

Britain's Struggle With Pound Tied To Future Of U.S. Dollar

By SAM DAWSON
NEW YORK (AP)—Britain's struggle to bolster the pound sterling is more closely tied to the future of the U.S. dollar than many people think.

For the dollar and the pound are still linked in world financial affairs. Trouble in London's Threadneedle Street can affect Wall Street—and Main Street.

The pound no longer has the importance it boasted back in the flourishing 1920s. Its collapse at the start of the 1930s set up a chain reaction of business war throughout the world that contributed in large measure to the depths to which the American economy sank in the depression.

If the pound isn't that important to the U.S. today, the state of the British economy and the health of the European Common Market, are still matters of concern to U.S. business as well as to U.S. monetary authorities.

The American economy now looks strong enough to take care of the many domestic problems and even the stepped-up Vietnam war. But Britain, and parts of continental Western Europe, have been breeding some trouble spots that could cause business setbacks there—and in time here.

BLAME U.S.

And both Britain and the Common Market tend to blame the United States for some of their present and potential difficulties.

In the U.S. there is debate over whether the economy is slowing down, or is about to. In most of Europe the rate of growth is definitely smaller this year than last, and well below the rate in the United States. This slowdown follows years of unusual growth in Western Europe, with the rate notably higher than in the United States.

Britain is especially hard hit now. In 1964 its economy expanded over the previous year by 5.7 per cent. This year the growth is estimated at 2.5 per cent or so by the First National City Bank of New York. It notes that whereas the United States was showing a striking increase in industrial production in the first quarter of 1965 over the final three months of 1964, in Britain the gain was a disappointing one per cent.

The British industrial lag has failed to meet the demands for goods of the almost wholly employed British population. They have turned to imports to get what they want and have the money to buy.

The excess of imports over exports has put a strain on the pound. To pay for these imports, Britain finds other currencies are in demand, and the pound isn't.

Last fall the United States had to go to the aid of the pound. With other countries it furnished a fund the Bank of England could draw upon to defend the value of pound against speculators who were dumping their holdings because they thought the pound would have to be devalued.

Again the British government is seeking to curb imports, boost exports, and ward off speculators as the pound weakens. If Britain's efforts don't succeed, the United States may have to help again.

The pound's role as an international reserve currency, although shrinking, is still linked with the dollar's bigger role in world affairs. And France's preference for gold rather than either the dollar or the pound isn't helping any.

But with its hands full in Vietnam and at home, the United States doesn't relish the prospect of increasing economic problems across the Atlantic.

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On farms, for example, which produced \$250 or less in salable products, non-farm income accounted for 99 per cent of the family's total intake. In fact, farm sales had to reach \$2,000 before this income exceeded non-farm sources.

"With the increasing development of rural areas, opportunities for non-farm income for farmers is certain to increase," said Dr. Fitzpatrick. "It may mean that these people who require additional income will be able to get it from this source—and without increasing agricultural surpluses."

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Income Under Living Level On 70 Per Cent Family Farms

By WILLIAM NEVILLE
OTTAWA (CP)—The first detailed study of family farm incomes shows that seven out of 10 Canadian farms don't produce enough direct revenues to cover family living expenses.

But it also reveals that, in a growing number of cases, the nation's marginal farmers are making enough money from non-farm sources to at least cover their bills.

These are the main conclusions from an unprecedented study made by two government economists, Dr. J. M. Fitzpatrick of the agriculture department and C. V. Parker of the Dominion Bureau of Statistics, of farm income sources and patterns.

The study is based on a national sample of 8,077 of the single-family, single-farm holdings which make up more than 90 per cent of Canada's 400,000-odd farms. The study used 1958 statistics, but Dr. Fitzpatrick said he is certain that, in at least their broad patterns, the findings are equally valid today.

"This is the first time in Canada we have had a real survey of farm incomes which took into account both farm and non-farm sources," Dr. Fitzpatrick said in an interview. "This study looks at the farm problem from the people's point of view where most previous surveys were based on figures relating to the land."

NOT SO BLACK

"I think our study shows that the farm picture isn't nearly as black as it is sometimes painted."

The study, released recently by the agriculture department, tends to confirm the generally held view that many Canadian farmers, by themselves, are a less than profitable venture. But it brightens the overall picture considerably by revealing for the first time the extent to which occupant of these farms are able to raise income from other sources.

On the productivity of the farms themselves, the study discloses that in 1958 almost one-third of all farm products sold in this country came from only 8.9 per cent of the farms.

At the other end of the scale, almost 25 per cent of the farms had sales of under \$2,000 a year and among them accounted for only 2.6 per cent of national sales.

