

Finance Minister Foresees Federal Financial Problem

TORONTO (CP) — Mitchell Sharp said here in his first public address as finance minister that the federal treasury faces higher expenditures in 1966 while a larger share of tax revenues is diverted to the provinces.

He also noted that his first budget, to be presented to Parliament in the spring, must take into account a lower yield on present income tax rates because payments into the Canada pension fund will be deductible from income.

Mr. Sharp said many decisions on which budget proposals will be based have not yet been taken. But he spoke of higher government expenditures and noted the relative reduction in government revenues.

Addressing the Canadian Club of Toronto, the new finance minister also said the real rate of domestic product growth in the year may be less than in 1965 and the country faces a troublesome international pay-

ments deficit that may run over \$1,000,000,000.

He also said: —As finance minister he recognizes there are broader economic and welfare objectives than merely balancing the federal budget, and the government plans a growing program in the field of international aid.

—To restrain the domestic economy from trying to expand more rapidly than is physically possible, the government will continue to postpone some major building projects beyond 1966 and is urging restraint in price and wage increases this year.

—Because of buoyant revenues last year, the 1965-66 budget deficit may be less than \$100,000,000 in its traditional parliamentary way of accounting. In its effect on the economy there may be a surplus of \$30,000,000—an anti-inflationary impact.

PREPPING FOR ACTION

—The report of the Carter royal commission on taxation will not be ready in time for a general revision of tax law in this year's budget, but finance department experts have already started analyzing draft recommendations of the commission for quick action when the report is completed.

—He is reviewing the revision of the Bank Act submitted to Parliament last year by Walter Gordon, his predecessor, and "there will be some changes." The new act will be designed to "strengthen public confidence in our financial institutions and to pro-

mote competition among them for the benefit of the public at large."

—Continued access to the U.S. capital market "is of vital importance to us," but there are dangers in too large an inflow of foreign capital and a better balance of international payments should be sought.

—Revision of federal-provincial fiscal arrangements, replacing those which expire in the spring of 1967, "is not likely to be easy" and "some new thinking" is going on in Ottawa on ways to ensure the federal government can promote rational objectives without pre-empting provincial responsibilities.

SETS FRAMEWORK

Mr. Sharp's speech, entitled Agenda For '66, touched on most problems and programs in the federal finance ministry, setting the framework within which he intends to administer the country's finances.

He praised former finance minister Gordon and said he would try to carry on in the traditions of two earlier Liberal finance ministers—James Isley and Douglas Abbott — under whom he once worked as a senior official of the finance department.

"My ambition is to be as conscientious as Mr. Isley and as cheerful about it as Mr. Abbott," he said. On taxes, however, the new minister spoke guardedly. The budgetary position would depend in large measure on decisions not yet taken.

"We are being pressed to undertake additional financial support for the universities, the importance of which is widely recognized."

LOSE REVENUE

"On the other hand, our present tax law includes a provision to divert an additional part of the personal income tax to provincial governments, starting today, and it also provides for the tax cut of last July to be in effect for a full year. We will also lose some revenue because the contributions to the Canada and Quebec pension plans will be deductible from taxable income."

On the economy generally in 1966, Mr. Sharp said it would be another year of high employment, production and income. But the expansion in real output — adjusted to take account of price increases — "cannot be as great as it was in the preceding two years because we now are closer to the physical limits on our capacity."

"Given a labor force growing at the rate of roughly three per cent, and a greater increase in productivity than has occurred recently, it should be possible to produce perhaps five per cent more in real goods and services. We cannot reasonably of course count on another bumper crop."

however, more closely connected with fund-raising than with policy.

Actual power rests with the chairman of the board of directors, Bishop Stephen Spottiswood and the executive director, Roy Wilkins, both Negroes. Both were re-elected by the board Monday night.

Moorfield Storey, a Boston lawyer, was the group's first president, from 1910 to 1929. Kaplan, former president and general manager of Colonial Tanning Co. was elected to the NAACP board of directors in 1953.

Earlier, Wilkins told the quarterly directors' meeting that membership has fallen for the second year in a row — from 400,000 to 440,159.

RC Weekly Sees Problem

SOUTH BEND, Ind. (AP) — Ave Maria, a Roman Catholic weekly magazine, lists 13 "ill-enclosed priests" in a special Jan. 8 issue on a controversy in the United States over freedom of

political speech and action by the clergy.

