

sales to the U.S. market as a result of the U.S. tariff revision. The "Kennedy round" of tariff negotiations going forward in Geneva should provide further opportunities to open up the U.S. market for Canadian exports, particularly in the manufacturing sector.

BALANCE OF PAYMENTS

Larger increases in imports than in exports of Canadian merchandise have been the leading factor influencing the enlargement in Canada's current international deficit in goods and services during 1965, which, in nine months, amounted to \$754 million, compared to \$272 million in the same period of 1964. Allowing for seasonal factors, this is equivalent to an annual rate of about \$1 billion. This annual rate persisted even in the third quarter when international current receipts and payments were largely in balance because the usual concentration of receipts from the summer tourist trade.

Increases in imports are a reflection of strong Canadian demand associated with record levels of incomes and expenditures, including the large investments in machinery and equipment and some accumulation of inventories. Exports to the United States and some overseas destinations have continued to rise above those for last year, and in the third quarter a new factor in exports overseas for this year was the first delivery in the sales of wheat to the U.S.S.R.

CANADIAN AID TO PALESTINE REFUGEES

The following statement was made in the Ad Hoc Committee of the United Nations General Assembly by the Canadian Permanent Representative, Mr. Paul Tremblay, on December 20, 1965:

...My Delegation is pleased to announce that, subject to approval by Parliament, Canada will make a contribution for 1966 of a total value of \$1,200,000 (Canadian) to the United Nations Relief and Works Agency for Palestine Refugees. This contribution will consist of \$500,000 in cash and a \$700,000 commodity portion in wheat flour.

This contribution is another concrete proof of the strong support which the Government and the people of Canada continue to give to the United Nations and to its social, economic and humanitarian activities, and their appreciation of the invaluable efforts which the Agency does to help relieve the plight of refugees.

TRADE OFFICE IN KUALA LUMPUR

The Department of Trade and Commerce has opened a new trade commissioner's office in Kuala Lumpur to provide a more direct trade link with Malaysia, Burma and Brunei. Hitherto the Department's post in Singapore has been responsible for the three countries. It will now cover Singapore and Thailand only.

Mr. Philip Stuchen, who has been a member of the Department of Trade and Commerce since 1949, will be in charge of the office with the title of Commercial Counsellor.

The Kuala Lumpur office brings the number of Trade and Commerce posts abroad to 67.

MACHINERY AND VEHICLE PARTS

The agreement also covers reductions in the U.S. tariff on a further estimated \$12-million worth of Canadian exports. These concessions have already been implemented as a result of U.S. legislation enacted in October 1965. These include the restoration of free entry for a number of agricultural machinery parts and of the 8.5 percent rate for certain motor vehicle replacement parts. Original motor vehicle equipment already enters duty free under the auto-merchandise program. Most of the reductions resulting from this legislation were made retroactive to August 31, 1965. Refund claims must be filed with the U.S. collector of customs before February 5, 1966. It was indicated in the announcement of this agreement that these concessions should significantly ease the difficulties created for Canadian export

from Canadian exports to Rhodesia. These steps are...
...the Prime Minister announced on December 20...
...the decision of the Canadian Government to place an...
...embargo on the export of oil and oil products from...
...Canada to Rhodesia. This measure is pursuant to...
...resolution of November 20 of the United Nations...
...Security Council recommending the severance of...
...economic ties with Rhodesia and retaining special...
...calls for an oil embargo. Canada does not usually...
...export oil and oil products to Rhodesia. The ban is...
...therefore, primarily designed to prevent any...
...ships that might result from oil embargo mea-...
...sures carried out by other countries and, in particular...
...from the British ban announced on December 17...
...in which Rhodesia was suspended from...
...another forms of embargo...
...The new embargo follows consultations with Prime...
...Minister Wilson on December 19 and other Canadian...
...measures taken against the illegal regime in Salisbury...
...since its unilateral declaration of independence of...
...November 11, 1965 which was not recognized by the...
...Canadian Government. These measures include an...
...arms embargo, the withdrawal of the international...
...bill on Rhodesian imports, an embargo on over 50...
...percent of Canada's imports from Rhodesia (on the...
...basis of the 1965 figures), and the withdrawal of...
...export credits and export credit insurance facilities...
...from Canadian exports to Rhodesia. These steps are