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Rain changing to showers by afternoon, cooler. Low-high at Charlottetown 45 and 65.

"Covers Prince Edward Island Like The Dew"



VANDALS HIT PRINCIPAL'S OFFICE

Smashed records on the floor accentuates the disarray in the principal's office at the Armadale Junior High School in suburban Halifax after vandals ravaged the building causing more than \$1,000 damage. (CP Wirephoto)

Three-Phase Package Plan Is To Be Presented By West

By JOHN EARLE
GENEVA (Reuters)—The West is expected to present the East-West foreign ministers' conference with a three-phase package plan today combining a German settlement with big reductions in United States and Russian armed forces, conference sources said Wednesday night.
The sources said the plan was drawn up in the form of a preamble followed by three successive phases.
At the end of these phases a peace treaty would be signed with a reunited Germany and the armed forces of the United States and Russia would then each be limited to 1,700,000 men.
NO FORCED SETTLEMENT
The preamble contained a statement of principles, such as that East and West should not use force in the settlement of international disputes.
The sources described the phases as follows:
1. East and West Germany would set up a bipartite council, consisting of 15 West Germans and 10 East Germans, each nominated by their governments.
They would have the task of expanding administrative and technical contacts and would take decisions by a three-quarters majority decision.
HOLD PLEBISCITE
After 2½ years a plebiscite would be held throughout Germany to define an electoral law. (Continued on page 11 col. 1)

Red Satellite Drive Pushed

WASHINGTON (AP)—President Eisenhower said Wednesday the Soviet Union seems to be pushing a propaganda drive in seeking admittance of Red satellite nations to the Geneva foreign ministers' conference.
Eisenhower told a press conference he is hopeful the Russians will abandon propaganda tactics so that the Geneva meeting can get down to fruitful negotiations.

TEN CENTS ON DOLLAR

'Underworld' Deal Recovers Bonds

TORONTO (CP)—An insurance company in an "underworld" deal has bought back \$1,409,787 worth of stolen bonds at 10 cents on the dollar, Attorney-General Kelso Roberts of Ontario said Wednesday.
He disclosed the behind-the-scenes deal as he flicked through the pages of another chapter in the history of the multi-million-dollar robbery of the Brockville, Ont., Trust and Savings Company.
Police investigation has stretched as far as Switzerland since a sleek crew equipped with \$600 worth of value-breaking tools carried off loot totalling an estimated \$10,000,000 the weekend of May 3-4.
All but \$310,000 "has been accounted for or traced." However \$2,200,000 in bonds was still outstanding.
NAME UNDISCLOSED
Mr. Roberts did not disclose the name of the insurance company involved in the latest development of the case involving "persons in higher places."
However, police "now know the identity of the ringleaders, their three accomplices and the ringleader of the gang who disposed of the loot." Investigations were continuing to collect enough evidence for convictions.
Mr. Roberts said a New York lawyer negotiated the sale of the bonds to the insurance company in Montreal after overtures in Toronto were rejected by his department. He understood they were bought back at 10 cents on the dollar.
The insurance company could not be prosecuted under Ontario law because the sale — a compounding of a felony — occurred in another province, Quebec's Assistant Attorney-General C. A. Castin said later Wednesday he knew nothing of the deal.
"But you may be sure we will study the situation fully when this official information is forwarded to us," he said.

Manitoba's Duff Roblin Seeks Clear Majority

WINNIPEG (CP)—Premier Duff Roblin, whose Progressive Conservatives last year ended 36 years of Liberal-Progressive domination of Manitoba politics, seeks a clear majority in the legislature in today's provincial election.
The Progressive Conservatives formed a minority government after winning 26 of 57 legislative seats in the last election June 16, 1958. The Liberal-Progressives took 19 seats and the CCF 11 while one independent was elected.
Standing in the house was the same when the legislature was dissolved March 31, following defeat of the government on a want of confidence motion.

Weather Delays Spring Seeding

OTTAWA (CP)—Cold, unsettled weather and in some areas — soil drifting caused by high winds has delayed the spring seeding schedule on Prairie farms.
A report on crop conditions Wednesday by the bureau of statistics said generally cold weather has hampered seeding over wide areas. In Manitoba particularly heavy rains have held up operations.

WHERE-TO-FIND-IT

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- Late reports from Guardian news bureaus in Summerside, Montague, Alberton and Souris, and from special correspondents, now appear on the Island News Page.

Harsh Words Are Used By Commons' Members

Small Cars Discussed

OTTAWA (CP)—Prime Minister Diefenbaker made plain Wednesday that if United States manufacturers go into the small-car business, the federal government wants Canadian automobile plants to follow suit.
In a Commons statement, he said, "that if small cars are manufactured in the United States by these companies we want the same situation in Canada."
The government was determined, "insofar as it lies within its power," to have small cars produced by Canadian companies of the big three—Ford, General Motors and Chrysler—if the parent firms decided to do so in the U.S., as press reports indicated.
Mr. Diefenbaker was replying to Norman L. Spencer (PC—Essex West), whose constituency embraces the automobile-producing city of Windsor, Ont.

