on this issue, as compared with the Canadian market, is \$150,000, and it is our opinion, confirmed by others, that the premium over the 20-year period will not offset this saving."

**SOLD AT 98.75**

The \$1,600,000 portion of the issue which was disposed of in Canada sold to the public at 98.75 with a coupon rate of six and one quarter per cent to yield 6.35 at maturity.

The issue, for a 20-year term redeemable at the option of the Province in 18 years, was placed on the market under a fiscal agency arrangement — another first in Island financing, Mr. McQuaid said.

He explained that under such an arrangement the marketing of debentures is carried out by a reliable and thoroughly competent dealer syndicate comprising a number of the largest and most reputable investment houses possessing, in combination, the broadest possible distributing power.

This spread would guarantee a skilful handling of the financing of the Province and would insure that issues are properly timed and properly priced so as to make each offering successful, Mr. McQuaid observed.

**"BID" SYSTEM**

"Under the previous 'bid' system," Mr. McQuaid explained, "an investment dealer, for competitive or other reasons, (Continued on page 2 col. 6)

**TERMS OF SALE**

This issue bears interest at the rate of five and three quarter per cent and the sale stipulates that a sinking fund of \$120,000 per annum must be provided for its redemption. This fund may be placed in a separate account or applied against the redemption of the issue at the option of the Province.

## Liberal Senator Backing Fleming

OTTAWA (CP) — An influential Liberal senator Thursday voiced strong support for Finance Minister Fleming's attempts to combat inflation and called for bipartisan support of the campaign.

Senator Wishart Robertson, in a letter to the editor published Thursday in both the Ottawa Citizen and Journal, also demanded an end to arguments over who was responsible for past inflation.

The results of the last 3 1/2 years, in which the consumer price index rose more than nine points, give "little comfort for either political party," he wrote.

"The boat is leaking badly. It is no time to argue who was responsible for the leak. We should both take the oars and try to get ashore. Then we can argue to our hearts' content."

Senator Robertson, a Nova Scotia representative in the upper chamber since 1943, was a cabinet minister without portfolio from 1945 to 1954 and government leader in the Senate during the same period. From 1953 to 1957 he was Speaker of the Senate. At the last session of Parliament he played a prominent part in a special study of inflation by the Senate finance committee.

In his letter he said that Finance Minister Fleming's Oct. 8 speech to the Toronto Empire Club was the best anti-inflation speech that he has heard of for two years.

"He did not pull his punches. He said that inflation must be stopped at all costs."

"It is high time we stopped living in a fool's paradise and not trying to kill ourselves and the worst is over, and that the battle against inflation is already won."

## \$2 Million Is New Goal For Tourist Loan Fund

"I'm going to the provincial legislature this spring and ask them for two million dollars to put into the Tourist Loan Board," provincial secretary David Stewart told Charlottetown Board of Trade members at their opening fall dinner meeting at the Charlottetown Hotel Thursday night.

\$450,000 is in the fund at the present time, Mr. Stewart explained.

The meeting was the board's "Provincial Affairs Night" and Premier W.R. Shaw and members of the provincial cabinet were the board's special guests.

"The tourist industry will soon be our number one industry," said Mr. Stewart, "and we have assets here for tourist trade development that no other province in Canada has, so let's develop them fully." Mr. Stewart pointed out that the tourist industry in Prince Edward Island has been increasing ten per cent each year.

"We're sitting on a bombshell that is ready to explode and we haven't even scratched the surface yet," he said.

**SENSIBLE LIQUOR LAW**

"What I would like to see," stated Mr. Stewart, "is all of our people in Prince Edward Island catering to the tourist industry for six months of the year under daylight saving time and a sensible liquor law—and for the other six months of the year let the Islanders be tourists themselves."

In his remarks, Premier Shaw said: "I sense that we are on the verge of great development in this province. We have an attractive centre for industry here and there is tremendous potential in the tourist industry. There are lots of opportunities in agriculture and as Minister of Agriculture I will see that every opportunity is given to support the farm people."

