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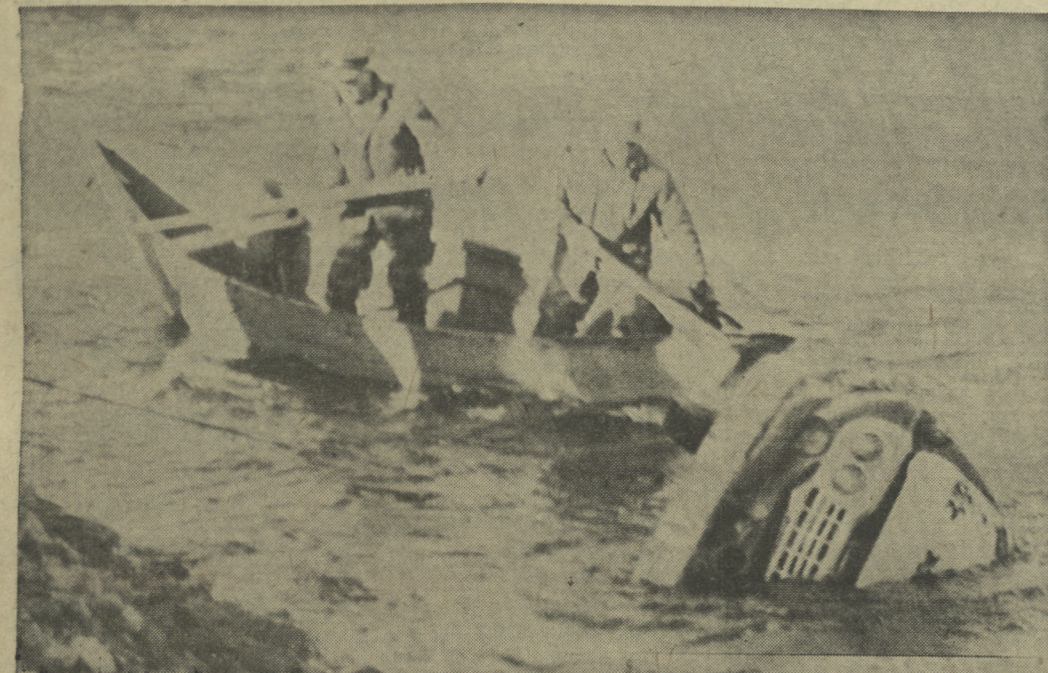
Clear and cool, becoming warmer this evening; westerly winds 15. Low-high at Charlottetown 30 and 50.

"Covers Prince Edward Island Like The Dew"

14 PAGES Authorized as Second Class Mail by the Post Office Department, Ottawa

CHARLOTTETOWN, CANADA TUESDAY, OCTOBER 7, 1958

NOT MORE THAN FIVE CENTS



TRUCK RAISED AFTER SIX HOURS

It was nearly six hours before this truck containing the body of Bernard John Fitzgerald of St. Louis was brought to the surface of the Kildare River after it plunged through about 3 a.m. yesterday morning. The nose of it can be seen on the right just breaking the surface. R.C.M.P. officers were aided by a number of volunteers in the search.

U.K. Conservatives In Optimistic Mood Today

By KEN METHERAL
Canadian Press Staff Writer
BLACKPOOL, Eng. (CP) — A tanning fork, rather than Lord Hailsham's famous bell, would make an appropriate chairman's gavel for the Conservative party conference opening in this famous seaside resort today.

"view with pleasure" and support the "wisdom and courage of Her Majesty's government."
ROUSED FROM BLUES
Last year Lord Hailsham was forced to ring his chairman's bell in an effort to rouse his despondent followers from the effects of a series of by-election reverses and a sterling crisis.

moed is the spectacular improvement in the last 12 months of the country's economic position.
At Brighton, worried delegates spoke about the possibility of devaluing the pound. Since then sterling has bounced back in such strength that the gold and dollar reserves have doubled to about \$3,120,000,000.
Today's opening session will be devoted to local government affairs with the conference proper starting Wednesday. Delegates then can be counted on to affirm fair market value should be paid for property compulsorily purchased and to discuss ways of making home ownership easier.

