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# The Guardian

"Covers Prince Edward Island Like The Dew"

Overcast with snow beginning in evening, very cold. Low-high at Charlottetown 8 and 20.

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## 'FIRST NOEL' BY INDIAN CHORUS

An "Angels" choir of Indian children sang their hearts out at a special Christmas party provided for them at the isolated village of Lower Post, on the B.C.-Yukon border 610 miles north of Prince George. American servicemen from Baldy Hughes radar base near Prince George, and Prince George merchants provided presents, candy and Santa Claus in a U.S. Air Force Dakota for the 186 Indian children. (CP Photo)

## Ike Greeted In Madrid

By MARVIN L. ARROWSMITH MADRID (AP) — President Eisenhower rode for miles through Madrid Monday evening in cold rain and raw wind while about 1,000 Spaniards roared acclaim. With his black homburg off his head about as much as he kept it on, he rode in his generalissimo's uniform. Crowds waving flags packed much of a 19-mile route from Torrejon air base into Madrid. They leaned over balconies and hung from trees to join in the greatest acclaim modern Spain has given a foreign visitor. Lancers in blue, scarlet and gold preceded the car. The red and yellow flags of Spain mingled with the Stars and Stripes from standards along the route.

**HUGE PORTRAITS** There were portraits of Eisenhower and Franco up to four stories high. Eight monumental arches, a few more than 50 feet high and decorated with 20,000 flags, were spaced along the way. One had a sign reading: "Ike, ambassador of Peace." James Hagerly, White House press secretary, said Eisenhower told Franco he was completely overwhelmed by the warmth and size of the reception given him by Madrid. The foreign ministry estimated the crowd at 1,000,000, or half the city's population.

## Disarmament Talks Resumption Is Suggested At Western Parley

By JOHN EARLE PARIS (Reuters) — The West Monday signalled for the resumption of East-West disarmament talks after a lapse of more than two years. Foreign ministers of Britain, the United States, Canada, Italy and France proposed the talks should start in Geneva March 15 — more than a month before a planned East-West summit meeting. They are forwarding the proposal to the five Communist members of a new 10-power disarmament commission established in September. The communist side is represented by Russia, Poland, Czechoslovakia, Romania and Bulgaria. The long post-war hunt for an agreed method to end the world arms race came to an abrupt halt in the summer of 1957. A United Nations disarmament subcommittee composed of the United States, Russia, Canada, Britain and France failed in the last of a series of conferences to reach any arms-cutting agreements.



\$500,000

**SET UP NEW GROUP** A move to start again on disarmament began at the Big Four foreign ministers talks in Geneva last summer. A month later, the new body was established with the Communist side gaining equal representation — as it long had demanded. Western leaders thrashed out the issue at their talks here in the last three days. It was understood the United States wanted the start of disarmament negotiations deferred until after the summit conference. Britain, backed by Canada, argued that if the negotiations began before the summit any obstacles that cropped up could be dealt with by the heads of government. The western foreign ministers also decided that experts of the five powers should meet in Washington next month to prepare for the talks.

## Disarmament Progress Is Pleasing To Canada

By JOSEPH MACSWEEN PARIS (CP) — Canadian External Affairs Minister Green said Monday Canada is highly pleased with the progress on disarmament in connection with the Western summit meetings here. Green spoke with correspondents after attending a meeting of the five Western powers represented on the 10-country disarmament committee. He said he is "very well satisfied" with the Western determination to press forward on the matter. In a communique, Green and the foreign ministers of France, Italy, Britain and the United States called for disarmament negotiations with the Communist side to begin "on or about March 15" at Geneva.

The communique added that it was further agreed that representatives of the five Western countries should convene in Washington in January to prepare for a meeting of the full disarmament committee. In their deliberations, the communique said, the Western countries would take into account the views of the NATO council and the council would be kept fully informed. The Canadian minister said Canada's hope had been fulfilled by Monday's meeting which also agreed that the United Nations should be informed of progress. **INSIST ON CONSULTATION** As a representative of medium powers, Canada has been insisting that both the United Nations and smaller countries be kept constantly in touch with disarmament negotiations and that "adequate consultations" be held. The disarmament committee was established by the great powers with parity between East and West — five members on each side. It received the blessing of the United Nations but meets separately from the world body. Green has said repeatedly that a main Canadian objective is to get meetings under way as soon as possible on disarmament, which he considers the biggest problem facing the world today.

## Chan Is Termed Nervous Wreck

VANCOUVER (CP) — The Sun says Weldon Chan, wanted by immigration authorities for deportation to Hong Kong, is a nervous wreck from seven weeks of dodging police, speaking to no one and always expecting the law to catch him. "But he told me he won't give himself up," the newspaper says in a story detailed "somewhere in Eastern Canada" and written by Ottawa correspondent Alex Young.

