

Food aid for 1984-85

Canada, through the Canadian International Development Agency (CIDA), will provide up to \$362.5 million in Canadian food aid to developing countries in 1984-85, it was announced recently. Of this amount, \$132 million will support multilateral initiatives, \$194.5 million will be provided from government-to-government, \$13 million will be used to support the development efforts of Canadian non-governmental organizations and \$23 million will be held in reserve funds for emergency situations arising during the year.

With respect to multilateral initiatives, Canada is contributing \$105 million in food and \$20 million in cash to the World Food Program (WFP), a joint program of the United Nations and the Food and Agriculture Organization. The WFP uses food aid in food-for-work projects and in other projects targeted to poor and nutritionally vulnerable groups. Another \$7 million will be allocated to the International Emergency Food Reserve, managed by the WFP, which deals with food emergencies in developing countries.

The \$194.5 million in bilateral or government-to-government food aid will be provided to 20 countries in Africa, Asia and the Americas. The majority of the countries are in Africa, which will receive almost double last year's allocation to help combat food shortages resulting from a prolonged and devastating drought.

Oil exploration agreement with Sri Lanka

Peter M. Towe, chairman of Petro-Canada International Assistance Corporation (PCIAC) and Daham Wimalasena, chairman of CEYPETCO, the national oil company of Sri Lanka, have signed a cooperative agreement for oil and gas exploration for \$1.7 million (Cdn.). The project, financed by Canadian government aid funds on a grant basis, will be carried out on two offshore licences in the Gulf of Mannar. The licences are held by Phoenix Canada Ltd.

PCIAC has entered into a joint venture with this Canadian company on behalf of CEYPETCO and has undertaken to conduct a reconnaissance seismic survey for 1 000 kilometres of marine seismic data. The survey will use Petro-Canada's seismic vessel, the *Bernier* and is scheduled

to start this summer. This exploration project is part of an aid program undertaken by PCIAC to assist oil-importing developing countries to explore and develop indigenous sources of oil and gas. Such projects are aimed at reducing oil import costs, a major obstacle to economic development in many Third World countries.

Imported oil vital

Sri Lanka has at present no indigenous sources of oil. Imported oil currently accounts for one third of Sri Lanka's primary energy supply and will continue to play a role in its energy future. Between 1978 and 1981, the oil import bill more than tripled and the proportion of export earnings devoted to oil imports rose from 11 to 39 per cent.

The Sri Lanka project is the first joint venture entered into by PCIAC with a Canadian company. Such ventures in oil-importing developing countries not only help these countries reduce their dependence on imported oil but also provide Canadian companies working abroad with a reduction in risk and financial requirements.

PCIAC now has projects in more than 15 oil-importing countries. In Asia, the Sri Lanka project will be carried out subsequent to similar activities in other project countries, including Thailand and the Philippines, during 1984.

Sales to Algeria

The Export Development Corporation (EDC) has signed a \$542.5-million (Cdn.) line of credit to support sales of Canadian capital goods and services to Algeria.

The line of credit with Banque Algérienne de Développement will assist Canadian exporters competing for sales of capital goods and services in Algeria by providing their buyers with a simple and easily accessible credit facility.

Banque Algérienne de Développement, a state investment and financing institution that extends loans to Algerian public enterprises, is one of five financial institutions in charge of implementing the current five-year development plan.

Relations between Canada and Algeria have taken great strides, particularly in recent years. Examples of this development are the existence of a Canada-Algeria joint commission, the 1983 signing of a framework agreement on scientific and technical co-operation, more frequent ministerial visits and numerous technical and university missions.

Algeria has become Canada's most important market in Africa and the Middle East, and Canada's eleventh commercial partner with annual sales averaging \$470 million (Cdn.). The newly established line of credit should contribute to the growth of commercial relations with Algeria.

Canada-United States officials discuss acid rain



Canadian Environment Minister Charles Caccia (left) holds up an "acid rain umbrella" with Massachusetts Lieutenant Governor John Kerry when the two met recently at the Statehouse in Boston to discuss the acid rain agreement reached at a meeting in Ottawa.