The magazine, published at the University of Notre Dame but not connected with it, says the 13 have been restricted by various church authorities in their action or their teaching "because of some involvement in the struggle for civil rights, or in what is loosely and carelessly called 'the peace movement.'"

The editor, Rev. John Reedy of the Congregation of the Holy Cross, says editorially that "whether we like it or not, there is a growing group of Catholic laymen, religious (nuns and brothers) and priests who are developing experience and skill in the techniques of public protest."

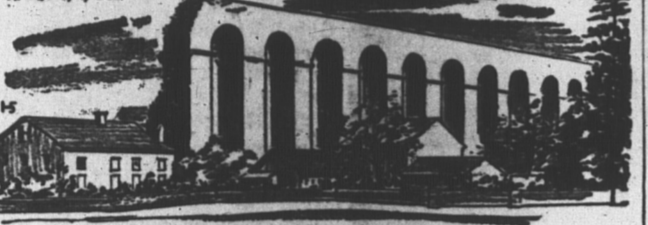
"Whether or not the present condition of the church represents a crisis is perhaps debatable. However, we can all agree that a 'problem situation' has emerged, which demands to be handled openly and immediately."

LIKE THE HEIGHTS
The Brazilian city of Sao Paulo has more than 1,000 buildings more than 10 stories high.

RIPLEY'S BELIEVE IT OR NOT



BRAD WILSON
PRO GOLFER
OF BEACH CALIF.
DROVE THE GREENS ON 7 PAR HOLES IN A SINGLE ROUND
AND BOTH TIMES SAVED HIS PUTT FOR AN EAGLE
Sun City N. Cal.
Course Sun City
Ariz. May 1, 1965



THE AQUEDUCT OF JOUX — France — WAS BUILT BY ROMAN SOLDIERS SOLELY TO KEEP THEM BUSY — YET IT HAS ENDURED FOR 1800 YEARS

DAILY CROSSWORD

- ACROSS**
1. Store
 2. Cook
 3. Car
 4. Work
 5. Late
 6. Card
 7. game of Spanish origin
 8. Egg
 9. Mother
 10. Pronoun
 11. One type of laser
 12. Literary maidens
 13. Music, literature, etc.
 14. Aurora
 15. Unit of work
 16. Perform brilliantly
 17. Light-tan color
 18. Choral compositions
 19. Exclamation
 20. Conjunction
 21. Continent
 22. Leacian subdivision
 23. Musical instrument
 24. Tumble
 25. 240 to the pound
 26. Artist's stand
 27. Memento
 28. Ship fee
- DOWN**
1. Manage
 2. Injure
 3. Ancient
 4. Thickness
 5. Shut
 6. Actor of a sort
 7. Subside
 8. Structure
 9. Biemish
 10. Parous
 11. Land measures
 12. Football or hockey
 13. Exclamations
 14. Damages
 15. Lazon
 16. Peers
 17. Live
 18. Eng. queen and Shakespeare's wife
 19. French river
 20. African antelope
 21. Playing card
 22. Ocean
 23. Defray

White Man Will Head Negro Group

NEW YORK (AP) — A retired Boston white industrialist, Kivie Kaplan, was unanimously elected the fourth president of the U.S. National Association for the Advancement of Colored People Monday night.

Kaplan, 61, was chosen by the organization's 40-member board of directors to succeed Arthur Spingarn, a New York city lawyer who announced his retirement Sunday at age 87 from the post he had held since 1939.

The board's newest choice continues unbroken its policy of electing whites to the highest post in the largest U.S. civil rights organization. It is largely ceremonial job.

