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The Guardian

Overcast; snow ending this afternoon; winds south 25 shifting this afternoon to northwest 20. Low-high 20 and 30.

"Covers Prince Edward Island Like The Dew"

Mikoyan Cools Capitol With Sharp Comment

WASHINGTON (CP) — The friendly atmosphere which has largely characterized the two-week United States visit of Anastas Mikoyan cooled Monday on the eve of his departure for Moscow.

The Soviet deputy premier dropped the political temperature with a declaration on emerging from trade talks at the state department: "The cold war in the state department is going on, and it affects foreign trade."

This was met soon afterwards by a retort from the state department's official spokesman: "This allegation is fatuous on the face of it, particularly as it comes at the close of a tour in this country where this man (Mr. Mikoyan) has been very cordially received by all classes of American citizens."

One hour later, when appearing as the guest of honor at a National Press Club luncheon, Mikoyan took the matter further with a statement that the American people and business leaders were tired of the cold war but that their government intended to continue it.

Contract For \$150,000 Awarded Ch'town Firm

In keeping with the national employment service "Do It Now" program, Maritime Electric Company Limited has awarded a major contract to the County Construction Company of Charlottetown.

With their tender selected from a large number received from mainland as well as Island companies, County Construction will immediately commence construction of an extension to the Charlottetown plant pumphouse of the company.

The extension, with the equipment it will eventually house, will cost the company approximately \$150,000, according to an estimate by company officials.

The Maritime Electric pumphouse is located between the east end of Sydney Street and the Hillsborough River and its function is to pump water underground from the river to the company's steam power plant.

Pipes used to carry the water are as large as 4 1/2 feet in diameter. Pumps are operated by remote control from the plant control room, and the water is used to condense the steam after it has passed through the turbines.

The extension, which is scheduled for completion this summer, will eventually house equipment pumping 30,000 gallons per minute, over and above the present pumping capacity of 15,500 gallons per minute. Equipment to pump 10,000 gallons of the additional will be installed this year.

The pumphouse extension is part of a long term plan for extending the Charlottetown plant to meet the ever-growing electrical needs of this province. This plan also calls for installation within three years of an additional steam turbine and generator to provide 10,000 kilowatts.

Energetic Action Halted Recession, P.M. Declares

Pearson Charges P.C. Gov't. With Bumbling, Fumbling



PROMOTED

Well known in Charlottetown, the son of the Reverend John and Mrs. Skinner, Church Street, Loggieville, N.B., Alexander A. Skinner was promoted to Flight Lieutenant in the Supply Branch of Air Material Command Rockcliffe, Ont., it was announced today by Air Force Headquarters.

P/L Skinner who graduated from Acadia University in 1949 with a B.Sc., was in the Army from 1943-1945 and rejoined the RCAF after a short period with the Fisheries Research Board at Ellerslie, P.E.I. At present he is on the Logistics staff as a Budget Co-ordinator with AMC HQ. With his wife Margaret and their two children, Sandra Gail 10, and Brian Dale, 6, they live now at 273 Queen Mary Road, Ottawa.

OTTAWA (CP) — Opposition Leader Pearson said Monday the Progressive Conservatives' economic sink is "filled with dirty dishes."

In a biting indictment of government "bumbling and fumbling" with inflation and recession, the Liberal chieftain said the government may have realized by now that the honeymoon and wedding trips were over.

"Now the hard, unglamorous drudgery of housekeeping has descended on the happy party. In fact, the domestic sink is filled with dirty dishes while argument goes on how to clean them economically without breaking any politically."

He made the remarks as he launched the 10-day throne speech debate, delivering a 140-minute attack and winding up with a want-of-confidence motion on the basis that the government had shown "lamentable indecision" in dealing with grave economic issues.

Mr. Pearson said there appeared to be too great a determination among the Conservatives to lean on one man—presumably a reference to Mr. Diefenbaker—and to continue to find excuses by blaming the previous Liberal administration for Canada's troubles.