The premier urged the board to expand its thinking and influence with regard to getting small industries to locate in the province.

"If you can find an opportunity to establish an industry here go out and establish it; it is also important that we get together as a government and as people and

## CITY RECORDS SAFETY MARK

**MEDICINE HAT, Alta. (CP)**—Tiny Wendy Starling was the last to die on the streets of this southeastern Alberta city.

She was 2 1/2 years old when she fell from the back of a milk truck Nov. 12, 1954, and died in an ambulance taking her to hospital.

Thursday, this city of 23,000 celebrated five years without a traffic fatality. The 1-323 death-free days is a continental record for cities over 20,000.

## Grandstand Destroyed

Fire broke out in the grandstand at the Exhibition Grounds in Charlottetown early this morning. The alarm rang in at 2:55 a.m. From the towering cloud of smoke and glare in the sky at press time, it was expected the grandstand which was partially destroyed by fire late in the summer, would be largely destroyed.

The spectacular fire roused residents from many parts of the City and crowds gathered quickly despite the late hour.

The intense heat—the entire main grandstand was a complete mass of flames—blistered the paint on the Jones pavilion nearby and it peeled and curled as it blew off with the currents of air created by the terrific heat.

The western stand had caught and burned at one end before firemen could get their hoses hooked up to contain the blaze.

Firemen were delayed in getting in to fight the blaze when they found the main gates locked and had to smash the lock with an axe.

The old grandstand which seemed destined to end up in ashes burned in early fall when firemen were able to save a part of it. There appeared little chance early today that they could do more than save adjoining structures.

## Alberta Youth Is Wheat King

TORONTO (CP)—For the second year in a row, an Alberta teenager has been named world wheat king at the Royal Winter Fair.

Douglas J. MacKintosh of Granum, Alta., was at school when reporters told him he had won the crown. He took first prize with an 18-pound sample of Chinook wheat which he and his parents, Mr. and Mrs. John MacKintosh, spent between 200 and 300 hours selecting.

Last year, 16-year-old Gail Adams of Drumheller, Alta., took first prize with "Chinook" wheat grown on her parents' farm.

Ontario has taken three of the eight world titles announced in pre-opening judging at the fair. Other titles went to Manitoba, England and the United States.

The international potato crown was awarded to Sorden Kilpatrick of Florenceville, N.B., with a sample of Kennebec potatoes.

## N.B. Grower Is Spud King

TORONTO (CP)—Borden Kilpatrick of Florenceville, N.B., won the international award for best potatoes with an entry of Kennebec in pre-fair judging at the Royal Agricultural Winter Fair which opens today.

Gerald Trueman of Amherst, N.S., was reserve champion.

In the oats classification, Ronald Devos of Bruxelles, Man., was declared world titleholder, while Donald S. MacKintosh, 16, of Granum, Alta., was declared world wheat king.

## SECOND NEW BOAT ASKED

Improved ferry service at Borden and a freight rate structure that would allow the province to place its products on the markets of Quebec and Ontario on a competitive basis, were stressed before the Royal Commission on Transportation yesterday by Prince Edward Island spokesmen.

Another icebreaking ferry to carry trains was asked besides the vehicular ferry for which tenders have been called. The causeway desirability was also emphasized.

Meeting before a packed courtroom yesterday, the commission temporarily headed by M. A. MacPherson, Q.C. of Regina, heard four briefs and the testimony of four independent witnesses.

Personally welcoming members of the commission and supporting the province's brief was Premier Walter R. Shaw.

He emphasized the undue hardship placed on Island farmers by the distance from their natural markets and the heavy cost of bringing in the machinery they needed to operate their farms.

The Premier said this example imposes a tremendous responsibility on our farmers and also leads to evacuation of farms by young people unwilling to face conditions so imposed.

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## Canada Bank Interest Is Increased Slightly

OTTAWA (CP) — The Bank of Canada interest rate edged up words Thursday to 5.13 per cent from 5.08 last week with the weekly sale of \$115,000,000 in 91-day government treasury bills.

