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Cloudy with snowflurries clearing in afternoon; then colder. Southwest winds 20 to northwest 15. Low-high 20 and 30.

"Covers Prince Edward Island Like The Dew"

VOL. LXXII NO. 40

Published as Second Class Mail by the Post Office
Department, Ottawa

CHARLOTTETOWN, CANADA, TUESDAY, FEBRUARY 17, 1959

10 PAGES

NOT MORE THAN FIVE CENTS

Premier Will Ask Bell To Table Causeway Letter

Premier Matheson yesterday served notice that he will ask Opposition Leader Bell to take a letter which Mr. Bell read from during his speech on the draft address. Mr. Bell was not in his seat when the Premier made his announcement.

The letter in question was purported to have come from a Mr. Jephson and contained certain information about the causeway survey.

The Premier said that at the time the letter was read, he did not attach too much significance to it since he did not recognize the name of the writer. He has now discovered through looking in the Ottawa directory of the House of Commons that the Mr. Jephson in question, is executive secretary to the Minister of Public Works, Hon. Howard Green.

"In view of the fact that this letter comes from a fairly responsible person, I feel that the House is justified in knowing its full contents," said the Premier.

"The question of transportation is so important to this Province that we cannot overlook information of this kind. I hear that the drilling at Bayfield N.B. has stopped because the government grant of \$200,000 has been exhausted," he added.

PRECARIOUS STATE

The Premier said it has been reported to him that the Abegweit has been having very tough going during the last few days and that she had to miss one of her scheduled trips due to ice conditions. "What position are we going to be in if this ship has more engine trouble while

Higher Taxes Opposition Voiced By Manufacturers

OTTAWA (CP)—Opposition to higher taxes was voiced by the Canadian Manufacturers Association Monday as it called on the government to tighten its belt and fight inflation through reduced federal spending.

Higher income taxes at this stage of recovery would slow the economy, discourage investment and provide fewer jobs, said association president Ian McRae of Toronto in a brief submitted to Finance Minister Fleming.

Later at a Rotary Club luncheon, Mr. McRae said maintenance of a stable dollar was Canada's top need.

TWO MAJOR CAUSES

In its brief, the association "push" and federal deficit financing were the two main causes of inflation. The government has forecast a record peacetime deficit of \$700,000,000 for the current fiscal year.

Immediate balancing of the

Plan Atlantic Voyage In Sealed Water Tank

MONTREAL (CP)—Three Montreal landlubbers plan to sail across the Atlantic this spring in a 3,000-gallon sealed water tank. The craft, named the WT (for water tank) Diogenes will use the Labrador Current and the Gulf Stream as a means of propulsion.

"This is not some harebrained publicity stunt," says skipper Richard Melsch, "but a serious undertaking by three men who know nothing about sailing but love the sea."

The other crewmembers are Robert Frantz, 30, who will act as cook, and Albert Barth, 30, who will be radio operator. Melsch said he got the idea while working in the Arctic and reasoned that a landlubber would be safest in a tank.

ADAPTED FOR SEA

The tank, 18 by six feet, is

Berserk Man Held At Bay By Two Dogs; Man Wounded

SCHOMBERG Ont. (CP)—Police said a berserk man shot a farmhand near this Toronto area community early Monday then was held at bay by two dogs when he threatened a man and wife.

Police arrested the man shortly after the shooting and quoted him as saying: "I don't know why I did it."

Edward Pascoe, 26, was shot through the chest when he answered a knock on his bedroom door in a house on the farm of Ernest McDonald. He was taken to hospital with a bullet in his lung.

REMAINING WITHOUT PLEA

Joe Aston, 20, who lives in the same house as Pascoe, was

charged with attempted murder and is being held under the Mental Health Act. He appeared in magistrate's court and was remanded without plea.

After Pascoe was shot the man went to the nearby McDonald house when Pascoe's wife pleaded with him to call an ambulance. Instead the man pointed his rifle at Mr. and Mrs. McDonald owners of the farm.

The two German shepherd dogs charged the man and held him at bay until the couple fled through a rear door.

Provincial police arrived soon after in response to a call for help from Mrs. Pascoe.

The man came out after dismantling his rifle and surrendered.

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STARTING DATE OCT. 1

Hospital Insurance Plan Remained In Legislature



HON. GEORGE MACKAY

Minister Is In Hospital

The illness of Hon. J. George Mackay, Minister of Highways may prevent him from attending any of the sessions of the present Legislature, according to an announcement made in the House yesterday by Premier A. W. Matheson. The duties of the Highways minister, while the Legislature is in session will be taken care of by Hon. Keir Clark, Minister of Education. The Premier said Mr. Mackay is a patient in hospital.

S-P To Boost Output Of Cars

HAMILTON (CP)—Studebaker-Packard of Canada will begin to hire more men next week for a gradual step-up in production that will boost the Hamilton plant's output 50 per cent by March 15.

Gordon E. Grundy, president, said the stepped-up manufacturing program will boost production of Larks and Silver Hawks from 32 to 48 per day.