The present government had been in office for 18 months, Canadians would judge them on what they have done and will do in the year ahead—not on what the Liberals had done 10 years ago.

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Liberal Chieftain Accused Of Painting Gloomy Scene

OTTAWA (CP) — Prime Minister Diefenbaker said Monday night "energetic action" by the Progressive Conservative government kept the recession from becoming too serious.

Replying in the Commons to a motion of non-confidence presented by Opposition Leader Pearson, he accused the Liberal chieftain of trying to frighten Canadians with a gloomy picture of the economy.

He said the trade department's Canadian economic outlook for 1958 had forecast a recession. However, the report—a confidential document until tabled in the House Friday—turned out to be more pessimistic than the events that transpired, Mr. Diefenbaker said. This had been due to energetic action by the government.

Mr. Pearson's speech, he said, had consisted mainly of lamentations, but no suggestions as to what should be done.

"The speech was full of colorful language, Jeremiah always are."

"The speech he delivered Monday is not in keeping with his responsibility as leader of the Opposition," Mr. Diefenbaker said in the Commons following a strongly critical speech by Mr. Pearson lasting two hours and 20 minutes.

He described the speech as "a cascade of verbosity and adjectival denunciation."

Mr. Pearson had "painted Canada as a place fearful in its prospects, frightening in its future."

The Opposition leader had drawn a different picture of Canada in a Nov. 24 article for the Times of London in which he had written that Canadian had problems both domestic and international but that "Canada's destiny is as bright as that of any country in the world."

Chamber of Commerce, E. C. Ashforth of the Toronto-Dominion Bank, had said in a year-end statement that Canada's economy was headed in the right direction and that the country could look forward to a better year.

The length of Mr. Pearson's speech left Mr. Diefenbaker with only 20 minutes of speaking time before the supper adjournment. The Prime Minister continued his speech in the evening.

PEACE OR WAR

He appealed for a supreme new effort by American leaders to get along with Russia. The alternatives were: "Peace and friendship, or war."

He offered no concessions on Germany or Berlin, while accusing the Eisenhower administration of clinging to policies based on "the old cold war position."

"Our proposals are good and peaceful," Mikoyan said as he ended his Washington visit. "We don't understand why they are being so flippantly rejected."

The 63-year-old Soviet trouble-shooter repeatedly stressed the horrors of a new war in the atomic-hydrogen age.

He reaffirmed that Russia intends to turn over control of all communications in and out of divided Berlin to the East German Communist regime — unless the West agrees to end four-power rule in West Berlin by May 27.

He replied to a question at the press club luncheon he said that "force meets with force" if the U.S. used force in any blockade of Berlin to maintain communication with its troops there.

Mikoyan's bid for increased U.S. trade, made in talks at the state department with C. Douglas Dillon, undersecretary of state for economic affairs, failed completely, judging by the comments made by each side afterwards.

Penal Reform Committee Inspects Island's Co. Jails

Prisoners serving from three to six months may come under the custody of the federal government in the course of the next few years according to Attorney General A. W. Matheson who yesterday held talks with an Ottawa committee on penal reform consisting of A. J. MacLeod and J.A. MacLaughlin.

The committee spent yesterday on a fact finding mission where they learned first hand conditions at the Island's three county jails. At present there are 44 prisoners in custody, two of which are serving sentences of one year.

Discussions dealt also with such matters as vocational training and the type of types or institution that would be best suited to Maritime needs.

Commenting on his meeting with the Attorney General, Mr. MacLeod who heads the committee, said the discussions were on a very congenial basis and that all persons contacted in connection with his visit were most cooperative.

The committee leaves by air today for St. John's Newfoundland.

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FUMBLING INFLATION

Living costs were rising along with the number of jobless. The government had "fumbled" with the fires of inflation to the point where the \$9-a-month old age pension boost granted in 1957 would be eaten away before the next general election.

