

Premier Asserts Assets Far Outweigh Debt Boost

The manifold assets built up during the six years that he had been leader of the government more than offset the \$6.5 million dollar increase in provincial liabilities that accrued during the same period, Premier A. W. Matheson asserted in the Legislature last night.

Besides \$4,528,000 expended on the construction of the Trans-Canada Highway, \$7,923,000 spent on widening the main roads, and \$1,196,000 expended on bridge construction, the successive Liberal administrations he had headed had spent a total of \$5,950,000 on other long-term assets such as rural electrification, improvements to Falconwood Hospital, public buildings, the vocational school, etc., the Premier noted.

RURAL ELECTRIFICATION

In a brief one-half hour speech made in closing the budget debate, Hon. Mr. Matheson said that \$1,272,000 had been spent on rural electrification alone.

This amount was being paid back at the rate of \$75,000 a year, and was being held in a special fund administered by the Public Utilities Commission, he said.

In addition, \$1,056,000 had been spent on remodeling, new construction, and furnishings and equipment at Hillsboro Hospital.

In this connection, the Premier recalled that he had seen people sitting on cement floors in that institution 11 years ago. "No wonder," he said, "I felt it was necessary to spend that one million to take the patients out of such misery."

The sum spent in the former Falconwood area was not returnable in cash but in good health, the Premier noted.

BETTER DIVIDENDS

The \$697,000 the government had expended in aid to the rural schools in the last six years was also non-returnable, but would be returned in more important dividends "over and over again."

Noting that the Liberal governments he headed had spent a



PREMIER MATHESON

total of \$273,000 on public buildings during his term in office Premier Matheson recalled that the Rt. Hon. C. D. Howe had estimated the old Post Office building to be worth \$300,000 at the time of its purchase by the local government.

That meant that the Province still had an equity of \$100,000 in that building alone, he said.

The vocational school on which was spent \$141,000 during the period under review was also a "wonderful asset" to the Province the Premier declared.

OTHER ITEMS

Other items of capital expenditure in the last six years listed by the leader of the government included the following: tourist loans, \$190,000; town loans, \$841,000; P.E.I. Frosted Foods, \$450,000; industrial development, \$464,000; grants to hospitals, \$249,000; exhibition association,

\$102,000; repayable interest-free loans to villages for fire fighting equipment, \$42,000; fisheries, \$299,000; potatoes, \$27,000; mariculture, \$35,000; and the Gulf and Northern Shipping, \$122,000.

In addition, \$865,000 had been spent on road machinery, a fairly expendable item, the Premier added.

PREMIUMS BETTER

Premier Matheson said that he was glad to see that the House leader of the Opposition now favored a Sales Tax to pay for the Island Hospital Insurance plan.

This system of payment had seemed the better to him at one time, but, after talking with Dr. Taylor he had been persuaded to see the advantage of putting the payments on a premium basis.

It would be incorrect to say (Continued on page 2 col. 3)

Nfld. Salt Cod Exports To Be On Free Basis

OTTAWA (CP) — Export marketing of Atlantic coast salted fish from Newfoundland after July 31 this year will be carried out on the basis of free competition, Trade Minister Churchill announced Tuesday in the Commons.

The Iraqi premier said he has informed the other members of the pact—Britain, Turkey, Iran and Pakistan—of this decision.

The United States, though not a full member of the pact, belongs to all its main committees.

Iraq has taken no active-part in the pact since last July when a coup led by Kassem toppled the country's monarchy and pro-Western government. Iraq subsequently proclaimed a policy of neutrality and non-alignment.

Bell Suggests Sales Tax Finance Hospital Plan

Baghdad Pact Dropped, Iraq Premier Announces

BAGHDAD, Iraq (Reuters)—Maj.-Gen. Abdel Karim Kassem announced Tuesday night that Iraq is withdrawing from the Baghdad Pact, the Middle East anti-Communist defence alliance of which it has been a passive member for the last eight months.

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At his first press conference since the abortive revolt in the northern Iraq town of Mosul earlier this month, Kassem made his first public reference to the uprising.

He said he had warned his cabinet "well in advance about the painful Mosul plot" and told it to remain undisturbed.

Kassem uttered no criticism of United Arab Republic President Nasser, who has attacked him bitterly since the Mosul revolt.

He advised Iraqi reporters not to waste their time replying to these attacks and assured them

Iraq is strong and could crush any aggression.

