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Cloudy; clear intervals and a few snow-flurries; extremely cold; northwesterly winds 25, gusts to 40. Low-high -5 and 10.

"Covers Prince Edward Island Like The Dew"

## LOSS ESTIMATED

# St. Michael's Church Destroyed By Fire Tuesday Night

## Edifice Levelled Quickly; Origin Of Blaze Unknown

St. Michael's Roman Catholic Church at Iona was completely destroyed by fire last evening approximately one hour before the congregation assembled for evening Mass at 7:30.

Believed to have started from a flash explosion of some nature, the fire spread throughout the church in a few minutes making it impossible, not only to save the wooden edifice, but also to enter the building to save the vestments and sacred vessels.

The fire was discovered at 6:10 p.m. by the Parish Priest, Rev. Leonard McKenna, who has served the Parish for the past six years. Mr. Leo O'Shea and Mr. John McCabe also arrived on the scene about the same time.

For some time the parochial house, about 200 feet east from the church, was also in danger, since the west wind carried the flames directly toward the house. At 7:45, with the church almost burned to the ground, it was considered that the parochial house was safe.

To add to the intensity of the fire, four propane gas tanks on the outside of the church used to supply gas for an auxiliary propane heater in the side chapel, exploded, causing a mass of flames to shoot high in the air.

The wind was about 15 miles per hour.

It is understood that the loss, unofficially estimated at \$75,000, is partly covered by insurance.

Although no definite plans were made last night, it was considered possible that services might be held in the future in the parish hall until a new church was erected.

**SECOND FIRE**

This is the second occasion in a generation that Iona has lost its church through fire. On January 1, 1926, fire from a defective fuse destroyed the church with a loss of \$25,000. In the same year the parish priest, Father P. S. Duffy began the erection of the new church which was ready by Christmas of that year.

The church, 125 feet by 85 feet, constructed by H. J. Phillips of Charlottetown, served about 75 families and had a seating capacity of approximately 250 persons.

As a matter of historical interest, the construction of the first church in Iona was begun in 1850, and was formally opened in 1852, its first pastor being Rev. Father Brady.

## European Oysters Are Reported 'Doing Well' In Maritime Areas

OTTAWA (CP) — A "hopeful" survival rate of 50 per cent has been achieved by European oysters introduced to Canadian Atlantic waters in efforts to increase the number of Canadian oyster beds.

The fisheries research board reported Tuesday that the European oysters, obtained in North Wales, had managed to survive through the Canadian winter in large numbers and had shown "excellent growth" over a six-month period.

They were located at various places in the Maritime provinces.

The native Maritimes oyster survives only in certain areas of warmer water such as Bay de Chaleur, Northumberland Strait and the Bras d'Or Lakes in Cape Breton.

catch of cod there is a lower-cost fish compared with B.C. salmon and halibut but that no insurmountable barriers are foreseen.

Records earnings

OTTAWA (CP) — British Columbia fishermen earned more dollars for their efforts in 1958 than ever before, the fisheries department reported Tuesday.

Landed value of the year's catch was expected to reach \$51,500,000, higher by almost \$11,000,000 than the previous record of \$40,748,000 for 1951.

"The largest sockeye catch in 50 years, coupled with fall herring catches that were the best in history, more than offset the losses from the strike that occurred in the herring fishery during the first part of the year," the department said.

## CHURCH QUICKLY REDUCED TO RUINS

# Canada, U.S. Decisions Made To Lessen Friction

OTTAWA (CP) — Canada and the United States Tuesday announced progress on a number of bilateral moves to reduce frictions in cross-border trade and at the same time called on Europe to end discrimination against North American exports.

In a 1,500-word communique issued after two days of ministerial talks, the two countries announced:

- The U.S. will hold talks with Canadian wheat experts every three months in attempts to resolve any Canadian complaints of the extent and direction of U.S. wheat giveaway programs.
- Joint ministerial talks will be held on the U.S. plan to prosecute three electronic corporations participating in a patents pool operated by their subsidiaries in Canada. The U.S. made clear it has no intentions of infringing on Canadian sovereignty in connection with the Canadian subsidiaries.
- The two countries agreed on the importance of maintaining a healthy oil industry in the western hemisphere and of providing incentive for increased exploration "necessary on defence grounds." The U.S. has imposed voluntary oil import curbs and Finance Minister Fleming, who headed the talks, said later "only time will tell" whether the U.S. will remove the curbs as far as Canada is concerned.
- The U.S. also expressed hope that its lead and zinc import restriction "could be withdrawn as soon as more satisfactory international solutions on a broader basis are found." Meanwhile, both countries will explore ways of developing "equitable solutions."
- Canada gave assurances that it would not attempt to apply its tough new anti-dumping laws in a way that would discriminate against imports from any particular country. The U.S. has charged these laws are a breach of Canada's international trade obligations.
- The U.S. also expressed concern over Canadian import curbs on farm products, particularly on turkeys and frozen peas. Mr. Fleming said Canada agreed to consult with the U.S. on this.
- Canada agreed to study the American proposal for setting up a new international development association to be affiliated with the World Bank and to provide loans to underdeveloped countries in terms more generous than provided by the World Bank.