The government's problem, he said, was that it viewed everything from the narrow point of political advantage.

"This is not good enough, especially at a time when wise, steady and consistent action is necessary to help solve our national problems and realize the great destiny which lies ahead of us."

TALK OF FREEDOM

The Conservatives talked a lot about freedom.

"Bread without freedom may be a stone, but freedom without bread and work to earn it is a mockery."

If Canada could not make freedom work, "then no definition of words, however inspiring, will help us much or save us from some other form of government which will have far more of compulsion than freedom about it."

At some points in his marathon speech—one of the longest he has made in the House—Mr. Pearson

No Icebreaker Available For Work At Pictou

OTTAWA (CP) — Transport Minister Hees said Monday his department has been unable to send an icebreaker to Pictou, N.S., to clear the harbor there.

He said ice conditions at Pictou are so severe that the job would require two of the biggest icebreakers and these ships were already heavily engaged.

Mr. Hees was replying in the Commons to H. J. Robichaud (L—Gloucester) who said a firm at New Glasgow, N.S., near Pictou, has been unable to ship its goods because of the ice-choked harbor.

Three Men Die While Working On Gas Line

HAMILTON (CP) — Three employees of Dominion Foundries and Steel Company Limited died Monday after being overcome by fumes while working on an underground gas line.

The three men, who were dead on arrival at hospital were: Raymond Mahy, 30, John G. Venator, 43, and Edward J. Smith, 23, of RR 3, Beamsville.

The three men had gone down the manhole shortly before noon to cap a gas line in preparation for switching it from underground use to an overhead line.

Full Scale Conference Needed, Says Premier

"Nothing short of a full scale federal-provincial conference will meet the requirements of this province," said Premier A. W. Matheson yesterday following receipt of a letter from Prime Minister Diefenbaker.

The premier was commenting on the Prime Minister's announcement that a committee consisting of deputy ministers to consider tax sharing agreements would be lalled in Ottawa this year.

Speaking of the proposed new agreement for sharing of income tax revenue, Premier Matheson said the island does not stand to gain anything from this source because of the existing formula.

While on the subject of Dominion-Provincial tax relations, Premier Matheson took time out to call attention to an error which appeared in this week's Financial Post. The error, he said, has been noticed by the federal

department of finance and a letter from that department verifying the mistake was received yesterday.

In the Post report listing the aid provinces received from Ottawa, Prince Edward Island was shown to receive \$3,073 million for the fiscal year ending 1957; \$4,194 million for 1958 and \$9,719 million for the fiscal year of 1959.

The corrected figures obtained by the premier from the deputy provincial treasurer shows that these figures should have read \$4,214 million for 1957; \$4,219 million for 1958 and \$9,719 million for the year ending March 31, 1959. This includes the special Atlantic Provinces grant of two and a half million.

The premier noted that this last amount is reduced by \$228,000 yearly installment on repayment of \$1,400,000 which the Ottawa government had made to the province in error during the year ending March 31, 1957.

Question On Tax Conference Is Sidestepped By The PM

OTTAWA (CP) — Prime Minister Diefenbaker Monday sidestepped an opposition question as to whether he will call a federal-provincial conference on tax-sharing this year.

Reply to a Commons question by Paul Martin (L—Essex East), he referred instead to the announcement in the throne speech that the government proposes to continue arrangements and to have the subject studied by the federal-provincial committee on fiscal and economic matters.

Mr. Diefenbaker referred to a letter he sent Jan. 15 to provincial premiers, saying that Finance Minister Fleming would try to arrange a meeting of the committee.

"That means there will be no conference," Mr. Martin shot back.

Last year the federal government took unilateral action to extend the provinces' share of federal income tax collections to 13 per cent from 10, effective during the current fiscal year ending March 31. The government intends to continue the 13-per-cent share next fiscal year.

Finance Minister Fleming told a reporter outside the Commons he has not yet written to the provincial finance ministers.

He gave no indications of when he will.

