

were well understood and the need to reduce oil dependence fully appreciated.

Co-operation among industrialized states to reduce oil demand, to develop other energy sources and to increase energy trade continued in 1981. Energy was an important, though not the central, item on the agenda of the Economic Summit in Ottawa. Canada and other industrialized countries worked actively in the International Energy Agency as well as other multi-lateral fora on energy questions. The government also took steps during 1981 to strengthen its relations with several key oil exporters, including a number of high-level visits and programs for the exchange of information. The Prime Minister visited Algeria, Nigeria and Saudi Arabia in the course of the year, where energy supply was discussed. There were numerous ministerial visits to Mexico and Venezuela, and the Minister of Energy Mines and Resources held discussions with various Organization of Petroleum Exporting Countries (OPEC) oil ministers. The state-to-state oil supply agreement signed with Mexico in 1980 came into full effect in 1981, and provides Canada with a new North American source of energy thereby diversifying our sources of supply substantially. The government also facilitated numerous energy-related private sector visits and agreements with foreign entities, by private and state corporations such as Petro Canada.

The oil crises of the 1970s sharply increased foreign interest in Canada's abundant energy resources. Canada's own policies on energy trade are designed to stimulate energy exports and diversify Canada's energy relations, which are currently focused overwhelmingly on the United States. Talks were held with France, the Federal Republic of Germany and the European Community on the potential for co-operation in the development and possible export of natural gas from the Canadian Arctic. Similarly, a large number of Japanese delegations visited Canada for talks with government and private sector officials on the possibility of exporting natural gas, coal and liquified coal from Western Canada to Japan. For the first time, Canada became a net coal exporter in 1981, serving new markets in Asia and Europe.

The National Energy Program (NEP), announced in October 1980, became an important factor in bilateral and multilateral relations. While the measures taken to reduce oil consumption and enhance energy production ensure that Canada is playing its part in solving global energy problems, some of the measures designed to increase Canadian ownership and control of the energy sector provoked criticism and questioning by foreign companies and governments. Canadian representatives therefore, provided detailed explanations of the NEP to foreign governments bilaterally and in multi-lateral institutions such as the OECD.

Energy was a major priority in Canada's relations with developing countries as rapidly increasing oil import bills crippled development plans in the Third World last year and the government took a number of initiatives in the area which are covered in the chapter on North-South relations in this review.