



SIGN CONFESSIONS OF MURDER

Photographed together are Louis Moya, left, and Augustine Baldonado, the two men who signed confessions in the death of Mrs. Olga Duncan, in California. They said they were promised,

Foreigners In UK Can Get Full Value For Money Now

By ANTHONY WHITE
LONDON (AP) — The pound sterling gets a big boost Monday when it becomes convertible, as the economists say, within some limits.

This means that foreigners with Sterling funds in Britain can trade them for dollars or any other currency at official rate. This rate fluctuates from \$2.72 to \$2.82 to the pound but is generally \$2.80.

Previously sterling funds here could be converted only at a rate less than official.

If you wanted dollars for pounds you had to be prepared to take less than they were really worth on the world market by accepting what was known as the transferable rate. This now is being abolished.

The limited convertibility of the pound announced by the government makes it possible for foreigners to get the real value of their money.

ONLY NON-RESIDENTS
The new money law applies only to non-residents. These include North American and European traders and tourists, but it is the trader who will feel the full benefit.

The freer pound will have little real effect on the Canadian or

American tourist in Britain other than making it a simple matter to convert back to dollars any pounds he may have left over after his vacation.

Paradoxically, Britons will feel the effects of convertibility probably less than anyone else. For the change does not mean they can freely buy dollars or dollar goods with pounds.

They already had a small measure of convertibility and this isn't changed.

For example, they can convert £100 into \$280 yearly for travel abroad. And they may buy dollars for vital imports, but only after satisfying the government that the goods are really necessary.

For Britons, convertibility will still be controlled by a system of import licensing. And treasury officials say full convertibility completely freeing the pound for foreign trade and investment is still some way off.

Until 1939 the pound always was freely convertible. It remained so strong — even during the hard days of the world depression and the collapse of the gold standard—that a number of countries officially relied on it as a standard for the measurement

of their own currencies.

Foreign countries kept large bank accounts in London, and drew on them when they had trading bills to pay. They knew the sterling in their accounts could be exchanged into any other currency they wanted to use.

GERMANY ATTACKED
In 1939 Germany attacked, and Britain had to announce that her reserves of other currencies were not sufficient to guarantee that the pound could be converted

without restrictions. The re-buy vital war supplies.

The so-called sterling area grew out of this wartime need. It is a group of countries which accepted the pound as the official measure of their own currencies, even though it was no longer strong enough to be freely convertible.

The sterling area now is accepted as a semi-permanent feature of the trading world. It was never outlined in a formal treaty. Membership is voluntary and by informal agreement.

As of today, the sterling area includes all the Commonwealth countries—with the important exception of Canada. It also includes the British-protected

states in the Persian gulf, Burma, Iceland, Iraq, the Irish republic, Jordan and Libya. Within this area there are no exchange restrictions.

WORKED WELL
The sterling area worked well, but economists hoped that full convertibility for the whole world could be re-established after peace came.

On July 15, 1947, Britain tried a limited convertibility. The effect was disastrous.

So many people immediately changed their pounds into dollars — the strongest currency after the war — that the meagre British gold and dollar reserves were strained to the breaking point.

On Aug. 20 — 37 days later — convertibility was suspended. It had been a ruinous failure.

CIRCUMSTANCES CHANGED
Circumstances have changed a good deal since 1947.

Britain is no longer a war-torn nation. Her recovery, though not as fast as hoped, is virtually complete.

The pound has been devalued. In 1949 the government decided that the rate of \$4.03 was too high — the pound was no longer worth that much among the world's traders.

So, Sept. 18, 1949, the government said the pound was now to be sold for \$2.80. That is the official rate even today.

European economic institutions have grown in the last decade so that there is now a confidence in some European currencies that did not exist in 1947.

Convertibility, European gov-

EMBASSY SWEEPSTAKES

Most Pretentious Embassy Of U.S. Building In India

NEW DELHI (AP)—The most pretentious embassy ever built by the United States will be dedicated Jan. 5 in a bare-faced effort of the Joneses to get ahead of the Ivanovs and the Wongs.

It stands on a street whose name means coexistence, between lots assigned to Russia and Communist China.

And the magnificent new building, a sparkling combination of marble and glass, gives the U.S. an impressive head start in what has come to be known as New Delhi's "embassy sweepstakes."

The Soviet Embassy, far more sober and functional, will not be ready for nearly a year. On the other side, the first spade of earth is yet to be turned for the Chinese Embassy, which may be the largest of all.

TO MATCH REDS
The project has shown an obvious American attempt to keep up with the neighbors when the people next door are Communists. To all three nations, embassy building is looked upon as a method of winning friends and

enemies think, no longer necessarily means that everyone will rush to buy the dollar. Now people seem just as happy with other currencies, for the first time since the war.

influencing people.

The competition at close quarters was set up by a turn of history. When India achieved its independence in 1947, the country had no buildings suitable to house embassies. Most of them moved into houses once occupied by maharajahs.