**NEW STRENGTH SEEN**

Then, turning to the general economic front, the ministers from both sides touched on North American economic recovery and said recent steps by European countries towards greater con-

## Causeway Is Seen Big Topic

HALIFAX (CP) — Prince Edward Island Welfare and Labor Minister A. A. MacIsaac says the proposed causeway between his province and New Brunswick will be a major topic when the Island Legislature convenes Feb. 10.

The minister said in an interview here Tuesday that a provincial election could be expected in the province soon, but he named no date. The causeway would be a main plank in the Liberal Party's platform, he said.

## Urrutia To Rule Cuba By Decree

HAVANA (AP) — The revolutionary government dissolved congress Tuesday and announced it will rule Cuba by decree for at least 18 months when new elections are planned.

The government suspended all criminal courts, regarded as a symbol of the fallen dictatorship of Fulgencio Batista, and was reported preparing a decree abolishing all political parties.

The provisional regime dismissed all provincial governors, mayors and council members. Apparently their functions will be taken over by new civilian appointees prepared in advance for the task.

These and other laws were announced, or reported in preparation, as provisional president Manuel Urrutia sat almost continuously in the presidential palace with his new cabinet.

## Arctic Gale In U.S. Continues

NEW YORK (AP) — A vicious Arctic gale hammered the United States eastern seaboard for a second day Tuesday with wind gusts up to 70 miles an hour. Damage was widespread and bitter cold intensified the winter misery.

Fire, an accomplice of the savage gale, claimed nearly a score of lives from West Virginia to New England. A man froze to death in Massachusetts.

Below-zero temperatures were widely reported, with 17 below at Newport, Vt., 15 below at Old Forge, N.Y., 14 below at Greenville, Me., and 13 below at Boonville, N.Y.

## Cold Wave Eases Grip Slowly Across Country

By THE CANADIAN PRESS

Canada is "warmer but not warm" from western Ontario to British Columbia. From eastern Ontario to the Atlantic it is still cold or frigid.

The Dominion weather office in Toronto says a high pressure area stretching from west of Hudson Bay down to Florida—which has held most of North America in a deep freeze since last week—is moving slowly toward the Atlantic.

Behind that area, temperatures were gradually warming although they were still below normal.

**RAIN IN B.C.**

Storms on each seaboard had opposite effects. A Pacific storm brought rain and pushed temperatures above the freezing point Tuesday night on the southern British Columbia coast. In northern B.C. and the Yukon it was still cold with temperatures ranging to more than 50 degrees below zero Monday night.

The Maritime provinces reported some record lows. Yarmouth, N.S., reported two above Monday night, the coldest Jan. 6 on record, and Halifax reached one below, the coldest in two years. Saint John, N.B., was 10 below.

**COLD POURS IN**

The Newfoundland storm affected the eastern Ontario-Quebec area as unseasonable cold continued to pour in from the north accompanied by gusty winds. Temperatures in the St. Lawrence area approached zero Tuesday but Quebec's Eastern Townships and Montreal expected about eight below Tuesday night.

Many areas in Quebec and eastern Ontario had not dug themselves out following a blizzard Sunday and Monday that left up to 14 inches of snow on the ground.

Toronto expected a comparatively warm low of 10 degrees Tuesday night while northern Ontario expected between 20 and 30 degrees below zero. Some snow fell in southern Ontario Monday night.

Low temperatures predicted for the Prairies Tuesday night included: Edmonton and Calgary 10 below; Prince Albert, Sask., 25 below; Saskatoon, 20 below; Winnipeg and Regina five below.

## Railways Take Action To Seek New Increase In Freight Rates

By JOHN LOBLANC

OTTAWA (CP) — The railways made a pass at another freight rate increase Tuesday. If it is granted, they are unlikely to get it for at least three months.

The last increase became effective Dec. 1. It was 17 per cent.

In the new case, qualified observers said Tuesday they think the railways will ask for between 5 and 20 per cent. The carriers, in filing a "notice of motion" with the board of transport commissioners, did not disclose how much they are seeking.

"Certainly was that the application would be fought to the hilt by the eight provinces—all except Ontario and Quebec—that have opposed the post-war series of increases."

