

# Foreign Trade Deficit Expected To Increase

OTTAWA (CP) — Canada's over-all deficit with the world in commodity trade, services and finance charges last year was \$1,136,000,000. It likely will go higher this year.

The 1965 figure, reported by the Dominion Bureau of Statistics, is almost three times the current account deficit for 1964.

The deficit, covered by movements of foreign capital into Canada in short- and long-term investment, reached a record \$1,504,000,000 in 1959 but shrank year-by-year to the 1964 low of \$433,000,000.

Trade Minister Winters said in a Toronto speech Monday the deficit is apt to be even greater this year and that the country cannot go on piling up such huge deficits. He called for fewer demands on the government to increase spending.

**SURPLUS REDUCED**

The \$1,136,000,000 current-account deficit for 1965 stemmed mainly from a sharply-reduced surplus in commodity trade. Canada had a surplus of \$700,000,000 in its merchandise trade with other countries in 1964 but last year this was cut to \$104,000,000.

Offsetting this small plus was the normally large outflow of payments by Canada to other countries in interest and dividends, foreign aid and subscriptions to international organizations, freight and shipping charges, foreign travel expenditures, and similar non-merchandise transactions.

These amounted to \$1,237,000,000, up from \$1,133,000,000 in 1964.

The current account deficit of \$1,136,000,000 was covered by

## Corporation Shows Profit

MONTREAL (CP) — British Newfoundland Corp. Ltd. moved into the black last year, showing a new profit of \$740,199 for the year ended Dec. 31, 1965, against a net loss of \$208,350 in 1964.

Henry Borden, president and chairman of the company, said in the annual report that sales rose to \$2,454,570 from \$921,014 in 1964. He attributed the increase of sales and profits to the sale of copper concentrates from the Whalesback mine, which began production during 1965.

In a letter to shareholders Mr. Borden said that by the end of 1965 "a large measure of agreement had been achieved" for the sale and transmission of power from the Churchill Falls power project in Labrador.

The negotiations were carried on between Churchill Falls (Labrador) Corp. Ltd., 72 per cent owned by British Newfoundland Corp. and the Hydro-Quebec Power Commission.

Mr. Borden said the announced intention of the federal government to remit to the provinces 95 per cent of the federal income taxes collected from privately-owned power utilities has been an important factor in facilitating negotiations on the matter of prices for Churchill Falls Power. He did not indicate when he expects negotiations between the power company subsidiary and Hydro-Quebec will be completed.

## Mine Shares Suspended

TORONTO (CP) — Shares of East Amphi Gold Mines Ltd. and O'Leary Malartic Mines Ltd. have been suspended from trading on the Toronto Stock Exchange for not meeting exchange requirements for continued listing privileges, it was announced Tuesday.

## American Motors Official Resigns

DETROIT (AP) — Edward L. Cushman, president of American Motors Corp., resigned Tuesday to take a high post at Detroit's Wayne State University. Cushman, 50, has been with AMC for 12 years.

The auto executive had been the right-hand man to AMC President Roy Abernethy. He said he would become a vice-president at Wayne State, assisting WSU president William R. Keast.

Cushman said his decision to leave had nothing to do with AMC's position in the auto industry. The firm's auto sales have been down compared with the others in the industry.

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left, there was a capital inflow of \$796,000,000, resulting in a \$363,000,000. Improvement in gold, foreign exchange and monetary fund balance.

**ADVISED CAUTION**

The trade minister said that "to hold our position in world trade and take advantage of opportunities to improve it" Canada must remain competitive with other countries—in costs, delivery and service.

He warned that such huge deficits cannot be piled up year after year, and noted the hardening of Washington's attitude towards outflows of U.S. dollars.

He asked how long it is wise

## Import, Export Plan Revealed By Smallwood

ST. JOHN'S, Nfld. (CP) — Premier Smallwood outlined in the legislature Wednesday plans for an import-export program which would see Newfoundland get fresh fruit from the Caribbean area in exchange for fish.

Transportation would be supplied by Golden Eagle Oil Co. vessels based at nearby Holyrood.

The premier told the house there was available refrigerated space aboard the vessels, which call at the Golden Eagle refinery at Holyrood every 21 days.

He said he was negotiating with the company to bring fresh fruit here from Panama, Venezuela and Caribbean points.

**TERMS SEEM GOOD**

The firm's charges for such service appeared acceptable, he said.

Mr. Smallwood said before leaving on a two-week business trip Wednesday he will speak with the Panamanian president, fruit producers and other officials in the various countries at which the ships call.

Government representatives also would investigate the trade program with businessmen in New York and South American countries.

The premier's business trip was to start with two days of talks in Ottawa this week before the premier goes south this weekend. He also will travel to the United Kingdom before returning to Newfoundland.

**MONTAGUE**

Mr. and Mrs. Joseph Lannigan, Montague, have received word from their son John in Hamilton, Ont., that he and his family have taken up residence in their new home. Mrs. Lannigan was the former Ann Marie Thibedeau of Bathurst, N.B. The couple have four children, two girls and two boys.

Ozzie Collings, Montague, is a patient in the Kings County Memorial Hospital.

Mrs. Albert Ellsworth, Lower Montague, is a patient in the Kings County Memorial Hospital.

**10 The Guardian, Charlottetown, Thur. March 24, 1966.**

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