

worth C\$750 million, are being sold in the United States. This is equivalent to about 50,000 barrels of oil per day, accounting for 1% of United States electricity consumption.

In recent years there has been considerable interest on both sides of the border in increased electricity transfers, and a major joint Canada/United States study was completed in 1979.¹ All parties recognize the opportunities which exist to expand electrical trade, to take advantage of seasonal differences in demand, and to improve system efficiency. In Canada, demand for electricity has been growing more slowly than anticipated, freeing up generating capacity that could be devoted to power exports for a few years. At the same time, slowed nuclear development and high oil prices in the United States have increased the attractiveness of Canadian supplies. Canadian power is predominantly hydroelectric, a renewable form of energy, supplemented by coal and nuclear generation.

The Canadian Government, which regulates electricity exports and which participates with the provinces in several power projects, is generally favourable to the idea of increasing electricity exports. Several provincial governments and U.S. utilities have built or are planning to build new interconnections across the border, and many provinces see possibilities for expanded exports for a number of years from new projects designed to increase Canadian generating capacity for the years ahead. Electricity seems destined to play a larger role in the future of bilateral energy trade.

Coal, the fuel of the past, is often seen as the fuel of the future. The economic summit leaders, for example, have called for a doubling of coal production and use by early 1990. World trade in coal is expected to grow quickly. The Canada/United States trade, however, is unlikely to participate in this rapid growth because both Canada and the United States have large domestic coal resources of their own.

The bilateral coal trade is nonetheless a significant economic activity between Canada and the United States. Ontario annually imports about C\$1 billion in

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1. Canada/United States Electricity Exchanges, May 1979. Energy, Mines and Resources, Ottawa, Canada, and the U.S. Department of Energy, Washington, D. C.