The bubbling optimism with which the Tories are embarking on their annual convalescence in a sparkling contrast to their despondent and critical mood at their conference in Brighton a year ago. Then scores of resolutions were phrased in terms uncompromisingly to the government; now they

the Council of the Charlottetown Board of Trade has forwarded a strongly worded letter to Transport Minister George Hees emphasizing the immediate need for an additional car ferry at Bord.

Ch'town Board Urges Additional Car Ferry

Abegweit, the Charlottetown Board of Trade has reviewed its thinking wishes to go on record as fully endorsing a previous resolution forwarded by the Summerside Board of Trade and agreed to by the Maritime Board of Trade.
The seriousness of the situation is pointed out in the fact that hundreds of cars were left waiting on the piers during the period in which the older boat was temporarily out of service.
It also states that should the Abegweit be obliged to go for refit, the second boat with its limited capacity could not hope to keep on the traffic moving.
The letter states that it is the hope of the Board that Ottawa authorities will view with concern the situation in which the Province is placed at the present time.

Polio Deaths In Toronto

TORONTO (CP) — Two men from nearby Richmond Hill died in the Toronto Isolation Hospital Monday, the first reported cases of polio in Toronto this year, hospital officials said.

Robert Allen, 25, and Duncan Schwartz, 34, had not received any preventive Salk vaccine.
KILLED IN COLLISION
MONCTON (CP) — Peter P. Geldart, 20, of Moncton was killed Monday when the panel truck he was driving collided at a city intersection with a heavy dump truck.

Huge Deficit If No Rate Increase, Is C.N.R. Claim

OTTAWA (CP) — A CNR spokesman said Monday that if the publicly-owned railway does not receive a freight rate increase to cover the cost of a wage settlement with employees it will face an unprecedented deficit of \$64,000,000 in 1958.
Gordon Ford, counsel for the railway, told the board of transport commissioners that the CNR will be so far in the red in 1958 that for the first time in 20 years it will have no funds to offset fixed charges. The highest deficit incurred by the CNR was \$60,968,000 in 1931.
The CNR's financial position for 1958 was outlined to the board as it opened hearings on an application by Canadian railways for a general 19-per-cent freight rate increase. The increase would net

the railways about \$60,000,000 a year.
ADVANCE PLAN
This is the first time the railways ever have asked the rail-regulating board to provide a freight rate increase in advance of actually paying out money in wage increases. The money would be used to effect a settlement of the railways' dispute with 130,000 non-operating employees now threatening a strike that could tie up the two transcontinental systems.
During Monday's hearing W. T. Wilson, CNR vice-president of personnel, said the employees will strike if they do not receive wage increases recommended by a federal conciliation board. He said a strike vote now is being taken

with the ballots returnable Nov. 1.
As Monday's hearing opened eight provinces—all except Ontario and Quebec—asked the board to reject the railway application on grounds the board had no jurisdiction to hear it. The provinces also argued that if the board did have jurisdiction it should exercise its right not to hear the case.
TO HEAR APPLICATION
However, the board ruled it has jurisdiction to hear the application. In rejecting the provincial application, Roderick Kerr, recently designated assistant chief commissioner, said the board has jurisdiction to hear the case and to grant any relief it "deems just and proper."
He added that the railways would be permitted to present evidence to enable the board to "determine just and reasonable rates for the next year or so."
The eight provinces plan to lodge an appeal to the cabinet against the five-man board's decision, probably today.
The provinces told the board that the railways in effect are asking the board to settle a wage dispute with their employees. They said they would take no part in aspects of the case concerning the railway demand for funds to cover a wage cost not yet incurred.
As a result provincial counsel did not cross examine the first four witnesses produced by the CNR.
J. J. Frawley, counsel for Alberta, said the board is "without jurisdiction to authorize an increase until the applicant has incurred an actual wage cost."

