

## Gas export boost result of new agreement

An additional 127.5 million cubic metres of natural gas will be exported by Westcoast Transmission Company Limited of Vancouver, British Columbia to the Northwest Pipeline Corporation as a result of a new gas export price agreement that became effective on November 1.

Amendments to the Gas Export Prices Regulations by the federal government made it possible for Westcoast to arrange the agreement with the important US natural gas pipeline company that serves a large part of the Pacific northwest, including the states of Washington, Oregon and Idaho.

Minister of Energy, Mines and Resources Pat Carney said the sale would help Canadian producers regain the high-volume industrial market in the northwest US.

### Division of rates

The agreement provides for a two-part rate — a fixed demand charge to be paid on a monthly basis by Northwest and a commodity rate to be paid for each unit sold. Such a rate structure provides an incentive for the export customer to take more gas by effectively lowering the unit price as greater volumes are purchased, said representatives of Westcoast.

Under the new arrangement, the company estimates the average price will be approximately \$3.40 (US) for 1 000 cubic feet in the first contract year, and will result in expected minimum sales of roughly 115 billion cubic feet of Canadian gas, for

a total revenue of \$392 million, compared with a total estimated sale of 78 billion cubic feet for a total revenue of \$323 million if the previous export arrangements had remained in place.

The agreement calls for a price adjustment in the second year of delivery, beginning November 1, 1985, which is expected to result in an average price of approximately \$3.65 for 1.06 million kilojoules under current conditions.

A mechanism in the agreement provides for a mandatory quarterly adjustment of the price starting April 1, 1985, if alternative fuel prices change. The pact also allows for future renegotiation of the price by either party if the current method of determining the price is considered to be inappropriate for the market being served.

With respect to volume, the agreement replaces the typical minimum take-or-pay provision with a market-share provision. Under this concept, Westcoast will be assured that a specific percentage of Northwest's total market will be purchased from Westcoast.

In the first year, Northwest is committed to purchasing 42.5 per cent of all of its gas sales requirements and 75 per cent of the gas volumes required to meet market growth from Westcoast. In the second year of the contract and thereafter, this increases to a market share of 45 per cent, along with 75 per cent of all growth requirements, until a 50 per cent share has been achieved.

## Aid to victims of conflict

Minister for External Affairs Monique Vézina has announced that Canada will give \$3 750 000 to the International Committee of the Red Cross (ICRC) for its humanitarian work in assisting victims of conflict. Two million dollars has been designated for the ICRC's program in Africa, \$1 million for the program in Central America, \$400 000 for the work in Iran and Iraq and \$350 000 for the ICRC's activities in the southern Philippines.

The recent Canadian contribution for Africa is a result of an appeal by ICRC for \$37.3 million to enable the Committee to carry out its regular program in Africa and expand its activities in Angola, Uganda and Ethiopia. Part of Canada's contribution will provide three Canadian nurses for the work of the ICRC in Angola. Earlier this year, Canada made a grant of \$500 000 to the ICRC for humanitarian activities in the Horn of Africa and pledged 5 000 tonnes of wheat flour for its feeding program in Ethiopia. In 1978-79, Canada gave \$1.75 million to ICRC's total humanitarian program in Africa and has continued to support the program with an annual \$2-million grant.

The ICRC has been active in Central America, especially with respect to aiding the victims of the continuing internal conflict in El Salvador and Nicaragua since 1979 and the Canadian International Development Agency (CIDA) has been contributing to its program since 1981. During 1983-84, CIDA granted \$975 000 for the ICRC's program in El Salvador and \$50 000 for the Committee's activities in Nicaragua and Honduras.

Since 1981, Canada has contributed \$800 000 to the ICRC to aid victims of the Iran-Iraq conflict. ICRC work in the area involves protecting prisoners of war; tracing prisoners and informing home governments and families of their whereabouts; overseeing repatriation of the sick and wounded; and giving general relief and medical assistance to prisoners of war and displaced civilians. The general relief includes distribution of clothing, blankets, food and hygiene supplies and the medical assistance includes provision to dispensaries of basic drugs and medical equipment.

Canada's contribution for the Philippines will assist victims of civil disturbances and displaced persons in the southern islands of Mindanao and Samar. Activities covered by ICRC's program there include the distribution of emergency rations, the provision of supplementary rations for malnourished children, maintenance and expansion of basic medical services and other assistance.

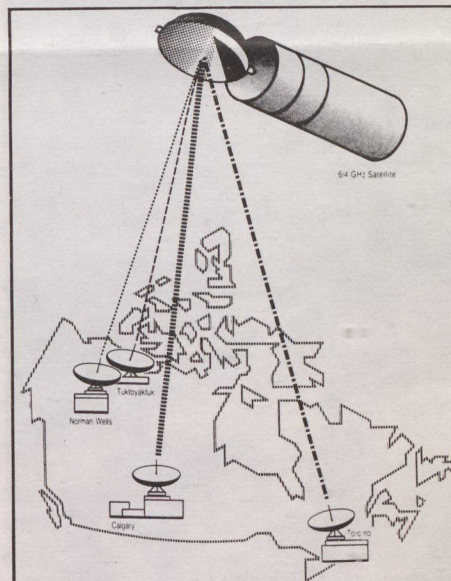
## First satellite link in industry

Imperial Oil Limited has become the first Canadian company to have its own private satellite communications network.

The system was designed and installed for the petroleum company by Telecom Canada, the association of Telesat Canada and nine major telephone companies.

The satellite network consists of a dedicated earth station and radio frequency equipment located at Imperial's premises. It will provide integrated voice and data communications between the company's locations in Toronto, Ontario; Calgary, Alberta; and Tuktoyaktuk and Norman Wells in the Northwest Territories.

"Imperial Oil's network is just the beginning of what I see to be the widespread use of satellite communications by Canadian businesses," said Mike Corlett, senior vice-president of Telecom Canada's national systems group.



*New satellite connection is a first for the Canadian telecommunications industry.*