

changes. The groups are as follows: architecture, construction and building materials; forest-based industry; non-ferrous metals industry; electric power industry; oil industry and gas industry. Formation of an additional group to consider airport-design facilities and servicing is under consideration.

Certain features which emerged from the discussion are worthy of special mention.

(1) Problems arising from severe climatic and permafrost conditions are of considerable interest to both countries and have been identified for study by the working groups in construction, electric power, the oil industry and the gas industry.

(2) The naming of the six working groups I have mentioned does not, of course, exhaust the area of possible co-operation in the industrial application of science and technology. In addition to working groups, other contacts will continue, and further working groups may be established by agreement.

I was impressed by the speed with which our Canadian businessmen and experts were able to get down to specifics with their Soviet counterparts.

The next session of the Mixed Commission will be held in Ottawa early in 1972.

While I was in Moscow I met separately with Mr. Patolichev, the Soviet Minister of Foreign Trade. We engaged in a useful review of trade developments and of prospects for the further expansion of trade. I was invited also to call on Mr. Polyansky, Deputy Premier of the Soviet Union. Our discussions covered the broad range of relations between Canada and the Soviet Union. Mr. Polyansky particularly asked me to convey to the Governor General of Canada and to the Prime Minister the greetings of Mr. Podgorny, President of the Soviet Union, Premier Kosygin and First Secretary Brezhnev. He also asked me to tell the Canadian Prime Minister — and I do so now — how much the Soviet Government is looking forward to welcoming him to the Soviet Union later this year.

## INVESTMENT IN PANARCTIC OILS

The Federal Government intends to maintain its 45 percent equity interest in Panarctic Oils Ltd. with a further investment in the company of \$11,700,000. Mr. Jean Chrétien, Minister of Indian Affairs and Northern Development, announced recently.

At a special meeting of shareholders in Montreal, the Government voted its shares in favour of increasing Panarctic's authorized capital by an additional 2,600,000 par \$10 preferred shares, and plans to subscribe on the pro-rated 45 percent basis to the new shares as issued this year and next.

Panarctic Oils Ltd., a consortium of 20 companies, including the Government's interest, was formed in 1967 to explore for oil and gas in the Canadian Arctic and maintain national equity interest in northern resource development. It holds, through agreements with other companies and individuals and

by direct acquisition, over 55 million acres of potential oil and gas lands on the Arctic Islands and, if it exercises all its options, it could earn over 39 million acres, or 79.5 per cent, of the land committed.

The \$26 million in new financing will enable Panarctic to maintain an active drilling program and meet its commitments. Of seven exploratory wells drilled to date two significant natural gas strikes have been made, one on Melville Island in 1969, and the second last year on King Christian Island.

The Government's original investment in Panarctic was \$9 million in return for 45 per cent of issued common and preferred shares against an \$11-million investment by the consortium of private companies. Panarctic required further financing of \$10 million in 1969 and \$20 million in 1970, and on each occasion the Government subscribed to its pro-rated shares, bringing its present investment in the company to about \$22.5 million. The new additional financing will raise the Government's investment to about \$34,200,000 and the consortium's to about \$41,800,000.

The Minister stated that Panarctic must still be classified as a risk venture but he was greatly encouraged by the two gas-well strikes made so far in the company's drilling program. He said that maintenance of Government equity interest in the company assured Canadian ownership and control of extensive and dominant oil and gas holdings in the Canadian Arctic.

## MR. SHARP IN AFRICA

The Secretary of State for External Affairs, Mr. Mitchell Sharp, is visiting five African countries this month.

The visits to the Ivory Coast, Nigeria, Congo (Kinshasa), Tanzania and Zambia are providing Mr. Sharp with the opportunity to discuss matters of common interest with the governments concerned, in particular the progress of Canadian aid activities. The tour is also enabling Mr. Sharp to assess at first hand some of the problems of that part of the world.

Mr. Sharp left Ottawa on March 5. He will return to Canada on March 21.

## SPORTS GRANT TO ALBERTA INDIANS

A \$65,000-federal grant for the Indian Association of Alberta to help defray initial costs of establishing a sports and recreational program for Indians in Alberta was announced recently by Agriculture Minister Bud Olson on behalf of National Health and Welfare Minister John Munro. He said that the one-year Fitness and Amateur Sport grant would permit Alberta's native population to create a sports and recreation program that would reflect the needs of the Indian community.