Thanksgiving Turkeys Will Cost More In The Maritimes

By THE CANADIAN PRESS
It'll look the same and it'll taste the same. But that Thanksgiving turkey will cost more the Maritimes residents more than the rest of Canada.
A Canadian Press survey of Canada's major centres shows Nova Scotia and New Brunswick housewives will be paying around 89 cents a pound, compared with as low as 49 cents in Alberta.
Nova Scotia prices are 10 cents a pound less than in 1957. Five-to-12-pound turkeys, most popular weight, will retail for about 69 cents a pound. Larger birds for down to 45 cents.
New Brunswick has ample

stocks of both fresh-killed and imported birds, retailing at 69 cents, the same price as last year. Heavier chickens are selling around 60-65 cents a pound. Few ducks and geese are expected to be available until later in the season.
Montrealers will have to pay "a little higher" than last year's price of 49 cents a pound for turkeys.
Ducks and roasting chickens will also cost more; frying chickens and hams less. Supplies are reported fairly good, with turkey most in demand.
Ontario turkey prices range from 51 to 65 cents a pound.

Red Offer Welcomed

WASHINGTON (AP) — The United States welcomed Red China's cease-fire offer Monday as a possible opening for peaceful settlement of the Formosa Strait dispute.
Red China offered Monday a one-week cease-fire provided the United States stop conveying Nationalist supply ships to the artillery-blockaded coastal islands.
An official U.S. statement said the offer was welcome and would be carefully studied by the United States and Nationalist China.
What the statement did not say was that this consultation would be even broader. British Ambassador Sir Harold Gaccia was called to the state department quickly for a talk with acting State Secretary Christian A. Herter. Other Atlantic pact allies also were invited to give their views

Ask Prayers For The Pope

ROME (AP) — Around the world, in tiny churches and great cathedrals, Roman Catholics prayed Monday night for the welfare of the Pope.
As the Pontiff lay gravely ill in his summer residence of Castel Gandolfo south of Rome, the Vatican Radio broadcast a call for worldwide prayers.
To the Vatican came news of Catholics everywhere responding to the appeal. Special prayers were said in Liverpool and Tokyo, Bogota and Vienna, New York, Toronto and Paris and elsewhere.
In Brussels, a mass was sung in the chapel of the Vatican's exhibit at the world's fair. Masses were scheduled in churches throughout Italy.
Italian President Giovanni Gronchi asked to be kept constantly informed of the Pontiff's condition.

In Quebec City, the Roman Catholic primate of Canada, Archbishop Maurice Roy of the Quebec diocese, called on Canadians to pray for the Pope's recovery.

Oppose Hiring Of Sub-Standard School Teachers

ST. JOHN'S, Nfld. (CP) — The Newfoundland Teachers Association was host during the weekend to their counter parts from the Maritime Provinces at a conference to discuss mutual problems.
Miss Gene Morrison of Halifax, president of the Canadian Teachers Federation, presided.
Despite a shortage of teachers in most provinces, the CTF and NTA opposed the hiring of teachers with only grade 10 education. They said it was a "short sighted policy."
A teacher with sub-standard qualifications "would turn out sub-standard students who would be unable to qualify for university training."

HEADS AGENTS COUNCIL
HALIFAX (CP) — Joseph Flewelling of St. Stephen, N.B., was elected chairman of the Atlantic Provinces General Insurance Agents Council at the annual meeting here Monday.
James F. Foster of Saint John was re-elected secretary.

PM INDICATES PURSE STRINGS TIGHT

Federal Aid Asked For City Streets, Water & Sewers

S'ide Mayor To Propose Government-Backed Fund

OTTAWA, (Special) — A plea for a government-backed fund which would provide municipalities with money for essential services at a low-interest rate will be made to the federal-municipal conference here by Mayor W. A. Currie, of Summerside.

multi-million dollar expenditures for sewer systems and other factors.
But even without these problems, there is a need for sewer improvements, school additions, paving and street light installation.
"To help finance these projects when they are needed, municipalities should be able to borrow from Ottawa," he said.

At a press conference following Monday by representatives of Canada's municipalities.
These proposals were talked over behind closed doors on the first of a two-day "informal" conference between the federal government and a 25-member delegation from the Canadian Federation of Mayors and Municipalities.

Seven More Requests To Be Made To Ottawa Today

By AL DONNELLY
Canadian Press Staff Writer
OTTAWA (CP) — New federal aid for city streets, main trunk water and sewer lines, and slum clearance projects was requested Monday by representatives of Canada's municipalities.
These proposals were talked over behind closed doors on the first of a two-day "informal" conference between the federal government and a 25-member delegation from the Canadian Federation of Mayors and Municipalities.