The 1958 national average for net farm income was only \$2,344, ranging from \$1,098 in the Maritimes to \$3,278 in Alberta. Only 14 per cent of Maritimes farmers and 22 per cent of those in Quebec had net farm incomes of \$2,500 or more in the survey year.

Another statistical yardstick—the farm operator's personal labor return on his own capital—showed even greater discrepancies. The national average was \$1,202, but the figure went as high as \$9,821 for those with farm sales of \$25,000 or more. However, a full 20 per cent of farm operators showed no personal labor return whatsoever on their investment because of low sales.

COULDN'T PAY WAGES

"This was particularly true in the Maritimes and Quebec,"

said the Fitzpatrick - Parker study. "In essence, it means that these enterprises didn't return enough to pay wages."

When combined with the study's finding that it takes farm product sales of \$6,000 a year to cover average annual living expenses of \$3,200, the farm income figures offered a somewhat depressed picture. But here is where the study's unique findings on non-farm income came into play.

It shows that in 1958—and Dr. Fitzpatrick is sure this figure has increased considerably—Canadian farmers averaged \$534 from off-farm sources. Some of it came from working on other people's farms, but the main sources were non-farm employment, government pensions and allowances, and investment income.

"Off-farm income in the Maritimes was very important, equalling more than half of the operators' net income from sales of farm products," the study said. "Only in the Prairies did income to the operator and his unpaid family help from farming operations

greatly exceed that from off-farm sources."

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DAILY CROSSWORD

ACROSS

1. Arrived
5. Jargon
9. Night
10. Musical drama
12. Silly
13. Nautical
14. Beige
15. Continual
16. Primary color
17. Evergreen
18. French thrush
19. Deft
22. Endow
23. John Garner
27. Desk protectors
28. Man's nickname
32. "Kapital"
33. Container for wine
34. Trial prints of negatives
36. Price
37. Fragrance
38. Broader
39. More infrequent
40. Culture mediums
41. With
42. Without: poetic

DOWN

1. Taster
2. Adjudged
3. Chef's concern
4. Before
5. Faces
6. Armadillo
7. One of Leeward Islands
8. Track
9. Penetrate
11. Exclamation
15. Islet
17. European
20. Name
21. Rodent
24. Reno native
25. Bowl-shaped cavities
26. Chemical oom-
28. Inter-American group: abbr.
29. Mast
30. Tapestry
31. Irish poet and novelist
35. Hebrew measure
36. Capital of Latvia
38. Familiar verb

DAILY CRYPTOQUOTE — Here's how to work it:

AXYDLBAAXE
is
LONGFELLOW

One letter simply stands for another. In this sample A is used for the three L's, X for the two O's, etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

A Cryptogram Quotation
VLAUNZINC ETMLD LMLZC AIS
ORL ZTERO OU YL RTRD UBS
UGGZLDDUZ.—PIALD FULFFF

Yesterday's Cryptquote: PEOPLE WILL BUY ANYTHING THAT'S ONE TO A CUSTOMER.—SINCLAIR LEWIS
(© 1965, King Features Syndicate, Inc.)

CONTRACT BRIDGE
By B. JAY BECKER

East dealer.
Neither side vulnerable.

NORTH
♠ 854
♥ 865
♦ J976
♣ AJ92

WEST
♠ K109
♥ J84
♦ Q1083
♣ 854

EAST
♠ J732
♥ KQ9
♦ 5
♣ 10763

SOUTH
♠ AQ6
♥ A1073
♦ AK42
♣ KQ

The bidding:
East South West North
Pass 2NT Pass 3NT

Opening lead — three of diamonds.

The hasty play in bridge is roughly analogous to the old saw about marrying in haste and repenting at leisure.

Let's say you're declarer at three notrump and West leads a diamond. You win the trick in dummy with the six, and when you count your high-card tricks, you see that they include a spade, a heart, three diamonds and four clubs.

Lulled by this sense of security into thinking there are nine easy tricks, you take a spade finesse at trick two, losing the queen to the king.

OUR BOARDING HOUSE MAJOR HOOPLE

I'VE NEVER SEEN IT FAIL—A DROUGHT ALL YEAR AND WE GET THE MONSOON SEASON FOR OUR VACATION! WELL, HANE TO STAY UNDER THE FLAPS ALL DAY!

I'VE GOT NEWS FOR YOU, MACK—THE SHIP IS SINKING! I'M BEGINNING TO FEEL LIKE ONE OF THE SWABBIES IN A CAR WASH!

HOW LUCKY YOU LADS ARE! THAT GPELELOGY IS ONE OF MY HORRIBLE PUNCHY AND LOCATED A CANE! WE CAN MOVE THERE UNTIL THE STORM PASSES!