The rate — an indicator of conditions in the short-term money market — now has been fluctuating for the last five weeks in a range between 5.27 and 5.08 per cent.

The bank rate — minimum charge by the central bank on its infrequent loans to chartered banks — is set at one-quarter of one per cent above the average yield on the weekly sale of 91-day treasury bills.

The bank announced Thursday that \$115,000,000 of the bills were sold by tender at an average price of 99.799 for an average yield of 4.88 per cent. The highest yield was 4.92 per cent and the lowest 4.79.

The record high bank rate was 6.41 per cent on Aug. 13 and the record low was 1.12 per cent of July 31 last year.

The government also sold \$20,000,000 in 182-day treasury bills at an average price of 99.455 to yield 5.24 per cent. Highest yield was 5.30 per cent and the lowest was 5.20. Last week the average yield on a similar sale was higher, at 5.29 per cent.

Next week the government will reduce its offering of bills to a total \$120,000,000 from this week's total of \$135,000,000. Of that amount, \$100,000,000 will be in 91-day bills and \$20,000,000 in 182-day bills.

The reduction apparently is due to a decline next week in the amount of bills falling due. A total \$111,544,000 in 91-day bills will mature next week — the result of Finance Minister Fleming's action last August in rejecting some bids for 91-day bills.

At that time — one week after the bank rate hit its 6 1/2 per cent peak — Mr. Fleming said that rise in interest rates had gone farther and faster than conditions warranted. He accepted bids on only \$91,544,000 of the \$115,000,000 in 91-day bills offered, rejecting others as "involving too-high interest rates."

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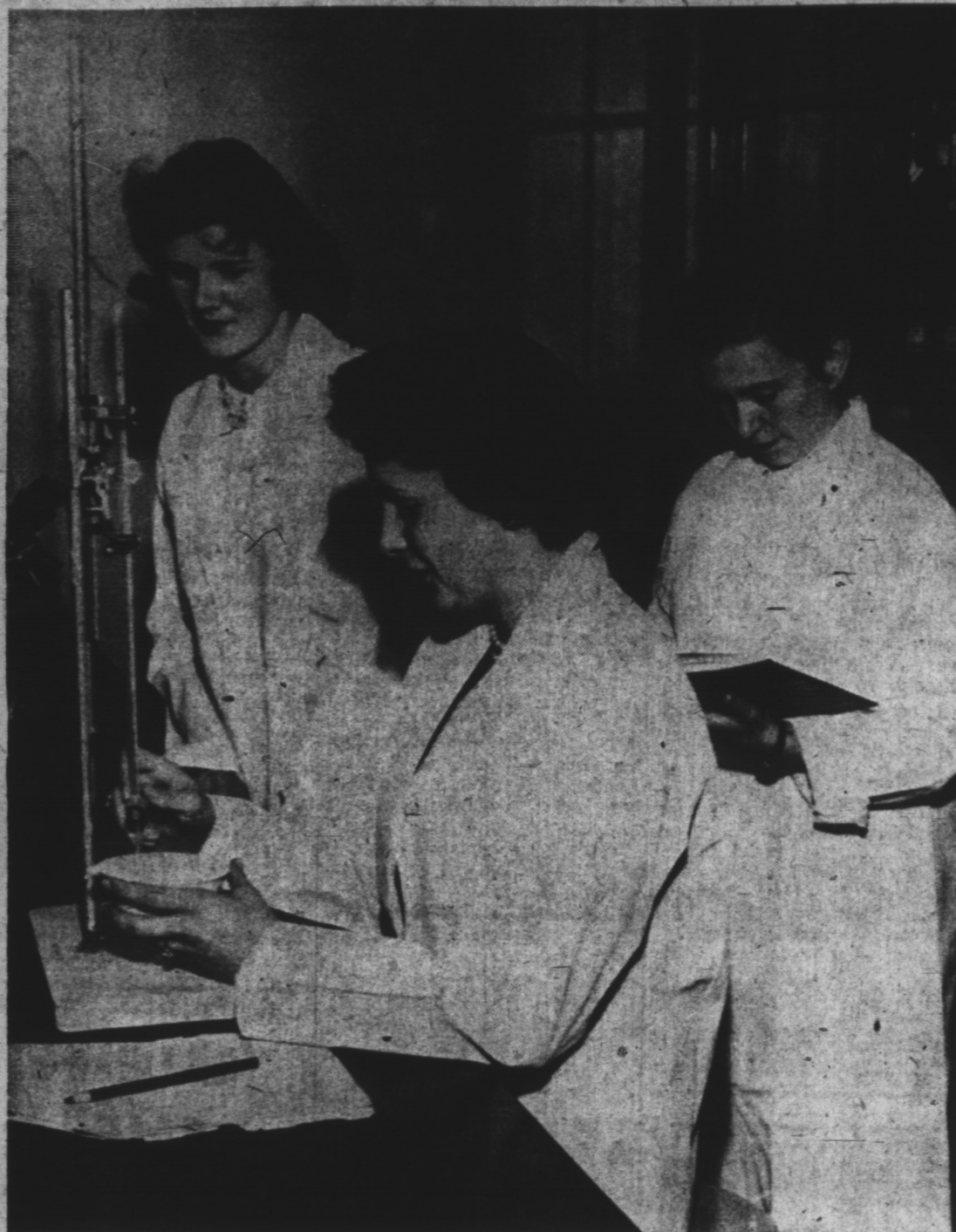
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## LABORATORY TECHNICIANS