Seven more specific municipal requests are to be presented today.
So far the central government has made no commitments.
At a press conference following Monday's sessions, Justice Minister Fulton, conference chairman, said the government has merely "undertaken to take all these points under consideration."

Pope Suffers Stroke But Is Now Improved

By FRANK BRUTTO
CASTEL GANDOLFO, Italy (AP) — Pope Pius was believed to be rallying early today from his second grave illness in four years.
The last official word was encouraging. Millions prayed for his life.
The 82-year-old leader of the Roman Catholic Church suffered a stroke Monday. He lapsed into a coma, then rallied and was "appreciably improved" by nightfall.

The Pontiff's personal physician, Prof. Riccardo Galeazzi-Lisi, told reporters at 10:25 p.m. Monday: "The Pope is improving."
An evening medical bulletin said the 82-year-old leader of the Roman Catholic Church once more had shown the remarkable stamina that brought him through a grave illness four years ago. Vatican sources said earlier the

Pontiff was partly paralyzed by the stroke. But it was not known whether this condition persisted. The medical bulletin made no reference to paralysis.
"Since the medical bulletin issued this morning," the night bulletin said, "the condition of the Holy Father has appreciably improved insofar as it concerns the circulatory disturbances of this morning."
GREAT RESISTANCE
"Most opportune and urgent treatment has been carried out. The constitution of the Holy Father has shown once again its great resistance. There is need for further observation before issue of a final prognosis."