Later, in the throne speech debate, Opposition Leader Pearson said the federal government's relations with the provinces, in the absence of a new fiscal conference, are filled with indecision and uncertainty. There had been no such conference since November, 1957. This was despite a government promise to hold another one.

Mr. Pearson said it was shown in the throne speech that the government has no intention of calling a conference this year. It intended only to extend "unilateral" fiscal arrangements it had made last year, when it had announced them to the provinces by telegram.

Mr. Pearson said "exporting the truth," the prime minister said.

The speech which Mr. Pearson had delivered Monday "with such relish" should not have been made at a time when the Communists had launched an economic offensive throughout the free world.

The Opposition leader was "endeavouring for political gain to frighten the Canadian people."

Mr. Diefenbaker said that reports by both the Bank of Nova Scotia and Bank of Montreal had said Canada's recession was much less severe than that in the United States and had credited energetic government measures for that fact.

The president of the Canadian

Australia Sizzles In Heat Wave

MELBOURNE (CP) — Thirteen persons, including nine babies, died from heat exhaustion here Monday when the temperature soared to 100 degrees in the shade.

Monday's deaths brought to 15 the number of babies who have died since the heat wave began Saturday.

Every Australian state reported readings of over 100 Monday. Deaths blamed on the heat throughout the country total at least 35, and it is feared the total.

Twelve bush fires are blazing in various parts of Victoria State.

In South Australia the huge Mount Gambier fire, which has already burned out 250,000 acres, has killed 60,000 sheep and cattle and razed 11 homes.

Identify Dead In Sask. Crash

PRINCE ALBERT, Sask. (CP) — Pilot Donald Deets of Prince Albert and two passengers were killed Saturday when a single-engine Cessna 180 crashed on the ice of Garson Lake, about 250 miles northwest of here.

The passengers in the plane, operated by Saskatchewan Government Airways, were Philip LaPrise and Mrs. Couronne LeMaigre, both of the Indian settlement at Garson Lake.

Thunderstorm Said 'Probable' Cause Of Crash At Issoudun

OTTAWA (CP) — A board of inquiry report said Monday that vicious thunderstorm turbulence probably sent a Maritime Central Airways plane on an out-of-control plunge, killing all 79 persons aboard in Canada's worst crash.

It added that there appeared to be no justification for Capt. Norman Ramsay of Montreal, pilot of the DC-4 chartered plane, having kept on for Montreal at the "extreme" (fuel) range of his aircraft. It crashed Aug. 11, 1957, at Issoudun near Quebec City.

The report, tabled Monday in the Commons, decided that "being low on fuel and having weather reports showing the possibility of cumulo-nimbus (thunderstorm) buildup in the area, the pilot might, in order to save fuel, have elected not to circumnavigate the storm area."

not to stop at Quebec City.

It added these findings in citing four breaches of air regulations and making four recommendations for transport department action:

1. The aircraft was fully airworthy and the crew "medically and mentally fit."
2. The aircraft was overloaded by 1,840 pounds on takeoff at London and Aklavik, Iceland. It was also overloaded on landing at Keflavik.
3. The plane seemed intact on impact with the ground.
4. Its centre of gravity—affecting the trim and thus its ability to ride out turbulence—was "at or slightly beyond the aft limits," making it tail heavy.

5. The flight crew, having been on duty more than 22 hours and with rest facilities "which left much to be desired," would have been extremely tired.

BREACHES OF REGULATIONS

The board said the breaches of regulation consisted of overloading, failure of Maritime Central to comply with operations manual requirements for flight dispatchers and Capt. Ramsay's mistake in lacking sufficient fuel reserves for the flight plan he was following.

Capt. Ramsay, 37, lost his licence for six months after a 1954 Trans-Canada Air Lines accident at Brampton, Ont., where his Super-Consolidation crashed without loss of life in landing.