ON THE AIR

TUESDAY PROGRAMS

- CFCY-TV**
- 3:00 p.m.—Musical
 - 3:30 p.m.—Moment of Truth
 - 4:01—Vacation Time
 - 5:00 p.m.—Childrens Film
 - 5:30 p.m.—Take 30
 - 6:00 p.m.—All Star Theatre
 - 6:31 p.m.—Gazette
 - 7:00 p.m.—CFCY-TV News
 - 7:15 p.m.—Changing Face of P.E.I.
 - 7:30 p.m.—The Lunch Show
 - 8:00 p.m.—Dr. Kildare
 - 9:00 p.m.—The Great War
 - 9:30 p.m.—Talent Scouts
 - 10:30 p.m.—Gideon's Way
 - 11:30 p.m.—Newsmagazine
 - 12:00 p.m.—CBC TV News
 - 12:13 a.m.—Local Weather
 - 12:15 a.m.—Sign Off

CKCW-TV

- 7:43 p.m.—Station Sign On
- 7:45 p.m.—Visit To England
- 8:15 p.m.—News, Weather and Sports
- 8:30 p.m.—Payton Place
- 9:00 p.m.—Gale Storm
- 9:30 p.m.—Moment of Truth
- 10:00 p.m.—Vacation Time
- 10:30 p.m.—Sunshine Semester
- 11:00 p.m.—Bing's Outlaw
- 11:30 p.m.—Bugs Bunny
- 12:00 p.m.—Jungle Jim
- 12:15 a.m.—News, Weather and Sports
- 7:00 p.m.—Musical Showcase
- 7:30 p.m.—Ripcord
- 8:00 p.m.—3 Musis
- 8:30 p.m.—Parade Junction
- 9:00 p.m.—The Great War
- 9:30 p.m.—Talent Scout
- 10:30 p.m.—Gideon's Way
- 11:30 p.m.—News Magazine
- 12:00 p.m.—CBC National News
- 12:15 a.m.—Viewpoint
- 12:30 a.m.—Lionel Network News
- 12:35 a.m.—Station Sign Off

CFCY

- TUESDAY**
- 5:30—News and Weather
 - 5:35—Morning Roundup
 - 6:45—Island Weather, Mar. Temp.
 - 6:45—Morning Roundup
 - 6:55—News and Weather
 - 7:00—Hebrew Christian Hour
 - 7:15—Morning Roundup
 - 7:30—News and Weather
 - 7:35—Farm Report
 - 7:41—Morning Roundup
 - 7:45—Island Weather, Mar. Temp.
 - 7:45—Morning Roundup
 - 7:56—Sports Capsule & Scoreboard
 - 8:11—News
 - 8:11—Weather
 - 8:15—Morning Roundup
 - 8:45—Weather
 - 8:50—Atlantic News Roundup
 - 8:58—Thought For Today
 - 9:00—News & Voice Reports
 - 9:11—Preview Commentary
 - 9:16—Notes and Music
 - 10:00—News and Weather
 - 10:05—Notes and Music
 - 11:00—News and Weather
 - 11:30—Montage Entertains
 - 11:05—Notes and Music
 - 11:40—Bulletin Board
 - 11:50—Notes and Music
 - 11:55—Atlantic News Roundup
 - 12:00—Weather
 - 12:05—Town and Country Time
 - 12:30—News and Weather
 - 12:45—Town and Country Time
 - 1:00—News and Weather
 - 1:05—Town and Country Time
 - 1:15—What's On Tapp
 - 1:45—Town and Country Time
 - 2:00—News and Weather
 - 2:05—Mostly Music
 - 3:00—News Headlines and Weather
 - 3:05—Trans-Canada Matinee
 - 3:30—Tops in Pops
 - 4:00—News Headlines and Weather
 - 4:03—Canadian Roundup
 - 4:10—Tops in Pops
 - 5:00—News and Weather
 - 5:05—The Outposts
 - 5:25—Marine Weather
 - 5:28—The Outposts
 - 6:00—News and Weather
 - 6:15—On Parliament Hill
 - 6:20—Today's Editorial
 - 6:25—Sports Parade
 - 6:30—Business Barometer
 - 6:35—Tonight's Music
 - 7:00—Back to the Bible
 - 7:30—News and Weather
 - 7:45—Program Schedule
 - 7:46—Lone Guide Program
 - 8:00—Assignment
 - 8:05—News Headlines and Weather
 - 9:00—Christian Frontiers
 - 9:30—Chris in Concert
 - 10:00—CBC Nat. News, On Parliament Hill and Speaking Personally
 - 10:30—Music Scene
 - 11:00—News and Regional Weather
 - 11:05—Starline Serenade