# Starfighter Jets May Cost More Than \$420,000,000

## Production Is Slower

OTTAWA (CP) — The country's economic expansion hesitated during the third quarter of the year after marking up a solid five-per-cent production gain over last year. A report Monday by the bureau of statistics attributed the pause partly to a major British Columbia forestry strike and to uncertainty in the United States because of the steel strike there. But it added "the historical record suggests that periods of hesitation are not uncommon during the course of an expansionary phase." The bureau said Gross National Production — value of all goods and services produced — reached an annual rate of \$34,724,000,000 during July-September. This represented a gain of .3 per cent from the second quarter, the smallest rise since business recovery began early in 1958. However, all of the rise was due to higher prices, with "no change in the physical volume of production."



## TABLE TALK BY PM

Prime Minister John Diefenbaker talked to a group of commercial travellers in Toronto last week when their national association met in annual session. Here he is speaking to Jan Aarje one of the head table guests. (CP Wirephoto)

## N.S. BORROWS \$8,500,000

HALIFAX (CP) — The Nova Scotia government has authorized an \$8,500,000 debenture issue, it was announced here Monday. Proceeds of the issue, dated Jan. 15, will be used to complete a debenture issue which expired May 1, 1959; \$2,100,000 for advance to the government-owned Industrial Estate Limited; \$1,500,000 for advance to the Nova Scotia land settlement board, and the remainder for various assistance loans. Premier R.L. Stanfield, who is also provincial treasurer, said the issue will mature Jan. 15, 1962. It will be offered to the public at 93.64 to yield 5.40 per cent. The cost rate to the province will be 5.67 per cent.

## N.S. Industrial Mineral Production Seen Reaching All Time High In 1959

HALIFAX (CP) — Mines Minister E. A. Manson says industrial mineral production in Nova Scotia may reach an all-time high in 1959 and is rapidly assuming a leading role in the province's mining industry. The minister, in his annual report released Monday, said increased activity in gypsum and salt mining was a bright spot in the industry marred by losses in the coal fields. Mr. Manson forecast a bright future for metallic minerals in the province. He based his prediction on "significant new metal finds." Exploration had been carried

out on base metal deposits in Colchester, Hants and Halifax counties. Several claims were recorded, Mr. Manson said. **FIND ZINC** Attractive sulphide bearing deposits at surface level were found during the year in the Marble Mountain area of Cape Breton. Zinc was the major metal discovered in preliminary exploration. The gypsum industry led the field in mineral development with a new quarry opening at Nappan, near Amherst. Mr. Manson said the industry was "endeavoring to keep up with demands of the building trade." He said production in eight Nova Scotia operated quarries in 1959 will break an all-time record despite curtailment in output because of a longshoremen's strike at eastern United States ports. A new rock salt mine of the Malagash Salt Co. Ltd. at Pugwash, opened in November, will have four times the output of the company's former workings in Malagash. Its production capacity will be nearly 1,000 tons a work shift. Sifto Salt Co. Ltd. will produce nearly 125,000 tons of salt this year at its Nappan mine. Mr. Manson said efforts to keep coal mines operating successfully are being "made along many

lines." He admitted troubles facing the industry had "not lessened." **MARKETS LOST** Dominion Steel and Coal Corporation, major coal operators in the province, have been hit hard by market losses, especially in Quebec. The market losses and failure to find new markets could result in the company shutting down several of its Cape Breton pits. Defence Production Minister O'Hurley has said that most of the CF-104 sub-contracting will go to Canadian companies. This means that the government will have to provide the tooling — that is, pay a subsidy for production of CF-104 components in Canada.

## 200 Planes To See Use In Europe

By DAVE MCINTOSH Canadian Press Staff Writer OTTAWA (CP) — Production of 200 Lockheed Starfighter jets for the RCAF Air Division in Europe may cost more than the announced \$420,000,000, informants said Monday. The reason for this is that Canadian companies would have to be provided with tooling by the government before they could compete with American firms for contracts for Starfighter components. No provision was made for this when the program was announced last July. Until recently, military aircraft production programs have been on a cost-plus basis — that is, the manufacturer gets from the government the cost of production plus a certain percentage for profit. **NEW-STYLE CONTRACTS** But cost-plus contracts now are giving way to firm price contracts under which the manufacturer delivers the goods at a price agreed in advance with an added profit if he can deliver ahead of schedule. Target date for delivery of the first Starfighter — to be known in the RCAF as the CF-104 — is April, 1961. Canadair Limited, Montreal, will get a \$90,500,000 contract for the CF-104 airframes. Industry sources said that it would be only good business for Canadair to let its sub-contractors for airframe components to the lowest bidder. And the lowest bidder was almost certainly to be an American firm because U.S. companies were already tooled up for production of such items. Defence Production Minister O'Hurley has said that most of the CF-104 sub-contracting will go to Canadian companies. This means that the government will have to provide the tooling — that is, pay a subsidy for production of CF-104 components in Canada.