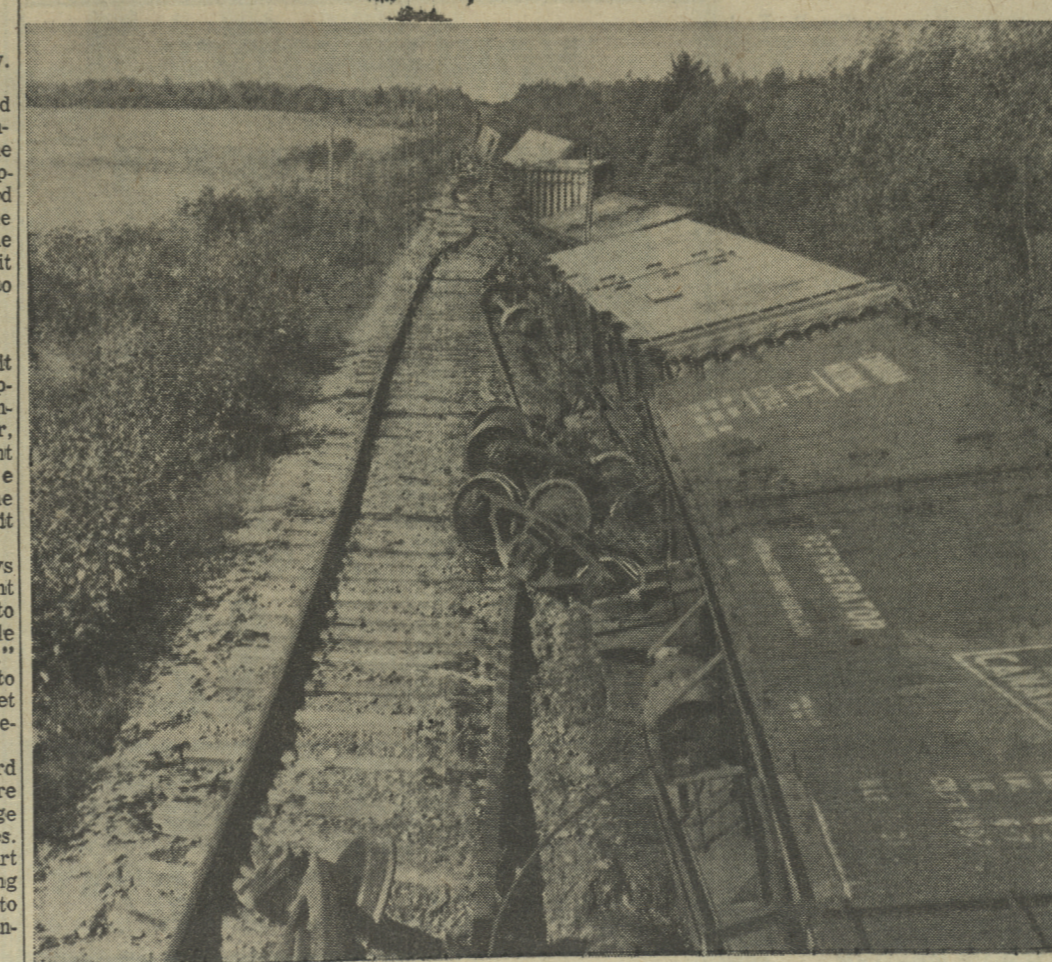
PROBE SUB REPORT

ST. JOHN'S, Nfld. (CP) — The navy confirmed Monday it was investigating a report that an "unidentified object" was spotted off this port Tuesday by a fisherman. The fisherman believed the object was a submarine.

Claims Reds And Capitalists Worship God Of The Machine

NEW DELHI (Reuters) — Prime Minister Nehru Monday told hundreds of financial experts from 68 countries that the cold war is keeping the world on the edge of danger and utter disaster.
Opening the annual meeting of the World Bank and the International Monetary Fund, Nehru appealed for a chance for underdeveloped countries to pull themselves out of their backwardness and poverty.
He said hundreds of millions of Asians lived at subsistence level, while the gap between living standards of industrialized countries and underdeveloped countries widened.
Communist and capitalist countries might have different political beliefs, he said, but "in the final analysis, they worship the same god—the god of the machine, the god of industrialization."
President Eisenhower, in a message read by U.S. Treasury

Secretary Robert Anderson, urged an increase in the resources of the fund and bank "so that they may better serve the rising needs of our free world economy."
DEVELOPMENT PLAN
Anderson said the American government was studying a proposal by Eisenhower for an international development association—though, he said, "I have no blueprint to offer for such an association at this time."
He said the proposed association would be an affiliate of the international bank and would make long-term loans for economic development, repayable in whole or part in the currency of the borrowing country.
Finance Minister Fleming is representing Canada.
World Bank president Eugene R. Black said the bank had set records both in lending and borrowing operations during the year ended June 30, 1958.



TRAIN GOES OFF TRACK NEAR COLEMAN

A general view of the scene of the Canadian National Railway derailed yesterday near Coleman. An eight-car mixed train left the tracks. No one

was injured. Heavy damage was caused to refrigerator cars loaded with potatoes and to 150 cars of roadbed. A wrecking crew worked throughout the

night making repairs. This shows the wreck from the engine. (See additional picture and story on page 13.)

Arrest Suspect In N.S. Break

HAMILTON (CP) — Hamilton detectives arrested a 26-year-old burglar suspect Monday on a warrant issued by Nova Scotia police.
Police said the suspect was wanted in connection with a burglary in Guysborough, N.S., last month.
Charged with breaking, entering and theft, is Harold Pitts, of Hamilton.

Lack Of Signals Accident Cause

PORT HAWKESBURY, N.S. (CP) — A coroner's jury Monday decided that absence of a signalling device was responsible for the deaths of two persons in a car-train collision at a Canadian National Railway level crossing at nearby Point Tupper Sept. 4.
Alex C. MacDonald, former Inverness County councillor and Donald Beaton of nearby Port Hood were killed when their car collided with a CNR express bound from Halifax to Sydney.

Fifth Red Test Blast Detected

WASHINGTON (AP) — Russia fired another weapon Sunday in their current tests series — the fifth detected so far — the Atomic Energy Commission said Monday.
A brief statement by AEC chairman John A. McCone said the detonation took place north of the Arctic Circle, the same area where the other four were set off.
The Russians began their nuclear weapons tests Sept. 20, with two shots. The other two were fired Oct. 2.

Some Mayors Reported Hurt By Suggestion From The PM

OTTAWA (CP) — Some Canadian mayors were reported a little hurt Monday by Prime Minister Diefenbaker's seeming suggestion that perhaps the municipalities hadn't squeezed the last possible dollar out of property taxes.
But sources close to the mayor's federation said there seemed to be general agreement among the municipal chiefs that Mr. Diefenbaker painted a "realistic" picture of the Canadian financial situation in opening the two-day, federal-municipal conference.
And they believed that out of this meeting will come a new federal-provincial conference, perhaps within a matter of months, at which tax-sharing and other issues will be reviewed.