"Within three years Iraq will be the most powerful nation in the Middle East," he added.

The pact, formed at Baghdad in 1955, has been described by the west as a "northern tier" of defence for the Middle East against Soviet encroachment. Russia, in turn, has branded it an instrument of aggression.

RATIFY AGREEMENT

Iraq Tuesday ratified a technical and economic co-operation agreement with the Soviet Union which has signed in Moscow March 16. Under the agreement, Russia will lend Iraq about \$140,000,000 to finance various projects.

Iraq has been leaning increasingly leftward in recent months and this has embroiled it currently in a sharp dispute with the U.A.R., chief exponent of Arab nationalism.

France And W. Germany Back Plan

WASHINGTON (AP) — President Eisenhower and Prime Minister Macmillan won French and West German approval Tuesday for their formula for offering Russia a summit conference this summer.

Diplomatic informants who disclosed this said the four governments would send separate but similar notes to the Kremlin within a few days. In effect, they will offer Russian Premier Khrushchev a heads-of-government session on German problems.

All are reported to the final arrangements for a summit parley to progress toward settling problems at a foreign ministers meeting beginning in Geneva May 11.

Kiddies Injured In Flash Fire

DARTMOUTH, N.S. (CP)—Two children were seriously burned and a fireman injured in a flash fire in a two-apartment dwelling here late Tuesday afternoon.

Children's hospital authorities said Donna Frankson, 2, and her two-year-old sister Lynn suffered extensive burns about their bodies.

Fireman Weldon Power suffered a badly-cut hand while fighting the fire. It was confined mainly to one apartment in the two-storey frame dwelling.

It was not immediately known how many others were in the building at the time of the blaze.

The fire is believed to have started when an oil stove exploded.

Rail Line In Quebec Is Opened

CAMPBELLTON, N.B. (CP)—Service on the Canadian National Railways' main line between Halifax and Montreal returned to normal Tuesday night after near paralysis since Sunday in a snow-blockaded section of Quebec Province.

Railway officials reported that equipment stalled in snowdrifts at two Quebec points between Campbellton and Mont Joli. Que., were released after a long struggle. The snow barrier towered more than 20 feet at Petit Metis, about 12 miles east of Mont Joli.

Two diesel units and a van had been trapped at Petit Metis while a rotary plow was stalled at Anqui, Que. Before clearing of the line, passenger trains were held at Mont Joli and Campbellton. They turned around Tuesday for trips back to Montreal and Halifax pending resumption of through service Tuesday night.

The weekend storm was accompanied by gales which drifted the snow as fast as it could be plowed. Blocked highways handicapped efforts of emergency shovellers to reach the plugged spots.

The snow and high wind caused similar disruption of train service in Newfoundland, especially between Millerton Junction and Port Aux Basques.

Rural roads in northern New Brunswick and some sections farther south were impassable. About 30 vehicles, including a bus, became stuck in a snowbank three miles south of grand falls in Victoria County.

QUAKE ROCKS FLORENCE

FLORENCE, Italy (Reuters)—People ran into the streets Tuesday when an earth tremor rocked Florence. A spokesman for the seismological observatory here said the quake was the most violent to shake the city in 18 years.

Prorogation Is Scheduled Noon Today

The Legislature is expected to prorogue at noon today. The House was still in session early this morning, and expected to adjourn until 11 a.m. when the final business of the session would be completed.

Premier Matheson closed out the budget debate Tuesday night and the house immediately went into committee to consider in detail the \$18,437,554 budget. Of this amount, \$6,048,500 is for capital works and the remainder to provide general services for the Province.

A non-confidence motion moved by Dr. George Dewar (PC-2nd Prince), was defeated on a straight party vote 15-3.

Opposition members had hoped for an announcement of an election date when an item of \$11,000, earmarked for an election, was considered. Queried on it the Premier remarked somewhat jokingly that he would "hold a meeting tomorrow to decide the date."

Urgent Attention Given P.E.I.-N.B. Ferry Link

OTTAWA (CP) — Transport Minister Hees told the Commons Tuesday that urgent attention is being given to ways of improving communications between Prince Edward Island and the New Brunswick mainland.

He said a special study was launched last autumn of the existing ferry service. Included in the study was the possibility of a causeway and use of passenger ferry ships employed on the MacLaine Straits.