The board's report Monday



A SNIFF OF FREEDOM

Messali Hadj, veteran Algerian nationalist freed recently after six years detention in France, sniffs flowers sent him on his arrival at Chantilly, outside Paris, from Belle-Ile-en-Mer, off coast of Brittany. A general amnesty for thousands of Algerian rebels gave impetus to reports that President Charles de Gaulle is making a new effort to get a cease-fire in the four-

U. K. House Meets Today

LONDON (Reuters) — Parliament reassembles Tuesday for what would be its final session before a general election.

The House of Commons has only a light program of legislation before it and the main interest is centred on when Prime Minister Macmillan will decide to seek a new mandate from the people.

Macmillan is not required to call an election until May, 1960, when the Conservatives' five-year term of office expires, but most politicians expect the vote to be held within the next 10 months.

Run Away To Dance, Sisters Are Drowned

NANAIMO, B.C. (CP) — Two teen-aged sisters who ran away from an Indian residential school near here to attend a dance, drowned off Vancouver Island Friday night.

News of the mishap did not reach Vancouver until Monday.

The girls were Patricia Marilyn Joseph 14, and her sister Beverly Margaret, 12. The body of the older girl was found washed ashore five miles south of here. A search continued for the other.

The sisters ran away from the Kuper Island Indian residential school and tried to paddle eight miles across Stuart Channel in a rough dug-out canoe to a dance in Chemainus.

Drastic Action Considered To Smash Strike

BUENOS AIRES (AP) — The Argentine government Monday night was reported ready to outlaw Communists and Peronists, if necessary, to smash a nationwide strike of their unions.

The threat to wipe out the trouble-making parties was drafted as President Arturo Frondizi arrived in Charleston, S.C., to start a good will tour of the United States.

So far the government has used mass arrests and the threat of force against rebellious strikers.

Walkouts have paralyzed Argentina in an effort to force President Frondizi to back down on his austerity program against inflation.

PRODUCED NEW JOBS

Mr. Diefenbaker said that the stimulus to housing and the increase in public works as a result of his government's policies produced tens of thousands of jobs.

The economic forecast supplied the government by the trade department said the gross national product—value of all goods and services produced—would be unchanged during 1958 or possibly rise by 7 per cent. In fact, it had risen by two per cent.

"With inflation," cried several Opposition members.

The forecast was for a decline of 1.1 per cent in wages and salaries, the prime minister said, but instead they increased by 1.6 per cent of \$300,000,000 while personal disposable income—the amount of money left after direct taxes—rose by \$1,300,000,000 due largely to higher welfare payments. Interest, dividends and investments were up by \$200,000,000 and other income was up 4.5 per cent.

PURCHASING POWER UP

There was a rise in purchasing power of 1.6 per cent compared with a one-per-cent increase the previous year. The increase in housing construction had been forecast at 13 per cent but due to the initiative of the government in providing stimulus it went to 23 per cent.

The gross national product at about \$32,000,000,000 was seven per cent higher than in 1956 whereas in the United States the 1958 gross national product was only two per cent higher than in 1956.

Why was there such a bright picture in this country, he asked. Canada now was moving upwards, thanks in large measure to the actions of the Conservative government.

Eisenhower Sends 77 Billion Balanced Budget To Congress

By DOUGLAS B. CORNELL

WASHINGTON (AP) — President Eisenhower Monday submitted to an already questioning United States Congress a massive, precariously balanced budget totalling \$77,000,000,000.

Heavy on defence allocations, this is the administration's proposed spending chart for the 1960 fiscal year beginning next July 1.

Never in peacetime has so big a budget been laid before legislators at the opening of a new session. A year ago Eisenhower proposed what was then a record peacetime budget just short of \$74,000,000,000.

But the recession sent government income down and spending up, so the spending figure for the present fiscal year ending June

100 YEAR RECORD

QUEENSTOWN, South Africa (Reuters) — The Queenstown Daily Representative Monday became the sixth South African daily newspaper to celebrate its 100th anniversary. The newspaper has never missed an issue.

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