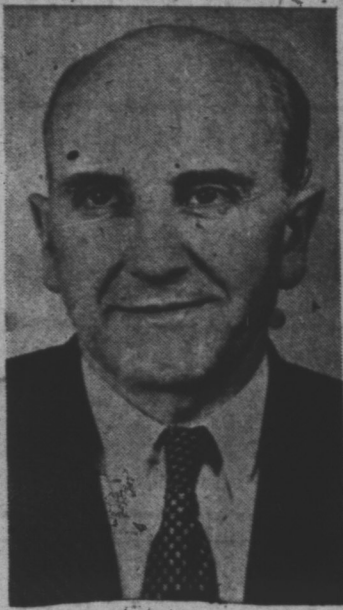


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Variable cloudiness with few snowflurries; a little milder; light winds. Low high at Charlottetown 20 and 35.

Tourist Loan Bill Sparks Heated Debate In House

Opposition guns were levelled at Provincial Treasurer B. Earle MacDonald yesterday as the four Progressive Conservative members in the House charged the Minister with discriminative administration of the tourist loan act.



HON. MR. MACDONALD

Mr. Bell said his party was in favour of tourist promotion but claimed that \$300,000 made available for assisting proprietors of tourist establishments had been given in large amounts of \$40,000 to different parties to build motels or hotels in or adjoining Charlottetown and Summerside.

He claimed that these were year-round establishments which would scarcely come under tourist promotion and by the size of their borrowings had left nothing in the fund for the small borrower who might want to obtain four or five thousand dollars.

Mr. Bell further charged that the Provincial Treasurer was administering the act by himself and that a two-man committee appointed to help him, had resigned "because they were not consulted by the minister."

Mr. MacDonald assured the House that two new members of the tourist loan committee would be appointed before any applications for new loans would be considered.

The alteration between the opposition leader and Mr. MacDonald arose when the Provincial Treasurer promoted a bill which would add an additional \$150,000 to the loan fund, which the Minister said had now become depleted. He said the money was needed to take care of demands for additional and improved tourist accommodation in the Province.

Mr. MacDonald said that since the fund came under his department in 1955, not one dollar had been lost. He said loans were approved only after very careful scrutiny by the loan committee.

Mr. MacDonald said he did not think the government should be in the loan business at all but certainly not to the person who wanted only \$2,000 or \$3,000.

On the other hand, he argued that a loan of \$40,000 given to a qualified person represented a reasonably sound investment. It indicated that this person really

intended to stay in the business. The small operator, he thought, might be using the loan for a sideline development which could hardly be expected to prosper.

Mr. MacDonald said he did not think it fair to publish the names of people who had secured loans and were making an honest attempt to meet the terms of their agreement. He asked the Opposition Leader whether it was his practice to publish the names of people who owed him money.

R.R. Bell: "Anyone who borrows money from the government shouldn't be ashamed of it." Continuing his criticism against the Treasury Department (Continued on Page 5 Col. 3)

FLAT DENIAL
Hon. Mr. MacDonald flatly denied that he was administering the fund by himself. He said the committee had functioned until last December. One of the men he said, resigned because of ill-health and the other, who was occupied with his personal business found it difficult to attend meetings of the committee. The two members of the committee were R.S.P. Jardine and Frank MacKenzie.

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"Covers Prince Edward Island Like The Dew"

WANT TO DISCUSS BERLIN

Macmillan Is Invited To Visit U.S. President

Mid-March Date Seen Possible

WASHINGTON (AP) — President Eisenhower Tuesday invited Prime Minister Macmillan to come to Washington for a discussion of the Berlin situation. The White House said Eisenhower asked Macmillan to come here at his convenience and that no time and details have been arranged. Macmillan said in London Tuesday after returning from his visit to the Soviet Union that he would like to meet with Eisenhower around the middle of this month. Tuesday reporters asked White House press secretary James C. Hagerty about Macmillan's expressed wish to confer with Eisenhower. In reply, Hagerty said: "The president has invited the prime minister of Great Britain to come here to Washington at his convenience." Hagerty said the invitation was given in a direct message to Macmillan but added, to further questions, that there was no personal exchange such as a telephone call. Hagerty said no reply had been received from Macmillan in late afternoon. Asked about the purpose of the meeting, Hagerty said: "It certainly is to talk about the situation in Berlin... and I would assume his trip to Moscow."