Mr. Hees was replying to O.H. Phillips, Progressive Conservative member for the P.E.I. constituency of Prince.

PM And Pickersgill Disagree On Question Of Nfld. Judges

OTTAWA (CP) — Prime Minister Diefenbaker and J.W. Pickersgill agreed in the Commons Tuesday that the Newfoundland Supreme Court needs more judges but they didn't see eye to eye on what should be done about it.

Mr. Pickersgill, Liberal member of the Newfoundland constituency of Bonaville - Twillingate, noted that there has been a vacancy in the three-member court for some weeks. He urged Mr. Diefenbaker to appoint a new judge so that the court's appeal responsibilities could be carried out more effectively.

Mr. Diefenbaker said it is recognized that an effective appeal court should have at least three judges. But in Newfoundland over the years the number of Supreme Court judges had been limited to three, with the result that even with a full membership, insufficient attention could be paid to the appeal aspect of the court's duties.

In 1947, however, the provincial legislature had passed legislation providing for a fourth judge in the court, effective when the legislation was proclaimed.

Mr. Diefenbaker said that for some reason this proclamation has never been made. He urged Mr. Pickersgill to use his influence on the provincial Liberal government to have the proclamation made.

Then there could be "an effective court of appeal" in the province.

Mr. Pickersgill said he would be "more than delighted" to do what the prime minister asked. But what good would it do if vacancies couldn't be filled promptly?

CHANGE STORE LOCKS

TORONTO (CP)—The locks on all Loblaw supermarkets throughout Canada are being changed to foil thieves who stole about 220 master keys from the company's head office here. Each key is marked with a tag identifying the supermarket it opens. The thieves apparently did not bother with anything else.

Premium Seen Not Workable

Opposition Leader Bell yesterday said the Island's hospital insurance plan should be paid for by a sales tax. He said a sales tax to Islanders was nothing new in view of the fact that for a number of years they have been paying a gasoline tax which is the highest in Canada and is earmarked for road building.

Mr. Bell observed that if such a tax should produce more revenue than was required to support hospital insurance, the surplus could be put into general revenue.

Continuing he stated, "If the truth were known, the interim commission on hospital insurance made a recommendation that the plan be financed by a sales tax but unfortunately this report has not been made available to us."

He recalled that the Premier had stated a sales tax might be needed at some future time to provide additional revenue for the province and stated, "If we are to have a sales tax, I can think of no better use to which it could be put than to provide hospital care for our people."

FORESEES DIFFICULTY

"It seems to me the government is going to have difficulty in getting 65 or 68 percent of the population, or whatever it is that is needed to make the plan work and I am afraid that the original intention of the act will not be carried out—that of giving hospital care to all of our people."

Mr. Bell recalled that Dr. Malcolm Taylor when he was here, said the sales tax method administered.

"Everyone wants to see hospital care in force in the province. The fear of prolonged illnesses is a constant threat to our people, but we would like to see a workable plan—one that would give all our people protection," said the PC House leader.

Liberal MP Dies Suddenly In Parliament Bldg. Office

OTTAWA (CP)—Joseph Omer Gour, Liberal member of Parliament for the Ontario constituency of Russell, died Tuesday night. He was 65.

Mr. Chevrier (L—Montreal) interrupted a Commons session to announce the death of Mr. Gour who has held the Ottawa-area seat since 1945.

On the motion of Agriculture Minister Harkness, the Commons immediately adjourned as a mark of respect.

Mr. Chevrier did not indicate the circumstances of Mr. Gour's death, which occurred in his office in the main Parliament building.

J. W. Pickersgill (L—Bonaville - Twillingate) carried the

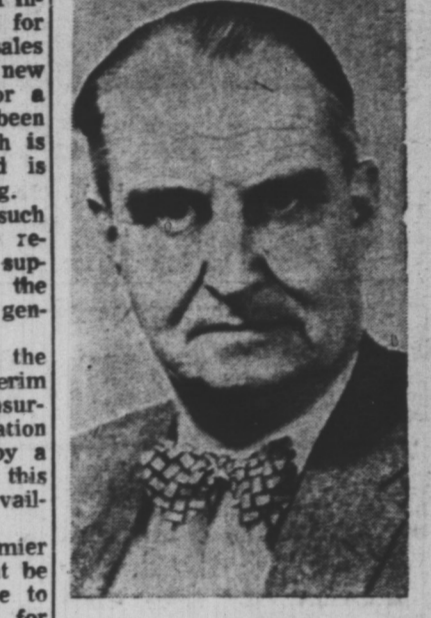
Premium Seen Not Workable

news of Mr. Gour's death into the Commons and whispered it to Mr. Chevrier, who was speaking on a freight rates resolution.

