

Energy

In view of the world-wide shortages of petroleum during the latter part of 1973, one of the most significant topics of discussion between Canadian and U.S. officials was the export of petroleum from Canada to the U.S. Of particular note was the meeting of Mr. William Simon, head of the U.S. Federal Energy Office, and the Honourable Donald Macdonald, Minister of Energy, Mines and Resources. Discussions included supply and price in the light of international developments, increasing Canadian demand for both crude oil and oil products, and concern about the ratio of exports to proved Canadian reserves of conventional oil, and the levying of an export tax on crude oil and most oil products.

Preliminary discussions were held on the development of the northern resources of both countries and the means of transporting them to market. Finally, in the closing days of the year, Canada responded favourably to the proposal by Dr. Kissinger for the formation of a group composed of the industrialized countries of Western Europe, Japan and North America, which would collaborate on various aspects of the changed international energy situation.

Communications

The Canadian Government was presented with an *aide memoire* from the United States in February 1973, asking it to rescind the Canadian Radio and Television Commission's cable television deletion-and-substitution policy. This initiated a dialogue that touches on all aspects of trans-border broadcasting, including "spill-over" from border stations and the treatment of trans-border advertising revenues.

Other communications discussions were begun on drafting an Intelsat Headquarters Agreement in Washington. The signing of a memorandum of understanding by Canada, the U.S. Federal Aviation Agency (FAA) and European Space Research Organization (ESRO) was once again delayed owing to the FAA's continued difficulties with the international (IATA) and the U.S. (ATA) air-carrier associations.

Transportation

During 1973, discussions were carried on with the Government of the United States and studies were prepared on a large variety of transportation issues. Negotiations continued on a treaty package for trans-border commercial air-services, with special emphasis on route-exchanges and preclearance operations (these agreements were eventually signed early in 1974). Surface transportation was also considered, with studies initiated by the Canadian Government on trans-border truck and bus operations, and U.S. and Canadian studies on the July 1973 Montreal turbo-train collision were co-ordinated.

Shipping on the Great Lakes, and in particular the effect of subsidies to U.S. carriers, was examined during the year, and co-operation with the U.S. Government in marine matters continued both bilaterally (resulting in an Agreement on the Promotion of Safety on the Great Lakes by Means of Radio) and multilaterally (producing, *inter alia*, a unified stand before the OECO Maritime Transport Committee on the multimodal transport of goods).

North American defence co-operation

The Permanent Joint Board on Defence (PJBD) is the principal consultative mechanism for Canada-U.S. co-operation on defence questions. The Canadian section of the Board is composed of members from the Departments of External Affairs and National Defence. The board held three meetings in 1973 and considered a broad variety of questions affecting bilateral arrangements for the defence of North America. Its deliberations should assist the Government in reaching a decision in 1975, when the NORAD agreement again comes up for renegotiation. (Canada-U.S. defence co-operation is also discussed in the defence relations section of this publication).