RAISES EYEBROWS

The point in Mr. Diefenbaker's speech that raised a few municipal eyebrows came when he compared present property taxes with those of pre-war, estimating that on the average, these taxes amounted to four per cent of personal incomes, compared with about 5.8 per cent immediately before the Second World War.
"Municipalities have on the average achieved a relative reduction in the effective burden of the effective burden of real estate taxes," he said.
The mayors have been arguing that property taxes have risen steadily to the point where they are causing a heavy burden on property owners. Some of them maintained privately that Mr. Diefenbaker's possible hint that perhaps these taxes could be increased was open to challenge.
When the conference resumes today, some may argue that even if property taxes are raised to the pre-war 5.8-per-cent level, the increased revenue obtained might be only a pittance compared with the municipalities' heavy financial needs. And there would be the danger of killing the goose that laid the tax eggs; industry and development might be discouraged away from areas of high taxation.

MONEY NOT AVAILABLE

Prime Minister Diefenbaker, in a public statement at the conference opening, indicated that his government doesn't feel able to open its purse too widely.
The prime minister's speech emphasized the Ottawa government's own financial problems, with two-thirds of federal spending going to defence and social security and with its borrowing needs growing by an average of some \$100,000,000 a month.
Mayor William Hawrelak of Edmonton, federation spokesman, outlined to reporters the proposals presented Monday:
1. That arterial streets in municipalities, now carrying steadily increasing traffic loads, be recognized as interprovincial and international routes of commerce and thus a matter of national interest.
2. That main trunk sewer and water lines for new housing developments be included among costs for which the central government makes a 75-per-cent contribution in land assembly programs. At present, cost of the smaller distribution mains is in-

TODAY'S AGENDA

Seven municipal proposals are on today's agenda, including the major one of municipal financing and taxation trends and problems of municipal borrowing.
Other points: Costs of removing railway level crossings, unemployment problems especially in the coming winter, payment of grants in lieu of municipal taxation on federal Crown corporations, exemption of the 10-per-cent sales tax for municipal purchases, inclusion of hospitals' debt interest in hospital insurance costs shared by the federal government, and civil defence.
The case for federal aid was presented at the conference start by Mayor Harry Mews of St. John's, Nfld., federation president, who said Canada's cities and towns are wearing out faster than they can be rebuilt. The urban centres are obsolescent, out-moded and congested.
Municipalities could not make headway against this trend "unless additional financial support is made available to them over and above their present financial resources."
(Continued on page 9 col. 4)

Nationalists See Red Cease-Fire Only Lull

TAIPEI (CP) — The Nationalist Chinese poured a record quantity of supplies into Quemoy Monday under Communist guns quiet on the first day of a Red cease-fire. But early today the Nationalists denounced the cease-fire as only a lull before a new storm.
As both sides held their fire, Sampson Chen, a Nationalist spokesman, called the week-long truce proclaimed by the Communist early Monday a "diabolical peace offensive" and predicted the Reds would make more trouble soon.
He pledged again that the Nationalists would stand firm against the Communist call for direct negotiations of the Formosa Strait crisis.
But the Nationalists demonstrated they would accept a cease-fire even if opposed to talks with the Reds. Nationalist spokesmen remained silent throughout Monday. Nationalist officials indicated they would not renew the firing unless fired upon.
The massive supply convoy escorted by U.S. ships' landed supplies on Quemoy's battered beaches six hours after the shelling of the offshore island stopped at 12:51 a.m. Monday.
PROVISO OF CEASE-FIRE
One of the provisions of the Red cease-fire was that the United States stop escorting the Nationalist convoys to the offshore islands.
Peiping lashed out at the United States again today, charging that eight American warships violated Communist territorial waters and that U.S. planes flew 13 sorties over the same areas Monday after the cease-fire.
A Peiping broadcast said the Red Chinese government therefore issued a 23rd serious warning against such "naked military provocations."

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