Girls Charged With Car Theft

LONDON, Ont. (CP)—Two 18-year-old girls charged with car theft were remanded in custody Monday until Feb. 20.

Rosemary Lewis, formerly of Vancouver, and Joy Macdonald, formerly of Cape Breton Island, were arrested Sunday about 30 miles west of Stratford, Ont., after an accident.

They were not asked for bail and were not asked to plead. Police said one of the girls is a member of the RCAF and the second was recently discharged.

Specialist Called In For Dulles

WASHINGTON (AP)—A specialist in cancer research was summoned Monday to consult on State Secretary Dulles' illness. Dulles is suffering from a recurrence of the cancer for which he was operated on in November, 1956. It was discovered during a hernia operation Friday.

Monday afternoon Dulles got a report on current developments in world affairs from an aide who spent about 30 minutes with him at the hospital. Maj.-Gen. Leonard D. Heaton, who performed Friday's surgery, said Dulles' condition "continues satisfactory" and that he sat in a chair in his hospital quarters for about 30 minutes Monday.

MAC TO WASHINGTON

LONDON (Reuters)—The illness of U.S. State Secretary Dulles touched off fresh speculation Monday that Prime Minister Macmillan may go to Washington for talks with President Eisenhower after his forthcoming visit to Moscow.

Changes Recommended In N.S. Compensation Act

HALIFAX (CP)—Sweeping recommendations for changes in the Nova Scotia Workmen's Compensation Act are contained in a royal commission report tabled in the legislature Monday night. Many of the proposals will be the basis of legislation forecast in the throne speech.

The report, compiled after a two-year study by county court Judge Alexander H. McKinnon of Antigonish, N.S., is a package with something for everyone. It suggests a thorough revision of the present act but leaves basic principles untouched.

Major alterations would increase payments to persons injured in industrial accidents or to their dependants in case of death, boost the limit of liability per vessel in ship sinkings to \$200,000 from \$50,000, revise the system of payments to 75 per cent of average earnings from the present 70.



HON. M. L. BONNELL

Changes Recommended In N.S. Compensation Act

Judge McKinnon also said "there would seem to be little doubt" that persons suffering neuroses are as eligible for compensation as those hurt physically at their jobs. The matter arose after many miners were trapped by a Springfield mine explosion in 1956.

The judge said present pension awards to widow of \$50 a month and \$20 for each child to a maximum of five are unrealistic in view of "current living costs, wage levels and personal and family commitments."

His suggestions would raise the widow's monthly pension to \$60 and each child's monthly payment to \$22.50. Orphans' payments of \$30 would be unchanged. The \$150 limit placed on monthly payments to widows would be abolished.

UP MAXIMUM BASE

In non-fatal cases, the commissioner suggested increasing the present maximum base on which compensation is figured to \$3,600 from \$3,000.

Judge McKinnon said industry would not be expected to bear the costs of raising pensions and disability payments that began many years ago.

"If the people of Nova Scotia are prepared to make upward revisions then they must be prepared collectively to pay the price."

While acknowledging "the near-desperate circumstances" of many older pensioners, the judge indicated government, not industry, should bear any increases.

He said it "should be possible" to put volunteer firemen, hospital employees and men engaged in seal-hunting under the act.

BROADEN COVERAGE

The three-man workmen's compensation board, headed by W. T. Hayden, assesses 6,000 Nova Scotia firms whose employees are eligible for compensation. During 1957, the last year for which the board reported, \$3,960,329 was paid in compensation. There were 19,598 industrial accidents. Of these, 9,483 disabled workers for five days or more, the statutory waiting period before benefits can be claimed.

Premium Basis; Not Compulsory

Little or no opposition greeted Hon. M.L. Bonnell's resolution on Hospital Insurance presented to the Legislature yesterday afternoon as the Minister of Health unfolded the why, how and when of the scheme to the House.

Mr. Bonnell said the plan would be paid for by voluntary premium contributions at the rate of \$2 per month for single persons and \$4 per month for families. He hopes to see the plan go into operation by October 1, 1959. The plan, he said would be operated by a commission of three or five people who would be entirely independent from Government. He said an interim insurance commission has been working during the past year preparing legislation and making certain recommendations which have greatly assisted the Government in bringing the scheme before the House.

WARD CARE

It is hoped, the minister asserted, "that everyone in Prince Edward Island will be able to receive ward care with hospital bed and board. It does not include the services of special nurses but special nurses may be supplied if recommended by the attending doctor or doctors."

Under the plan such things as laboratory tests performed in hospital, most all drugs, x-rays, electro-cardiographs, DMR's physiotherapy and physiotherapy equipment along with nursing supplies will be paid for. It also includes the cost of the operating or delivery room, the cost of the anesthetic but not the fee for the anesthesiologist.

"The plan is not medical," said Dr. Bonnell, "so we do not anticipate any change in doctor patient relation to it now."

Continuing the minister pointed out if, according to the suggestion of some, children's food and clothing were exempted, the government would have to find an additional \$400,000 from some other source.