## PEACE WITH JUSTICE

# April 27th Is Summit Date Suggested To Khrushchev

PARIS (CP) — The Big Three Western leaders Monday invited Soviet Premier Nikita Khrushchev to meet them here April 27 in the first of a series of talks to strengthen "peace with justice." At the same time, President Eisenhower, Prime Minister Macmillan and President de Gaulle reaffirmed their pledge of a year ago to maintain Western occupation rights in Berlin. The three also ruled out participation at the summit by any except the four major powers. This meant no attendance by Communist China, East or West Germany or India. Their almost identical letters were delivered in Moscow Monday as the three-day Western summit talks, which included West German Chancellor Adenauer, came to an end. **ENVOYS SEE GROMYKO** The British, U.S., and French ambassadors, in separate meetings with Soviet Foreign Minister Andrei Gromyko, indicated the Western powers would like to discuss East-West relations, disarmament and Germany, including the Berlin problem. A French government spokesman said Gromyko asked the Western envoys for a few clarifications of the letters, which proposed summit meetings "from time to time" in the Big Four capitals. Canadian External Affairs Minister Green said he was broadly satisfied with the way things have gone in Paris. The Western communique did not go into any details on Berlin. It said only that the heads of government "reaffirmed the principles" of a four-power Western communique of Dec. 14, 1958, and a NATO declaration two days later. These two statements, following on the heels of Khrushchev's demand for ending Berlin's occupa-

tion status, had declared the West would stay in Berlin as long as its responsibilities required. They also had affirmed a solution of the Berlin problem depended on solving the overall problem of divided Germany. Apart from these general principles, the Western leaders in (Continued on page 5 Col. 3)

## 10 Miners Die In Explosion

FUKUOKA, Japan (AP) — Ten coal miners died, 39 were injured and 18 missing after a series of explosions Monday and today in two mines in Fukuoka. Seven miners were killed and 24 injured Monday in a gas explosion inside the Mitsui mine. At least three more were killed, 15 injured and 18 left missing by four explosions that racked the Mitsubishi mine overnight. Rescue teams were unable to descend into the shaft of the Mitsubishi mine because of the gas and the danger of continuing explosions, a spokesman said.

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- Late reports from Guardian news bureaus in Summer-side, Montserrat, Alberta and Soudra, and from special correspondents now appear on the Island News Page.



**RUBBISH WINS ART AWARD** Charles Caron, 21 (right) calls abstract art rubbish and set out to prove it by some examples made from rubbish. One called "Clown" seen here, was awarded a prize by Alan Jarvis, left, former director of the national gallery. When this picture was taken, Mr. Jarvis didn't know he was talking to the hoaxer. (CP Wirephoto)

## Harrington Man Dies In Hospital

Harold P. Cudmore well-known Brackley farmer and horseman, died early last evening in the Prince Edward Island Hospital where he had been under treatment since Friday for injuries received in a highway accident on the Brackley Point Road. His death last evening came as a great shock to his family because they said he had apparently been doing well and seemed on the road to recovery. However, he died not long after suffering a heart attack late Monday. The late Mr. Cudmore was a son of the late John Cudmore

and the former Margaret MacCallum, Winsloe North. A member of the Covehead United Church at the time of his death he was also chaplain of Boyne Lodge LOL No. 64. Last September he contested 3rd Queens for the Liberal party in the provincial election. **WIFE IN HOSPITAL** He is survived by his wife, the former Jennie Bearisto of West Covehead, who was also injured in Friday's accident and is still a patient in the Prince Edward Island Hospital. (Continued on Page 3 Col. 8)

## BY COMPANY New Trend Is Seen In Steel Bargaining

WASHINGTON (AP) — Industry representatives agreed Monday to hold separate company-by-company bargaining in the deadlocked steel dispute. The decision was greeted as a victory by the United Steelworkers union, whose president, David J. McDonald, told reporters: "What the union has been wanting right along has been agreed to." McDonald has argued that the industry's top bargaining team, headed by R. Conrad Cooper, has lacked the power to make any concessions and that talks with Cooper's group accordingly were hopeless. Mediation conferences will continue on a day-to-day basis in Washington, between the negotiating teams representing the entire industry and the international union. Morning and afternoon sessions were set for today. Setting up of Sunday talks here and elsewhere meant that President Eisenhower will not realize his hopes for a settlement before his return tonight from his goodwill journey abroad. **NOT OPTIMISTIC** Reporters buttonholed Cooper midway in Monday's negotiating session — the first in 10 days — and asked him whether there was any hope of early settlement. Cooper replied: "We live in hope, but I can't say that that gives us any basis for optimism." Under Cooper's leadership, 11

big companies have been representing almost the whole industry in bargaining talks. Representatives of these 11 will meet with union leaders from their separate plants in Washington Sunday. Executives of 82 smaller steel firms will meet Sunday with union local chiefs at individual company headquarters across the country. Joseph F. Finnegan, the government's chief mediator in the dispute, said his agency would not participate in the separate negotiations. Mediation conferences will continue on a day-to-day basis in Washington, between the negotiating teams representing the entire industry and the international union. Morning and afternoon sessions were set for today. Setting up of Sunday talks here and elsewhere meant that President Eisenhower will not realize his hopes for a settlement before his return tonight from his goodwill journey abroad.