

particularly at the seventh special session of the United Nations General Assembly (see page 37). While producer groups remained an important instrument of resource policy for some countries and an iron-ore exporters association, which Canada declined to join, was formed early in the year, there were several serious suggestions for organizing international meetings of producer and consumer countries to discuss problems of major commodities.

Bilateral discussion

Canada's bilateral economic relations in 1975 were marked by continued extensive interaction with the United States over a broad range of issues, and by several positive steps in the development of relations with other trading partners. Trade, resource policy, energy and investment were issues highlighted in Canada's relations with the United States during the year, all of which had significance for the effort to reduce Canadian vulnerability to the preponderant influence of the U.S.

In the spring, Mr. Trudeau met again with leaders of the European Community to lay the groundwork for development of a "contractual link" that would strengthen Canada's economic relations with Western Europe. Before the end of the year, a plan for negotiations on such an understanding existed in outline; formal discussions were expected to begin early in 1976.

Several other initiatives were pursued. As a follow-up to the decision of the Prime Ministers of Japan and Canada to strengthen and broaden the relations between the two countries, it was agreed at the seventh Japan-Canada Ministerial Meeting that the two countries should seek to increase economic co-operation on a mutually-beneficial basis. A joint work program started in November identified the initial objectives the two countries would pursue. A new resident mission was opened in the Middle East during 1975 (another had been established the previous year), reflecting the degree of priority and economic importance accorded by the Canadian Government to this area of the world. The first meeting of the Canada-Iran Joint Economic Committee was held in July and identified priority areas in the Iranian development programs for joint co-operation. Negotiations for the conclusion of economic co-operation agreements and the establishment of joint economic committees were begun with Saudi Arabia and Iraq. A memorandum of understanding between Canada

and Saudi Arabia is to be signed when Mr. MacEachen visits Saudi Arabia early in January 1976. Discussions are under way with Iraqi authorities and the conclusion of agreements on trade and on economic and technical co-operation is expected in 1976.

Finally, the Cuba-Canada Joint Committee on Economic and Trade Relations was established, and met in Ottawa in September 1975. The meeting succeeded in identifying areas for Canadian industrial participation in projects related to the new Cuban Five-Year Plan.

Energy

Energy supply and adjustment to higher energy prices were subjects of great concern both domestically and internationally in 1975. While Canada retained its position, unique among the major industrial countries, as an exporter of oil, uranium and coal, its dependence on significant imports of coal and petroleum continued. In fact, though Canada remained a net exporter of energy during 1975, the crude-oil import-export balance changed, with the import of substantially more crude oil into Eastern Canada than was exported to the U.S. from Western Canadian fields. Canada's significant stake in the international energy trade has resulted in sustained interest in international developments affecting its domestic price and supply situation and in efforts at broadening and deepening its bilateral relations with other countries that are major energy exporters or importers.

Canada also recognizes that, in an interdependent world where energy plays a major role in global economic well-being, important questions regarding future energy developments must also be asked in an international context. It has therefore continued to play an active role in the energy activities of the OECD, the United Nations, NATO and the newly-formed International Energy Agency (IEA). Canadian ratification in 1975 of the International Energy Program, the agreement that established the IEA under OECD auspices, as well as Canadian involvement in IEA activities in the areas of conservation and accelerated development of alternatives to hydrocarbon energy, were reflections of the increasing importance Canada attached to international energy co-operation. Through discussion and the exchange of information in these international bodies, Canada was able to