Conducting Laboratory tests are three of the newly registered Laboratory Technicians who were presented with their crests last evening by president, Mrs. Shirley Wood, at the annual meeting held in the Health Centre. Shown above are (centre) Miss Christine MacPhail, Cornwall; (left) Miss Joyce MacKie, Southport; (right) Miss Louise Wedge, Summerside, missing from the photo is Miss Gloria Jenkins of Marshfield. (Story on page 5).

## Commons To Get Proposal On Sweepstake Legislation

By JOHN E. BIRD  
Canadian Press Staff Writer  
OTTAWA (CP) — Legislation authorizing provincial governments to legalize sweepstakes to raise funds for hospitals and universities will be proposed at the next session of Parliament.

The proposal is contained in a private member's bill filed Thursday with Commons clerk Leon Raymond by Louis Joseph Pigeon, Progressive Conservative member of the Commons for Joliette-L'Assomption-Montcalm.

The Criminal Code bans sweepstakes, lotteries, bingo and other games of chance. However, lotteries and bingo are permitted at provincial fairs and may be staged by churches for charitable purposes.

The Quebec legislature in 1950 passed legislation to enable the provincial government to establish a state lottery to raise funds for health and education. However, the federal government has never amended the Criminal Code to legalize such a lottery.

Mr. Pigeon's bill proposes that provincial governments be permitted to legalize up to two sweepstakes a year to raise money for hospitals and universities. They would be conducted by a provincially-appointed committee and would operate under regulations approved by provincial attorneys-general.

**LAWFUL TO ADVERTISE**

Under the bill it would be lawful to advertise the sale of tickets. Persons authorized to sell tickets would be able to operate only within the province which had legalized a sweepstake.

A person found guilty of violating provincial regulations applying to sweepstakes would be liable to a two-year prison term and a maximum fine of \$2,000.

During the 1956 session of Parliament, a joint Commons-Senate committee recommended the virtual outlawing of large lotteries and bingo games. It proposed a \$5,000 limit on the value of prizes offered in any one year by organizations sponsoring such events.

The committee said present laws banning lotteries except those staged at provincial fairs and by churches, were being ignored because of lack of public support.

The committee recommended wholesale repeal of present laws to enable police to clamp down on lotteries now operating outside the law. However, none of the committee's recommendations has been written into the Criminal Code.