Mr. Chevrier sat down suddenly then rose to say: "I am shocked to have to say to the house the information just given me that the Member for Russell just passed away."

It was the second death of a Commons member in little more than a week. External Affairs Minister Sidney Smith, who had represented the Ontario constituency of Hastings-Frontenac, died at his apartment here last Tuesday.

Party tanding in the Commons: Progressive Conservative 207; Liberal 48, CCF 8; vacant 2; total 265.



R. R. BELL, Q.C.

lieve the act was voluntary.

"The government insisted in putting the act through with this clause in it and it was voted for by 15 members of the government side of the House against our protests. But what happened? The very next day—within 24 hours, they reversed themselves and took the word mandatory out," said Mr. Bell.

WINTER WORKS PROGRAM IS EXTENDED TO MAY 31

OTTAWA (CP)—A one-month extension to May 31 of the winter works incentive program was announced in the Commons Tuesday by Labor Minister Starr.

Originally intended to run from last Dec. 1 to April 30, the program up to March 30 had created 32,000 jobs "which would not otherwise have been provided," Mr. Starr said.

Applications from municipalities for federal sharing in payroll costs for works projects had totalled 1,900. Of these 1,838 or 96 per cent had been approved and a number were pending.

SPLIT COSTS

The federal government pays half the payroll costs, provinces and municipalities sharing the rest.

Mr. Starr said \$9,279,000 in federal funds is committed so far for works projects totalling \$32,730,000. Recent supplementary estimates approved if Parliament

included \$15,000,000 for the program.

Mr. Starr said the government decided to extend the program following a number of requests from municipalities and some provinces.

Spokesmen for both the Liberals and the CCF welcomed the minister's announcement of the extension but said the works program isn't enough to alleviate present unemployment.

ASKS SOMETHING MORE

The situation, said Paul Martin (L—Essex East), "justifies the government not only in doing what they have announced but in taking much more formidable and comprehensive steps than this program for coping with unemployment."

Hazen Argue, CCF House Leader, said the action "is but a gesture compared with what the government should be doing to cope with this major problem."

Mr. Martin said the unemployment level in Canada—8.8 per cent of the working force—is higher than in Denmark, Belgium, the United States, West Germany, Sweden, Norway, The Netherlands and the United Kingdom.

IRRELEVANT COMPARISON

Mr. Starr objected that Mr. Martin's comparison of Canada's unemployment situation with that in other countries was irrelevant.

"He has compared the situation in our country with other countries that do not have the same climatic conditions and seasonal fluctuations that Canada has."

Mr. Argue said all the government had been able to accomplish, with co-operation from the provinces and municipalities, was to provide work for about six per cent of the unemployment.

"This shows that the government, in real fact, has thrown up its hands and is prepared to live with widespread unemployment."

Ice Conditions Are Improved

The M. V. Abegweit was making her summer trip yesterday in her trips through the ice-filled Strait between Borden and Cape Tormentine.

This was in marked contrast to the situation during Monday's week storm when the big ferry took seven hours and 11 minutes to fight her way from Borden to Tormentine. She left Borden at 2:40 in the afternoon and it was just six minutes short of eleven o'clock when she docked at Tormentine.

Strangely enough the big ferry made the return trip in 59 minutes.

Trips yesterday were being made in from fifty to eighty minutes, it was learned last night.

'Difficult Decisions' Face West-Macmillan

WASHINGTON (AP) — Prime Minister Macmillan cautioned Tuesday that difficult decisions face the Western powers if they want to avoid war with Russia over Berlin. But he also predicted that in negotiations on the issue "we shall succeed."

The British leader, heading for home after weekend strategy conferences with President Eisenhower, said "the next few months will be a testing period for the whole free world."

He spoke at the airport as he boarded a chartered British airliner. Vice-President Richard M. Nixon and acting state secretary Christian A. Herter were on hand to bid him farewell.

Macmillan left with the conviction that he has Eisenhower's understanding that a Big Four summit conference will be called this summer — even if prior foreign ministers talks bog down in the East-West disagreement.