**ASK HEARING DATE**

The railways' notice said that at a hearing here Monday they will ask the board to set a date for hearing of an application for a further rate increase.

This stems from a September application in which the carriers asked for a boost of 19 per cent to cover the \$50,000,000-a-year cost of a wage settlement and also a second increase, indeterminate, match increase in general operating costs.

The board gave the railways 17 per cent on the wage issue. The federal cabinet approved it—dismissing an appeal from the eight provinces—as a means of averting a strike of 130,000 rail employees that had been called for Dec. 1.

The cabinet also announced that a general study of rail problems was to be made on a long-term basis.

## IRAQ RECEIVES ARMS

DAMASCUS, Syria (AP) — The deputy chief of staff of the Iraqi army said Tuesday Iraq has received "up-to-date modern arms from friends." Brig. Shaker Mahmud Shukri, in speaking over Baghdad radio on Iraqi Army Day, did not name the friends.

Reports of arms shipments to Iraq from Communist countries have been frequent but never confirmed.

## Seek Missing N.S. Hunters

HALIFAX (CP) — RCAF Search and Rescue headquarters here said Tuesday a search has started for two hunters missing near Liverpool, on Nova Scotia's south shore.

Gordon Teale, 45, and Eugene Leslie, 36, both of Port Jolly, N.S. have been missing since early Monday when they left for a hunting trip near Port Herbert, a few miles from their home.

The RCAF said a Dakota aircraft from nearby Shearwater naval air station left for the search area at 4 p.m. Tuesday.

## One Left Dead, 18 Homeless In Rash Of Maritime Fires

HALIFAX (CP) — Maritimers shivered in the grip of sub-zero cold Monday and Tuesday and were plagued by a rash of fires.

Five fires caused damage estimated at over \$250,000. One of them resulted in the death of a 54-year-old woman.

The cold snap moved into the area Monday on the heels of the winter's worst snow storm. Monday motorists were having their cars hauled out of ditches and snow banks. Tuesday their cars were being towed so they would start.

The biggest single fire loss was at Pictou, N.S., where an early morning blaze Tuesday levelled a community centre valued at between \$100,000 and \$150,000.

**SUSPECTS INTRUDERS**

Director of the centre, Roland H. Sherwood, said he suspected intruders caused the fire. The building had been broken into three or four times recently and cigar butts had been found on the floor.

**FLEE BURNING HOUSE**

At Bathurst Mr. and Mrs. Theo Bujold and their six children fled when flames gutted their home. And at Chipman, N.B., Mr. and Mrs. Harry Stewart were left homeless when fire destroyed their one-storey dwelling.

The weather office saw no let-up in the frigid weather during the next 24 hours. The mercury was forecast to drop to record lows.

Temperatures here Tuesday climbed no higher than five degrees above zero. It broke the record for the lowest maximum temperature for the date set in 1883.

High readings of zero in Fredericton tied the old record set in 1883.

## Mikoyan Stands Firm On Berlin

WASHINGTON (AP) — Soviet Deputy Premier Anastas I. Mikoyan indicated Tuesday night Russia is standing firm on its demand for an end to four-power rule of Berlin.

He told this to reporters after a more than two-hour review of foreign policy problems with Vice-President Nixon.

The 63-year-old Kremlin troubleshooter said Berlin was among the topics discussed during what he called a comprehensive exchange of views with Nixon.

Asked whether Russia has changed its position in any way on Berlin, he replied: "Why change it? One does not change a good position."

The meeting between Mikoyan and Nixon was arranged at the former's request. The Soviet Embassy termed it a courtesy call by Mikoyan.

The meeting topped another busy day for Mikoyan. He also took a fling at shopping in a supermarket and had lunch with union leaders.

After meeting with Nixon, Mikoyan made clear that the vice-president reaffirmed the U.S. determination to stay in Berlin.

"Each explained his views in order that each could understand the other better," Mikoyan said.

Facing television cameras, Mikoyan laced Nixon for proposing that the United States and Russia limit their competition to lift the living standards of their peoples.

Mikoyan recalled that Soviet Premier Khrushchev already has expressed support for Nixon's view. The vice-president spelled out his ideas in a speech in London in November.

## An Intolerable Burden Here, Premier Says Of Rate Hikes

"These successive freight increases are an intolerable burden on this part of Canada and the West as well," Premier A.W. Matheson said last night, commenting on the report that the railways have moved to obtain another freight increase of unspecified amount.

"They are like compound interest. A ten per cent increase on 100 is minor compared with a 17 per cent increase on 200. As the yet unknown increase asked for will be a percentage on top of all the increases already imposed."

"It will be impossible to get our products to market or to bring in goods from central Canada to our area, he said."