(Continued on page 10 col. 1)

Interpretation of x-rays and electrocardiographs however, will be paid for under the plan.

The plan also includes out-patient service at any of the recognized hospitals. That is for patients who need treatment but do not need to be admitted to the hospital. During such service, the x-rays, gastro and intestinal analysis, will be paid for.

The Hospital Insurance Plan does not cover the care of TB and mental patients as opposed to a sales tax, Dr. Bonnell said if a non-exempt tax were to be levied it would have to be at the rate of 2 per cent.

"It was felt that the farmer, who buys large quantities of fertilizer, lime, machinery, feeds and other commodities, might be the most heavily taxed and would bear an unequal share of the cost," Dr. Bonnell stated.

On the other hand, he said, if all these commodities mentioned were exempted it would mean a \$722,000 loss out of an annual outlay of approximately \$1,250,000 and the rate would have to be 5 per cent instead of 2 per cent.

Continuing the minister pointed out if, according to the suggestion of some, children's food and clothing were exempted, the government would have to find an additional \$400,000 from some other source.

(Continued on page 10 col. 1)

Premier Cautions Against Haste In Hospital Scheme

Premier Matheson adjourned the debate on hospital resolution yesterday after a dozen members had spoken to the motion. He told the House that considerable time and thought should be given the plan. He expressed appreciation of the manner in which the minister had presented the resolution.

He observed that while some members wanted to get the bill through right away, it could not become law until the Lieutenant-Governor had given his assent to it at prorogation of the House.

Referring to some of the matters to which thought should be given, Mr. Matheson said the resolution on hospital insurance passed at the last session of the house dealt with a number of matters which bill 320 does not include. Three of these were the care of TB and mental patients and the matter of depreciation costs.

Reading from Hansard of April 4, 1957, he quoted from Dr. Blair, then the Opposition critic of the plan and, one of the things which the PC member stressed at that time was that depreciation costs should be allowed. The Premier said it was going to be very difficult for hospitals to go to the public for funds after the hospital plan was in effect.

He asked the members to take into consideration the matter of matching grants. "Beware of gifts because every gift you accept puts a burden on our provincial revenue not only for the present but on generations to come," he added.

"It is almost two years since I was firmly convinced that we must have hospital insurance and now since we are to have it, let us not rush it, all the points should be discussed," he said.

FIVE PERSONS DEAD, TWO INJURED

Nfld. Blizzard Worst In History, Is Report

ST. JOHN'S, Nfld. (CP)—Five people are known dead and two others are in hospital following Newfoundland's worst blizzard in history.

Four of the victims were crushed in a snowslide which demolished two homes and damaged 10 others at Chain Rock near the entrance to St. John's Harbor.

Police said a teen-age girl, unidentified, died of carbon monoxide poisoning when the car in which she and three friends had sought shelter was buried in snow drifts stirred by 130-mile-an-hour winds.

The attorney-general's department issued orders forbidding motorists to use narrow cuts made through 20-foot-high snow drifts which had blocked city streets. All schools are closed.

About 70,000 Newfoundlanders went without power most of the day. Telephone service was crippled, but now has been restored.

Transportation is at a virtual standstill.

"UNBELIEVABLE" George Perlin of The Daily News said "the whole thing is just unbelievable."

Nine other occupants were trapped in the snowslide, one of them for 12 hours.

A second slide in the same area trapped a family of 11 in their house all night but they were unharmed.

NINE SAVED

Three were saved from the Piercy house and six from the Wells house. All were taken to hospital.

The avalanche roared down a rock cliff near the Cabot Tower, a landmark at the harbor entrance. It struck at 1.05 a.m. about an hour after the storm hit St. John's.

bodies said they were crushed under debris and huge mounds of snow.

Sixteen-year-old Barbara Noseworthy was pinned under snow and debris in the Piercy house for 12 hours. Frantic diggers heard her cries and found her still conscious. A daughter of Clarence Wells was trapped for three hours when a hot stove fell on her. She was burned but is not believed seriously injured.

The Piercy and Wells homes were moved 50 feet by the slide. One was demolished, the second storey of the other sheared off.

Fears of further slides sent the occupants of nearby houses running for safety. Most spent the night out of the danger area.

St. John's streets were deserted during the storm. Highways, leading out of the city were littered with buried automobiles.

The CNR cancelled all trains out of the city. No trains moved in eastern Newfoundland after the storm struck.

The city's fire department was snowbound. Fortunately no serious fires occurred. Snow blowers started opening main streets by mid-day but side streets were still blocked.



P.C. LEADER GETS DESK

P.E.I. Progressive Conservative party leader Walter R. Shaw, will no longer be handicapped by a lack of a desk from which to direct the strategy of the Op-

position. Yesterday Premier A. W. Matheson ordered a desk to be placed outside the railing of the assembly room for Mr. Shaw's use. It is the first time

in the history of the Island legislature that the opposition party leader has not held a seat in the House.