Rioting In Nyasaland Spreading

BLANTYRE, Nyasaland (CP) — Rioting spread across Nyasaland Tuesday on the heels of the arrest of African nationalist leaders and by nightfall 26 Africans were reported killed by security police who battled the mobs with bullets, clubs and tear gas. Trouble that began 10 days ago with demonstrations against white rule erupted into violence throughout the 46,000-square-mile territory when Governor Sir Robert Armitage declared a state of emergency and began the mass arrests. The bloodiest rioting was reported from Nkata Bay where, in addition to the 20 dead, 13 Africans were wounded. The Nkata Bay shooting broke out when a mob tried to break through a cordon of security forces to release prisoners jailed under the emergency regulations. Meetings and public gatherings are banned under the regulations. Security forces opened fire and turned back the mob, reports from the areas said. But other accounts said mobs freed some prisoners at Nzimba and rioting broke out in the centre of that town.



AFRICAN Police constables receive steel helmets and fire arms in Blantyre, Nyasaland as rioting broke out in the city and other parts of the British Commonwealth Central African Federation.

Civil Defence Program Takes Shape In P.E.I.

A civil defence program similar to that now in operation in other provinces of Canada will be set up in Prince Edward Island with the passage of an act entitled "The Civil Defence and Disaster Act." Promoted by Hon. B. Earle MacDonald, the bill was in committee of the whole House when the Legislature adjourned last evening at 5.30.

Studebaker Has Backlog

HAMILTON (CP) — Studebaker's backlog of orders for Lariks and Hawks for January and February exceeded the company's entire 1958 production, Gordon E. Grundy, president of Studebaker-Packard of Canada, said Tuesday. Orders from dealers in the two months totalled 4,108; production for the entire 1958 model year was 4,094 cars. Studebaker's share of the Canadian car market in January moved up to 2.1 per cent, compared with 1.23 per cent a year ago.

New Seaway Is Seen Blow To Economy Of Maritimes

OTTAWA (CP)—Senator Harold Connolly said Tuesday night the St. Lawrence Seaway eventually will destroy the effectiveness of the ports of Halifax and Saint John, N.B., "and so strike another crippling blow against the economy of the Atlantic region." The Liberal senator from Nova Scotia said the Atlantic area has become the victim of federal fiscal policies and as a result must cling to such assets as the ports of Saint John and Halifax.

U.S. Space Cone Passes The 118,852-Mile Mark

WASHINGTON (AP)—Pioneer IV lunged past the 118,000-mile mark Tuesday on its dash toward a hoped-for orbit around the sun. It was America's deepest penetration into space. The last tracking report of the day placed the tiny cone 118,852 miles from earth and moving outward at 5,498 miles an hour. It thus had travelled more than half the 220,000-mile distance to the moon. And it had gone more than 47,500 miles beyond the farthest point reached by an air force space probe last Oct. 11. A giant radio telescope in California calculated this position for the 13-pound package of instruments nearly 17 hours after it blasted aloft from Cape Canaveral, Fla., in the nose of a 60-ton army rocket. Based on Pioneer's performance up to that time, scientists of the national aeronautics and space administration estimated it will miss the moon by 35,000 miles and pass it around 5 p.m. today. Pioneer IV was slowing down, but that was according to plan. As of 17 hours after launch, its speed had dropped from 24,800 miles an hour to only about one-fourth of that. The Russians launched a space probe on Jan. 2 and said it went into orbit around the sun. A "splendid achievement" was the way President Eisenhower described Pioneer's IV's launching. Maj.-Gen. John B. Medaris, the army's missile chief, said this new American feat "puts us at least close to the league" in which the Russians are operating. This was the fifth U.S. effort to shoot an instrumented payload to the vicinity of the moon or past it to orbit around the sun. Two of these air force tries were outright failures, while a third made it to a point 71,300 miles into space before falling back to disintegration in the earth's atmosphere. A previous army bid on Dec. 8 to send a probe toward the sun fell far short, reaching only 63,500 miles.

African Leaders Planned Nyasaland Massacre, Says

LONDON (Reuters) — Colonial Secretary Alan Lennox-Boyd told the House of Commons Tuesday night he had secret information African leaders in Nyasaland planned to massacre Europeans. Lennox-Boyd was speaking in a debate on violence in Nyasaland. Opposition leaders attacked the government for its handling of the problem. James Callaghan, the Labour party's chief spokesman on colonial affairs, accused the government of "cowardice." The debate followed a day of trouble in the British protectorate, part of the Rhodesian Federation, in which a state of emergency was declared and 23 Africans were killed in clashes with police. Defending the Nyasaland government's actions to control the situation, Lennox-Boyd said: "Some days ago information came to the notice of the government of Nyasaland which was of a very serious kind. That information made it clear that plans had been made for congress (the African National Congress) to carry out widespread violence and murder of Europeans, Asians and moderate African leaders and that, in fact, a massacre was being planned." Amid an uproar from the Labour ranks, Lennox-Boyd said he had seen this information but he was "not in a position to disclose the information or its sources." He said it was essential for Nyasaland Governor Sir Robert Armitage to strengthen the security forces at the earliest possible moment. Lennox-Boyd promised that when law and order was restored in Nyasaland, Britain would resume constitutional talks.