But New Delhi, growing at a tremendous rate, required more room and so did the foreign mis-

sions. So the government has aside a special section for the diplomatic colony, and nearly a score of governments bought sites on a three-quarter-mile road known as Panch Sheel Marg.

Panch Sheel means five principles, and is usually associated with the five-point treaty of co-existence between China and India. Marg means path.

The American and Soviet lots cover 26 acres each. China bought the largest plot of all 32 acres. Canada owns a site in the area but plans are still in the preliminary stages.

Each of the Big Three has located about \$2,500,000 for its building.

Work Of Two Divers Praised By Commander Of Destroyer

By JOE DUPUIS
Canadian Press Staff Writer

HALIFAX (CP) — The commander of the damaged destroyer escort Huron said here Thursday a determined underwater struggle by two divers enabled the leaking ship to reach port in time for Christmas.

Cmdr. William Howe of Port Arthur, Ont., son of former trade minister C. D. Howe, said in an interview the two divers worked in frogmen suits for four hours in underwater darkness to reinforce the ship's split hull.

"This was truly a remarkable feat," Cmdr. Howe said. "The water was terrible cold and the ship was pitching badly all the time."

The Huron's troubles began when she collided with a French warship while on autumn NATO manoeuvres in the North Atlantic. After repairs at Toulon, France, she sailed for here expecting to reach home Dec. 22. But bad weather held her up and Cmdr. Howe called for help Tuesday when heavy seas damaged the ship's hull 600 miles off the Nova Scotia coast.

CRAMPED QUARTERS
The divers, Lieut. R. V. Busby of Halifax and Chief Petty Officer J. Orr of Montreal, worked in cramped quarters to repair

the damaged hull plate.

Cmdr. Howe arrived in port in time for Christmas, but missed his Christmas dinner. Mrs. Howe, who was on the dockyard jetty to meet the ship, said she didn't expect her husband home for the festivities. "All I have ready to cook is some hamburger," she said. "My turkey is frozen solid in the refrigerator."

The Huron carried only a skeleton crew of 150. Water was pouring into the ship's hull as she steamed into the dockyard, escorted by the destroyer Saquenay and the frigate Buckingham.

The Saquenay reached the Huron Tuesday and escorted the limping destroyer over the last 40 miles of the trip. The Buckingham came along side early Wednesday morning.

MET BY FAMILY
The crews of the three ships were given immediate leave.

Chief Petty Officer Gordon Mintal of Trail, B.C., hurried off the Huron and greeted his wife and three children who had come to meet him.

"I didn't expect this," Mintal said when he met his family, "but I'm sure glad it happened."

The Huron will go to Saint John, N.B., after Christmas to undergo repairs at the Saint John Dry Dock Company.

Serious UK Shipping Crisis Is Seen By Lloyd's Register

LONDON (Reuters) — Lloyd's Registry of Ships, published today, warns that the British shipping industry faces "a serious crisis" and the shipbuilding industry in Britain, once the biggest in the world, also is in "precarious" straits.

Robert D. Hopper, president of the Chamber of Shipping in the United Kingdom, asserts in the registry's annual review that "whatever the ups and downs of the political world, whatever the international crisis, shipping has remained in the doldrums" and there seemed "no solid sign of improvement."

There were 8,000,000 tons of shipping laid up throughout the world, and although British ship owners had not been as hard hit as some of the flags-of-convenience owners, they still had an "unhealthy" proportion of their ships out of commission.

In addition, Hopper estimates that at least 1,000,000 tons of shipping for which orders have been placed may never reach the water.

CAN'T FIND WORK
Owners of tramp ships could find little employment. Even a major liner company had to lay up one of its ships and indicated that not all of its others were profitably employed.

R. W. Johnson, president of the Shipbuilding Employers Federa-

tion, writes that this industry is "really in danger."

Factors in the situation were recurring wage demands and the effect of labor troubles in competing with builders in countries where there was less danger of jurisdictional tieups. He calls for co-operation by unions.

J. A. Milne, president of the Shipbuilding Conference, expresses concern because of the "very real threat of excess capacity" in the industry and says the world's present shipbuilding capacity is enough to "replace the entire world merchant fleet in 10 or 12 years" as against a ship's normal "life" of 20 to 25 years.

RECORD BOAC FLIGHT
MONTREAL (CP) — A BOAC Comet jet airliner flew non-stop from Montreal to London Saturday evening in six hours and 22 minutes, setting a record for commercial flight time between the two cities, it was announced Monday.

SERVES LIFE TERM
BUDAPEST (AP) — State Minister Istvan Bibó, the last official to hold out in the 1956 Hungarian revolt, is serving a term of life imprisonment. Communist officials said Monday. Previously officials disclaimed all knowledge of his fate.

SEASON'S GREETINGS
and
BEST WISHES
For
Continued Success
To
McDONALD'S SERVICE STATION
SOURIS
ROBINSON SUPPLIES LIMITED

GOODSPEEDS (P. E. I.) LIMITED
Charlottetown, P. E. I.