PROGRESS REQUIRED

Some U. S. officials disputed this, however. They insisted Eisenhower demands progress in easing the German problem in advance negotiations before he will meet with Russia's Premier Nikita Khrushchev.

Macmillan made no mention of summit negotiations in his airport remarks. Talking in general terms, he said:

"I said the other day that the differences between the East and the West over Germany, Berlin, and so forth ought to be settled by negotiation and not by force. I have no doubt that so long as we stand firmly by our principles—as we shall do—the free world has everything to gain from being ready to negotiate."

BACKS TALKS

Denmark's visiting prime minister, Hans Christian Hansen, endorsed new East-West talks a few hours later. He called at the White House to discuss international problems with Eisenhower.

On leaving, he said he expects East-West negotiation — "and I hope there will be results."

Macmillan did not explain what difficult decisions he had in mind for the West in negotiating with the Russians. He expressed it in these words:

"We must not conceal from ourselves that the next few months will be a testing period for the whole free world. The first phase is drawing to an end and we are about to embark upon the next stage. Difficult decisions will have to be made.

"While we must be reasonable, in negotiation, we must also stand firmly on our rights and upon the positions which we have a duty to defend."

FELL DOWN HOLE

Moss was with a party of other "potholers"—people who love to explore caves—when he fell feet first down a crooked 40-foot shaft. At first his companions thought they could pull him out. They tied ropes to him. Four ropes snapped. He weighed 170 pounds and his shoulders were wedged under a rock.

Then hundreds of volunteers, mine rescue squads, RAF mountain teams and cave rescue patrols joined the rescue attempt.

Cave Where Student Died May Become Tomb Is Belief

CASTLETON, England (AP)—Neil Moss, 20-year-old Oxford student who loved to explore caves, died Tuesday trapped perhaps forever in a corkscrew-shaped tunnel 1,000 feet underground.

Rescuers said the risk of trying to retrieve his body may prove too great. They were considering bricking up the tunnel where Moss was trapped Sunday afternoon.

His fate recalled that of Floyd Collins, who was trapped in a Kentucky cave 34 years ago. Collins was alive at least eight days after he was trapped, but workers were unable to reach his body until three months later.

Moss's life ebbed away just before noon as rescuers made a last-ditch attempt in the black depths of the Derbyshire hillsides to bring him to safety.

TRAPPED 46 HOURS

The first-year student of hill-topology, politics and economics

Provincial Building Seen As Likely National Shrine

The possibility of making the present Provincial Building a national shrine on the centennial of confederation was listed among the possibilities for the confederation centennial celebrations here in 1964 by Premier A. W. Matheson when he named three men to head the Centennial committee here yesterday.

Dr. Frank MacKinnon, principal of Prince of Wales College, is committee chairman. With him are Brigadier W. W. Reid of Charlottetown and Hon. E. P. Foley of Summerside.

The Premier recalled that Senator J.J. Connolly of Ottawa had suggested when he was here in July that the historic building which housed the first confederation conference be made a shrine. The Premier added that the late Hon. J. Walter Jones, a premier of the province and later senator, had the same thing in mind.

The idea Hon. Mr. Jones had was to use the Post Office building for government offices. The general idea was that the Legislature would continue to meet in the present chamber.

This idea was actually proposed several years ago for the consideration of the Historic Sites and Monuments Board and the then Minister of Public Works, Hon. R. H. Winters, had been unapproached and unofficially had given his blessing to such a move.

Premier Matheson reminded the House also that important anniversaries will be coming up in 1967, the 100th anniversary of Confederation; 1969, the 200th anniversary of Prince Edward Island becoming a separate province; and 1973, the 100th anniversary of Prince Edward Island joining Confederation.



DALAI LAMA REPORTED SAFE

Peace was reported restored Tuesday in Lhasa (underlined in above map), the two-mile-high, capital of Tibet. Amid indications that Communist Chinese troops had put down the weekend revolt there was ap-

peachment that guerrilla warfare might persist in the countryside. Roundabout advices to Tibetans in Kalimpong, an Indian trading centre on Tibet's frontier, said the Dalai Lama (right) is safe, though his whereabouts remains a mystery.

The battle in Lhasa was set off Friday by Tibetan fears that Communist overlords planned to kidnap the Dalai Lama, the 23-year-old king called "the living Buddha."