Defence Sharing Mandatory, View Of Diefenbaker

OTTAWA (CP) — Prime Minister Diefenbaker said Tuesday the Canadian government has made it clear to the United States that sharing of defence production work must be "mandatory." "We'll never be satisfied until we have a very large share—much larger than now," he said as he entered a Commons debate revolving around defence in general and the government's scrapping of the CF-105 Arrow interceptor aircraft in particular. He was replying to opposition charges that the government has turned over the main job of defending Canada to the U.S. Following the prime minister's speech, Paul Hellyer (L-Toronto Trinity) said "we are apparently going to be content to ride on the backs of the Americans" as far as defence goes.



TUITION HIKE IS PROTESTED
Solomon University of British Columbia students protested a \$100 increase in tuition fees at a mass demonstration on the campus in Vancouver. They blamed Premier Bennett's Social Credit Government for not raising the university's operating grant sufficiently to avoid the increase. Students George Fenner (left), Master Society, (centre right) stood ready to put it out with a fire extinguisher labelled "Milk of human kindness—Social Credit style."

Pictou Firm Gets Contract

OTTAWA (CP)—The cabinet's treasury board has approved award of a contract to Ferguson Industries of Pictou, N.S., for construction of a new ferry for Bell Island, Nfld., Transport Minister Hees said Tuesday in the Commons. He was replying to James McGrath (PC-St. John's East). Outside the Commons, it was learned the ferry will cost about \$1,000,000 and will be capable of carrying 24 automobiles and 300 passengers between Bell Island and Port au Port, Nfld. Mr. Hees said construction will start soon.

Troubled Times Ahead, Said Macmillan Views

LONDON (AP) — Prime Minister Macmillan came home from his Moscow explorations Tuesday night convinced that troubled times lie ahead in Europe. He immediately started preparing for urgent meetings in Washington, Paris and Bonn. Aides said Macmillan hopes to be in Washington by March 16 in response to an invitation announced at the White House Tuesday night. Macmillan will be in Paris Monday and Tuesday next week and in Bonn Thursday and Friday for talks with President Charles de Gaulle and Chancellor Konrad Adenauer. He will report to President Eisenhower on the conclusions he has drawn from his Moscow probing and help prepare the Allied guard against a Communist takeover in West Berlin. "I see building up here all the classical drama of a situation in which we shall use force against a nationalist movement, with all the arguments which have been used in the past, and in the end we shall concede to force what we failed to concede to reason."

27 Killed In Collision

CELAYA, Mexico (AP) — Twenty-seven persons were killed Tuesday in the blazing crash of a passenger bus and a heavily loaded truck carrying whiskey and other alcoholic beverages. Some of the victims burned to death in alcohol flames. There were only six survivors. Both drivers were killed. The crash occurred on the Pan American Highway about 150 miles northwest of Mexico City. The Flecha Rosa (Red Arrow) bus carrying 31 passengers and the driver was heading from the U.S. border city of Juarez, across the Rio Grande from El Paso, Tex., to the Mexican capital. Between Celaya and Cortazar it crashed into the truck and flames were visible for miles. Witnesses said the truck was parked without warning lights and that the driver of the bus crashed into the truck without seeing it in time to stop. Survivors were too badly injured to be questioned, officials said.

Britain's Move

BRITAIN'S MOVE
(Macmillan was jaunty and smiling on landing in London. He suggested that Britain should lead the lead in seeking ways to ease East-West tensions. We did not agree on many important issues. But we did agree that these vital problems of Central Europe should be settled by negotiations and not by force.) Khrushchev and Macmillan exchanged final words at the airport. "We want to eliminate all obstacles to peaceful coexistence," Khrushchev said. "We believe we have understood your position correctly, and we hope you have understood ours." Macmillan assured him that as a result of his visit he felt he now will "better be able to tackle those issues on which the future of mankind depends."

Disarmament Efforts

DISARMAMENT EFFORTS
Specifically the Soviet and British leaders