DAILY CRYPTOQUOTE — Here's how to work it:

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

A Cryptogram Quotation

JVWO MPTAG TKAPXG JP JVE

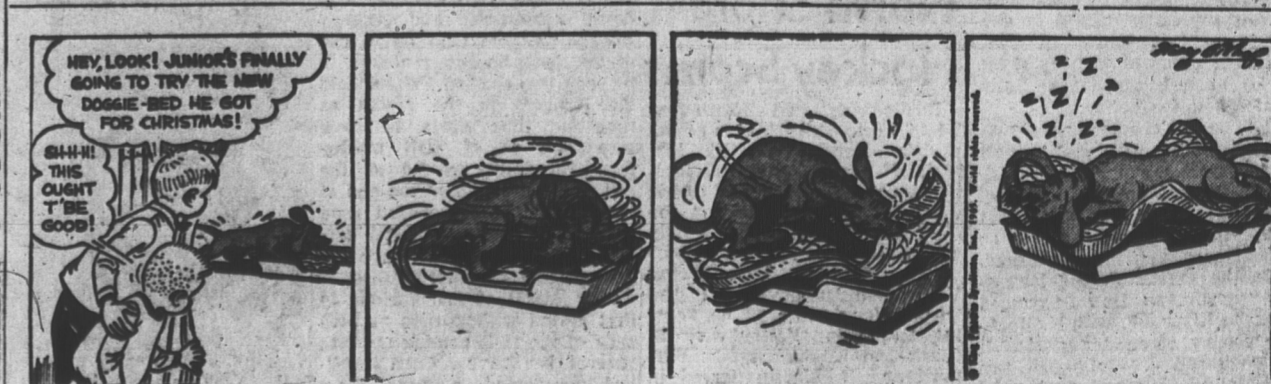
KBKXXJWL - RQKYOB

Yesterday's Cryptogram: EMPLOYMENT AND ENNU ARE SIMPLY INCOMPATIBLE.—DELURY

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OUR BOARDING HOUSE MAJOR HOOPLE

UM, YAS, PROFESSOR, MRS. HOOPLE AND I HAVE ALWAYS STRESSED CULTURE AT THE HANOR! WHILE THE OTHER BOARDERS AREN'T ACTUALLY MEMBERS OF THE LITERARY SET, THEY'RE AT LEAST A CERTAIN ELOQUENCE IN DEFENDING THEIR PREFERENCES.



ON THE AIR

The following program listings are published free of charge as a public service and appear as presented to us by the stations concerned.

WEDNESDAY PROGRAMS

CFCY-TV

- 1.30 p.m.—Musicals
- 2.00 p.m.—Film Festival
- 2.30 p.m.—Film Festival
- 3.00 p.m.—To Tell The Truth
- 3.25 p.m.—Take 30
- 4.00 p.m.—Bonnie Prudden Show
- 4.31 p.m.—Razle Dazle
- 5.00 p.m.—Rin Tin Tin
- 5.30 p.m.—The Secret Squirrel
- 6.00 p.m.—TBA
- 6.15 p.m.—Live Longer
- 6.30 p.m.—Gazette
- 7.00 p.m.—CFCY-TV News
- 7.15 p.m.—TBA
- 7.30 p.m.—Walt Disney Presents
- 8.30 p.m.—Bewitched
- 9.00 p.m.—Blue Light
- 9.30 p.m.—Bob Hope Theatre
- 10.30 p.m.—Festival

An Ideal Husband

12.00 a.m.—CBC News

12.13 a.m.—Local Weather and Sports Scores

12.15 p.m.—Sign Off

KCW-TV

- 9.57 a.m.—Station Sign On
- 10.00 a.m.—Ivanhoe
- 10.30 a.m.—New Scotia Schools
- 11.30 a.m.—Friendly Giant
- 11.45 a.m.—Chez Helene
- 12.00 p.m.—Butternut Square
- 12.20 a.m.—Across Canada
- 12.50 p.m.—Wednesday Playbill Johnny Holiday
- 2.30 p.m.—At Home With Helen Crocker
- 3.00 p.m.—To Tell The Truth
- 3.30 p.m.—Take Thirty
- 4.00 p.m.—Bonnie Prudden Show
- 5.00 p.m.—Razle Dazle
- 5.30 p.m.—Secret Squirrel
- 5.50 p.m.—Toyland LTV
- 6.15 p.m.—TV News
- 6.25 p.m.—TV Weather
- 6.30 p.m.—TV Sports
- 6.35 p.m.—Supper Club
- 7.00 p.m.—Man From U.N.C.L.E.
- 8.00 p.m.—Big Valley
- 8.00 a.m.—O.K. Crackerby
- 9.30 p.m.—Bob Hope Theatre
- 10.30 p.m.—Festival