Small Cars Discussed

Mr. Spencer referred to an April 20 brief presented to the government by a delegation of the United Automobile Workers of America (UAW).
The delegation, led by Canadian UAW Director George Burt, said auto workers fear they may be caught in a squeeze between the made-in-Europe small car and similar U.S.-built models.
The UAW brief quoted figures showing that British and European small-car sales have rocketed in the last few years, reaching 11 per cent of the Canadian market in 1957 and 18 per cent in 1958. In 1959, sales might go as high as 30 per cent.

Bid Rejection Story Denied

TORONTO (CP)—W. A. Montgomery, vice-president of John Inglis Company, said his firm was not rejected on its bid for a U.S. Army Corps of Engineers contract.
Mr. Montgomery was commenting Wednesday on remarks in the House of Commons by George McIlraith, Liberal member for Ottawa West in which the MP said the company was unable to get the contract for eight turbines for the Big Bend Dam in South Dakota although its bid was "considerably lower than U.S. bids."
Mr. Montgomery said his company's bid was not turned down because the contract has not been awarded yet.

RCAF Transport Is 'Not Available'

OTTAWA (CP)—No RCAF transport was available to take former air commodore Johnny Fauquier to England for a special RAF ceremony, Defence Minister Pearek said Wednesday in the Commons.
He was replying to Paul Hellyer (L—Toronto Trinity) who was ruled out of order by Speaker Roland Michener when he asked whether space was not available on an RCAF Lancaster that left here Saturday for today's ceremony. The Lancaster carried four permanent RCAF officers.
The ceremony is the presentation by the Queen Mother of a royal standard to famed 617 Squadron of the RAF, known as the Dam Busters. Fauquier is the only Canadian ever to command the squadron. The four permanent officers flown to England by the RCAF Saturday are also former members of the squadron.
Fauquier has said he was invited to the ceremony by the present commander of the squadron but that he couldn't afford the trip.
Mr. Pearek said in reply to Mr. Hellyer that the RCAF considered flying Fauquier to England but that no transport was available.
"TORONTO (CP)—Johnny Fauquier, wartime "king of the Pathfinders," said Wednesday he has turned down a Toronto man's offer of \$5,000 to pay his way to England for a special presentation today to the RAF's famous 617 Dambusting Squadron which he once commanded.
Fauquier said the offer was "generous indeed" but "much as



AMERICAN ADMIRAL VISITS S'SIDE

Rear Admiral T. B. Clark, of Norfolk, Va., commander of Fleet Air Wings, Atlantic, inspected a guard of honor following his arrival at RCAF Station, Summerside yesterday. Accompanying the Admiral on his tour was Flight Lieutenant C. E. Cooper (right), guard commander. Rear Admiral Clark's visit was for the purpose of examining the training establishment. An informal luncheon was held at noon in the Officer's Mess.

Causeway Rock Idea Was Passed At Ottawa

A proposal that rock be obtained from the Nova Scotia coastline and loaded in dump scows for the building of the Prince Edward Island Causeway was advanced to Premier Matheson in November 1958.
In revealing this yesterday, Mr. Matheson said he had been approached last fall by a group of Fredericton engineers with the plan which he felt, at that time, duty bound to pass on to Ottawa.
"In view of this course of action, I have withheld this information from the public, expecting that by this time we would have had a report from the Federal Department of Public Works," he said.
The Premier recalled that he had made passing reference to the proposal in the last session of the Legislature but since no report has been forthcoming from Ottawa, felt that the merits of the proposal should be made known to the public.
The Premier noted that although the Nova Scotia rock would be farther from the site of the causeway than the rock being explored at Bayfield, water transportation would more than (Continued on Page 5 Col. 3)

DIEFENBAKER ANNOUNCES Transportation Problem Study Assigned To Royal Commission

By KEN KELLY
Canadian Press Staff Writer
OTTAWA (CP)—A royal commission Wednesday was ordered to find causes and cures in the broad field of railway transportation and freight rates.
The seven-man inquiry, headed by Hon. Charles P. McTague, prominent Ontario jurist and businessman, was announced in the Commons by Prime Minister Diefenbaker who said its wide powers also call for special attention to "the most urgent problems."
These included inequalities in the freight rate structure, their effects on the various regions, legal obligations and limitations imposed on the railways and an equitable distribution of any resulting burden, more economical and efficient use of rail transport and the extent that rail company earnings other than from railway operations should be a factor in establishing freight rates.
WANTS THOROUGH JOB
Although welcoming the announcement, Lionel Chevrier, former Liberal transport minister, urged that the government give the commission all the time necessary to do its work thoroughly. He recalled that a previous inquiry took 2½ years to cover much the same ground.
H. W. Herridge (CCF—Kootenay West) expressed disappointment that sea and air transportation were not included in the terms of reference.
The commission is the second one in eight years to go into this general problem. The previous inquiry, headed by Hon. W.F.A. Turgeon, a retired diplomat, reported in 1951 and in the years following a number of the commission's recommendations were put into effect.
The government already has indicated that it hopes the new inquiry will be finished in about a year. In the meantime it has suspended all general freight rate increases and provided a \$20-