**ACT AS UNIT**

The Atlantic Provinces act as a unit in these matters through the Maritime Transportation Commission. We will have to fight. There is no question about that, but what good will it do. We fought in 1957 and the Government disallowed the increase in 1958, but the last one was allowed.

"Take the estimate of the Minister of Highways that the previous increase will cost this province \$150,000 or six miles of paved road," said the Premier.

"Then add another 12 to 20 per cent on \$200,000 and you will see the significance."

Last year the CPR, the "yardstick" line, made a profit and made a profit last month, noted Mr. Matheson, but not on hauling goods or passengers. That railway was set up to unite Canada and was given great concessions, grants of land, including oil royalties.

**OUR OIL**

Those oil royalties are partly ours, in the opinion of the P.E.I. Premier. We didn't get Crown lands.

"The cumulative increases are absolutely vicious," he said. "It is up to the Government of Canada to end them. How they can do it other than underwrite the difference I don't know."

"It would not be quite so bad," concluded Mr. Matheson, if all rates were increased, but agreed charges and competitive rates in Quebec and Ontario throw the whole burden on the rest of the country. Trucks would provide competition here but the recent plan in raising car ferry rates is alarming."

## NFLD. HARD HIT

# Storm Hardships Told

By IAN MACDONALD

Canadian Press Staff Writer

ST. JOHN'S, Nfld. (CP) — Reports of hardships caused by a severe snow storm that started New Year's Eve continue to trickle into this capital city.

A spokesman for the United States Navy base at Argentia told Mrs. Catherine Jewell of Killbuck, Nfld., walked seven miles through deep drifts and high winds to give birth to a seven-pound, two-ounce baby at the station hospital.

"Both are doing fine," the spokesman said.

Mrs. Jewell made the trip with her navy husband Charles of Indianapolis. Her 73-year-old grandmother cared for their other four children.

**'COPTER BRINGS BABY**

The base Monday sent a helicopter to St. Joseph's, on St. Mary's Bay, to airlift two-week-old John Lineham to hospital where his condition was described as "satisfactory." He was suffering from a severe intestinal infection.

Snowfall in the Argentina region amounted to 26 inches in places. Air and land travel has halted completely.

It took a taxi three hours Monday to drive a sick woman from Marystown North to hospital in Burin, a distance of 30 miles. A bulldozer had to open the way. The woman died 10 minutes after arrival.

A report from St. Anthony in northern Newfoundland said high winds and seas which accompanied the storm destroyed all the fishing stages and gear in neighbouring Breat. A damage estimate was not available.

**TRAINS FREED**

Meanwhile, two eastbound trains, 36 and 24 hours behind schedule, were due here Tuesday night after being snowbound in the Clarendville area. They were carrying 700 passengers.

A third train which left here Jan. 4 and got stuck in the same region was scheduled to arrive at Port-aux-Basques today. The 550-mile trip normally takes 24 hours.

Clogged provincial highways and stranded trains prevented scores of Memorial University students and teachers from resuming classes here following holidays. Many outdoor schools are short-staffed because teachers couldn't return from St. John's.

**TRAIN FOR MINERS**

About 200 Conception Bay men who couldn't get back to work at the iron mines on nearby Bell Island were brought to St. John's by special train from Carbonear Tuesday.

Dozens of cars were abandoned on provincial highways, but three men reported missing on a motor trip from St. John's to Port aux Basques turned up safely Monday.

RCAF planes were used to locate three missing taxi drivers and their passengers.

The highways department has 134 plows and 500 men working around the clock, bucking drifts up to 12 feet deep. Most main roads were blocked in places.

## Police Dogs Search Moors For Playboy Crook And Pal

TAVISTOCK, Eng. (Reuters) — Hundreds of police dogs hunted the rain-lashed moors in southwestern England Tuesday night for a handsome playboy crook and his burglar friend on the run from Britain's toughest prison.

Dark-haired, debonair Dennis Stafford, 25, and William Day, 20, broke out of Dartmoor prison Monday night during a storm—the worst weather seen on the moor in more than half a century.

They gambled on the fierce weather and bog-ridden moor to shield them from 1,000 police and volunteers who threw a 20-mile ring around the escape area.

The only two men ever to escape successfully made their break 106 years ago. The record

since the war was set in 1957 by Bill (Foxy) Fowler, free for 33 days.

But Stafford has a police reputation as a reckless gambler with viron nerve and tough physique.

In 1956, he broke out of a London prison and nonchalantly set up a textile business in northern England. He was seen and even photographed dancing with London showgirls in Mayfair night clubs.

When the photos made the front pages of newspapers, Stafford slipped out of London. He finally was captured at a hideout in Trinidad.

His blonde girl friend, Eileen Cook, unwittingly gave him away. Police intercepted her cable addressed to him in Trinidad