An Ideal Husband

12.00 p.m.—CBC-TV News

12.15 a.m.—Viewpoint

12.20 a.m.—LTV News

12.30 a.m.—Station Sign Off

CFCY RADIO

WEDNESDAY

- 6.30—News and Weather
- 6.35—Morning Roundup
- 6.45—Island W. and Mar. Temp.
- 6.46—Morning Roundup
- 6.55—News and Weather
- 7.00—Hebrew Christmas Hour
- 7.30—News and Weather
- 7.35—Farm Report
- 7.41—Morning Roundup
- 7.45—Island W. and Mar. Temp.
- 7.46—Morning Roundup
- 7.56—Sports Capsule and Scoreboard
- 8.00—News
- 8.11—Weather
- 8.16—Morning Roundup
- 8.45—Weather
- 8.50—Atlantic News Roundup
- 8.58—Thought For Today
- 9.00—CBC National News—CBC
- 9.10—Preview—Commentary—CBC
- 9.15—Assignment
- 9.20—Notes and Music
- 10.00—News and Weather
- 10.05—Notes and Music
- 10.25—Sunlight Eye
- 10.30—Notes and Music
- 10.35—Lucky 7 Contest
- 11.00—News and Weather
- 11.05—Notes and Music
- 11.45—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 Country Time
- 1.00—News and Weather
- 1.05—Town and Country Time
- 1.15—Gordie Tapp Show
- 1.45—Town and Country Time
- 2.00—News and Weather
- 2.05—Prov. Affairs; Alt.: Nation's Business

2.10—Mostly Music

3.00—News Headlines and Weather

3.15—Trans-Canada Matinee—CBC

3.30—Mostly Music

4.00—News Headlines and Weather

4.03—Canadian Roundup—CBC

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—Parliament Hill—CBC

6.20—Today's Editorial—CBC

6.25—Sports Parade

6.30—Business Barometer—CBC

6.35—Tonight's Music

7.00—Back to the Bible

7.30—News and Weather

7.45—Tonight's Music

8.58—News, Headlines and Weather

9.00—Midweek Theatre—CBC

10.00—CBC National News, On Parliament Hill and Speaking Personally—CBC

10.30—Starlight Serenade

11.00—News and Regional Weather

11.05—Starlight Serenade

11.30—News and Weather

CONTRACT BRIDGE

By B. JAY BECKER

South dealer.

North-South vulnerable.

NORTH

♠ K Q J

♥ Q 9 8 2

♦ A J 5

♣ 10 7 4

WEST

♠ 8 3

♥ K 7 5 3

♦ 10 4

♣ A K Q 8 6

SOUTH

♠ A 9 4

♥ A J 10 6

♦ K Q 8 3

♣ 9 2

The bidding:

South West North East

1 ♠ 2 ♠ 3 ♠ Pass

4 ♠

Opening lead—king of clubs.

Trump management is sometimes a ticklish affair. To lose control of trumps is often fatal, and that is why in so many hands the defenders force declarer to ruff a suit.

There was nothing extraordinary in West's defense on this hand. In fact, it was quite routine. He led three rounds of clubs and South trumped the third one.

Declarer decided not to bother with a heart finesse. He led the ace of trumps and continued with the jack.

West, now in the driver's seat, ducked—East showing out. Too late South realized that he was in hot water. He could no longer make the contract.

West, with two tricks in the bag and the king of hearts—already established, was bound to take still another trick. His seven of hearts was a thorn in declarer's side which could not be removed.

If declarer continued with the ten of hearts denuding himself of trumps and leaving dummy with the queen, West would take the king and play the eight of clubs.

If dummy ruffed, West's seven of hearts and six of clubs would be both tricks and South would go down two. This same result would follow if dummy did not ruff the club. A club continuation would also produce a two-trick set.

But more careful play by declarer would have brought home the contract. After ruffing the club at trick three, South should have taken steps to guard against a 4-1 trump break.

This he could have done by leading the jack, not the ace of hearts, at trick four. If West takes the king, he has no effective defense available.

If West refuses the jack, South continues with the ten. Again West is helpless; whether he takes the trick or not.

If West does duck the ten, South cashes the ace and keeps leading winners until West eventually makes the king of hearts.

Keeping control of trumps does the job regardless of how West elects to defend.