ONE EXEMPTION

Mr. Diefenbaker specifically exempted from the inquiry one special set of freight rates — the Crowsnest Pass grain rates set by statute in 1925 at special low rates prevailing before 1900.
Equalization of freight rates was one of the principle recommendations of the Turgeon commission in 1951 as since that time the transport board has (Continued on page 5 Col. 3)



ESKIMO IN HOSPITAL

Allee, 15-year-old Eskimo, is in hospital at Ottawa undergoing treatment for gangrene in both his feet and doctor's feel both feet will have to be amputated. Allee and his father, Samsonak, spent 11 days on a drifting ice floe in Hudson Bay. His father, evidently in better shape, remained behind in the north. (CP Wirephoto)

Hot Exchanges Feature Rows

OTTAWA (CP)—The government is giving the impression that it is adding \$200,000,000 in unemployment insurance benefits when in fact workers and employers will be paying for 80 per cent of that amount, Liberal Leader Pearson said Wednesday.
The government "dares take credit" for the full sum, Mr. Pearson told the Commons as the opposition kept up its attack on proposed unemployment insurance amendments that will increase contributions and widen the number of contributors to the unemployment insurance fund.
He reiterated Liberal charges that the government has evaded and violated the law in dealing with the fund and quoted from recent speeches by Prime Minister Diefenbaker to contend that a false impression was being created of government beneficence.
Bickering and procedural disputes marked the debate.
Finance Minister Fleming, who protested frequently Tuesday that Liberal speakers in the debate were out of order in their remarks, found himself accused of trying to range in the same irrelevant fields as he began to speak near the end of Wednesday's sitting.
He charged that Liberal speakers had made "untrue statements" and drawn conclusions not based on fact. They had made "nonsensical, misleading and distorting" remarks.
As he began to get specific, however, Liberal members protested that he was trying to deal with points they were told earlier were out of order.
Before the minister could elaborate on his charges against the Liberal speakers, the sitting ended. But Mr. Fleming will have another chance when the debate resumes today.

Car Hits Pole Lights Are Out

A portion of the City was blacked out early this morning when a car crashed into a light pole and snapped it off at Euston and Weymouth. The pole carried a transformer and the power was cut off. The accident happened at 1.58 and one man was taken to hospital with undisclosed injuries.

Free Hospital Benefits Seen In Hospital Plan

Two free bonus periods, amounting to six months in all, will be made available to all island residents in the hospital insurance plan, it was revealed yesterday by Premier A.W. Matheson.
Regardless of age or condition of health, people by registering within the next three months will be entitled to receive all hospital services provided under the plan during the months of October, November and December of this year, it was revealed in a statement released for publication.
The Premier revealed that the proposed program had been sent to Ottawa and he was confident that it would be accepted.
ADDITIONAL PERIOD
The Premier added that all people who pay at least a three-month premium (\$6 for single people or \$12 for families) before (Continued on page 5 col. 4)

Dentists Honor S'side Brother

Dr. R. G. Romcke of Summerside was elected president of the P.E.I. Dental Association at their annual meeting last evening. Also elected were Dr. W.S. MacIntyre of Montague, vice-president and Dr. Heath McIntyre, again elected for the office of sec.-registrar-treasurer.
Members of the council are: Dr. R. H. Barrett, Dr. K. A. MacEachern.
During the proceedings a presentation was made to Dr. J.A. McMurdo of Summerside of a suitably inscribed silver tray on the completion of his 57th year in the practice of his profession.
Dr. H.E. Clark, who made the presentation on behalf of the Association, commented on the suitable services that Dr. McMurdo had made to the profession over the years. Dr. McMurdo, in reply, thanked the members and recalled many pleasant memories of the Association in times past.
Among the resolutions passed, the Association once again gave full endorsement to fluoridation of water supplies and urged the citizens of Charlottetown to vote for it at the forthcoming plebiscite.

Cost Increase Is Explained

OTTAWA (CP)—Construction cost of a new Maritimes cat ferry greatly exceeded the original estimate partly because of design changes ordered by the federal government, the Commons public accounts committee was told Wednesday.
L. C. Audette, chairman of the Canadian Maritime Commission, said the vessel was a prototype as far as Canadian shipyards go, and there were some complications in construction.