## Court House Is Destroyed

SYDNEY (CP)—A fire believed touched off by a workman's blow torch destroyed the County Court House here Thursday, causing an estimated \$600,000 damage.

Firemen from here and three neighboring towns tried to check the fire in the 58-year-old building. Municipal records dating back to 1859 were lost.

The building housed the county and Supreme Court chambers and about 10 offices.

There were no injuries.

## Mine Disaster Is Seen As Mystery Of Nature

HALIFAX (CP)—A mystery of nature was the cause of a cave-in at a Springhill mine in October, 1958 which killed 75 miners a royal commission report said Thursday.

"The events which occurred were the result of stresses and geological phenomena which are not understood and are something concerning which experimental work and research is necessary and required," said the report released by Mines Minister E. A. Manson of Nova Scotia.

The findings, released one year to the day after Dominion Steel and Coal Corporation announced the last of its Springhill mines would be closed permanently, were compiled by a three-man commission headed by Halifax lawyer Donald McInnes.

No violation of the Coal Mines Regulation Act or of recognized coal mining practices was found.

**PROPER PRACTICE**

The work mode was in full accord with proper mining practice," the commission said. "From a study by the commission of the history of mining the Springhill No. 2 mine it is apparent that mining practice has always been carried out to the end of obviating and controlling bumps."

"The commission considers that there was no single or particular defect in the working of the mine or any particular failure to comply with any statutory or other regulation dealing with mines."

In effect, the report cleared DSCO of any blame in the tragedy which ended operations of the subsidiary Cumberland Railway and Coal Company in Springhill. It was the town's major industry.

## U.S. Labor Reform Law Sees Action This Week

WASHINGTON (AP)—The new United States labor reform law swung into high gear this week with the federal government working like a giant watching over the labor-management field.

The controversial statute, which may have widespread repercussions in the 1960 elections, affects literally millions of workers and thousands of employers.

It is designed to blast hold-ups, crooks and racketeers out of corruption-ridden labor unions — and simultaneously curb anti-labor activities by some employers.

Experts say the injection of federal law enforcement authority into the situation is perhaps the most important phase of the labor-reform legislation.

Much of the past trouble, they say, has arisen from a breakdown in local law enforcement. This statute sets up severe federal criminal penalties — ranging up to a maximum \$10,000 fine and 20 years in prison — for extortion, violence, terrorism and other offences.

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## MR. CAMPBELL DIRECTS

J. O. C. Campbell, Q. C., Hon. R. R. Bell, Attorney General, and G. R. Foster were present, along with Premier Shaw. The presentation was under the direction of Mr. Campbell.

The hearing also saw these points advanced:

Horizontal freight rate increases have a devastating effect on the pockets of Island farmers.

The distance from their markets is a great deterrent to Island farmers.

That the commission is here to see that what it does does to preserve a United Canada.

AN INFORMAL discussion of Prince Edward Island's transportation ills took place in the venerable Confederation Chamber yesterday afternoon following adjournment of the formal sittings of the Royal Commission on Transportation. Participants include (far left) How-

ard Mann, Moncton; Arnold Platt, Lethbridge; Archibald B. Balch, Ottawa; Rene G. Bell, Quebec City; and Herbert Anson, Victoria, all members of the Commission; and (far right) Hon. J. Philip MacPherson, minister of public works and highways; Hon. J.

David Stewart, provincial secretary; Hon. R. R. Bell, Q.C. attorney-general; Hon. Melvin McQuaid, provincial treasurer; Hon. L. G. Dewar, M.D., minister of education; and Hon. Hubert McNeill, M.D., minister of health. Premier Walter R. Shaw and acting chief commis-

sioner, M.A. MacPherson, Q.C. of Regina, are seated at the head of the conference table with Hon. Leo F. Rossier, minister of industry and natural resources and minister of fisheries, and Hon. Henry W. Wedge, minister of welfare and labor seated at the right of the main group.

