

improving relations with oil exporting countries.

In May 1980, the IEA ministerial meeting agreed on continuing efforts to contain demand on the oil market in the short term (as part of the ongoing adaptation to the loss of most Iranian supply), on the development of instruments for responding to sudden market changes and on a system for more effective monitoring of longer term structural change. In October, the IEA announced measures to reduce pressures on the tight oil market resulting from the Iraq-Iran war. These measures were confirmed at the IEA ministerial meeting in December.

Energy was also the predominant subject at the Venice Summit in June when Summit leaders agreed on a comprehensive range of measures to bring about structural change in their energy economies during the '80s and to establish a high level group to monitor their progress in this.

The year was marked by an increased awareness in developed consumer countries of the serious impact of rising world energy costs on developing-country economies, and active consideration was given in several forums to means to alleviate this situation. Of particular interest was the call by the Venice Summit for consideration of the establishment of a separate energy affiliate of the World Bank. The energy dimension of North-South relations also acquired increasing importance during the year, particularly in the context of preparations at the UN General Assembly for the launching of a round of global negotiations, and the Prime Minister stressed Canada's support for the energy affiliate proposal in his discussions with other world leaders on this question.

In a bilateral setting, Canada signed an energy and industrial co-operation agreement with Mexico. This agreement provides, *inter alia*, for the delivery of up to 50,000 bbls/day of Mexican crude to Canada by the end of 1980, and is the first state-to-state oil supply arrangement concluded by Canada. In addition, considerable attention was devoted to the possible export of Canadian energy resources such as coal and liquefied natural gas. This largely took the form of receiving business and governmental delegations from Europe and Japan.

The most important domestic development was the announcement, as part of the October budget, of the National Energy Program. The most comprehensive energy program yet proposed in Canada, it aims, through a combination of energy conservation and production incentives, to eliminate Canada's net oil import requirements by 1990. Another central element of the NEP is the Canadianization of the petroleum sector to the level of at least 50 per cent by 1990. Given the comprehensive and complex nature of this program and its significant implications for foreign investment and Canada's international trade, considerable effort was made by the department to explain the plan's detailed aspects to foreign governments and business interests.

International nuclear commerce and nuclear non-proliferation

Within the framework of Canada's nuclear export policy, the Canadian nuclear industry continued its international market-

ing activities in 1980. Uranium exports during the year to countries with which Canada has negotiated nuclear co-operation agreements were valued at approximately \$550 million. Canada's reactor industry pursued sales prospects in Japan, Romania and South Korea and initiated marketing efforts in Yugoslavia, Indonesia and Mexico. The department continued to support and assist these efforts.

Regarding the implementation of Canada's non-proliferation and safeguards policy, 1980 was another eventful year. In February, the two-year International Nuclear Fuel Cycle Evaluation (INFCE) was concluded. Efforts to build on the positive dialogue that took place during this evaluation were initiated with the establishment of the Committee on Assurances of Supply of the International Atomic Energy Agency. Further efforts in this regard were made at the second review conference on the *Non-proliferation treaty*, but no agreement was reached on a final declaration.

In the implementation of Canada's bilateral nuclear non-proliferation and safeguards policy, negotiations were initiated with the European Atomic Energy Community (Euratom) to resolve the one remaining question under the amended *Canada-Euratom nuclear co-operation agreement*; a protocol amending the 1955 *Canada-USA nuclear co-operation agreement* was concluded and negotiations with Yugoslavia were initiated. Negotiations also advanced on agreements with the Philippines, Switzerland and Australia. These additions, and potential additions, to the group with which Canada has concluded such agreements (e.g. Finland, Sweden, Euratom, Spain and Japan) broaden the international community within which Canada's nuclear exports can go forward by minimizing the associated risk of nuclear proliferation.

Multilateral environmental policy

Canada continued to participate actively in a broad range of environmental meetings and activities in 1980 under the auspices of the OECD, the UN Economic Commission for Europe (ECE), the NATO Committee on the Challenges of Modern Society (CCMS) and the UN Environment Program (UNEP). In addition, Canada maintained a direct interest in a number of international organizations such as the Intergovernmental Oceanographic Commission (IOC), UNESCO and the International Council for the Exploration of the Seas (ICES), and in agreements with an environmental component such as the *Convention on international trade in endangered species* (CITES).

It remains Canada's view that co-operative international efforts can be of major importance in addressing environmental problems of both national concern (most notably acidic precipitation) and global significance, for example, ozone depletion, long-range transboundary air pollution, disposal of hazardous wastes and pollution of the oceans. In these respects, the following meetings and activities in 1980 were of particular interest.

A "high level meeting" on chemicals of the OECD Environment Committee, chaired by Canada in May 1980, represented an important milestone in progress towards the harmonization