

rise to nuclear conflict;
revolution and the social impact of economic and technological change;
increasing exports of armaments;
nuclear proliferation and the increasing number of members of the nuclear club;
and to the list, we must add oil and in particular, the economic effects of the
petroleum shortage.

From an energy standpoint only a few nations, Canada among them, are favoured in a relative sense, but none escapes entirely. The energy problem afflicts the rich developed nations almost as much as the poor and developing. The surpluses of the big oil-producing countries are deficits for everybody else. We are witnessing a transfer of resources of a scale and suddenness unprecedented in world history. Since the great price increase following the embargo earlier this decade, in the period 1974-78, OPEC nations have received in oil revenues over \$500 billion and their cumulative current account surpluses exceed \$170 billion. Well-being, development prospects, standards of living, and hopes for the future have all been put at risk. Even the wealth that comes to some countries from oil can have wrenching effects on their societies, as events in Iran show only too clearly.

We are going to find that the global environment as we enter the Eighties is vastly different from the growth-oriented, optimistic, even comfortable setting we enjoyed as we embarked on the Seventies. And no single factor at play over the past decade has been more disruptive in international relations than the deepening crisis in energy. Oil – or more properly the shortage thereof – was and remains the consummate wild card in world politics, and ten years ago almost none of us foresaw how it would be played.

In a recent speech at the United Nations in which he advocated a world energy plan, the President of Mexico speculated that ultimately the energy crisis may turn out to be the unifying element which will bind all nations in a more co-operative world order. There is, of course, evidence of the will to co-operate, but we must admit that so far the tensions and difficulties have been at least as prominent as the global search for solutions. In the Eighties we may have to live with, and to cope with, an uncomfortable level of volatility and uncertainty in international relations, and much of it will be energy-induced.

If the supply and consumption of energy – and, in particular, of oil – were more evenly distributed around the world, our problem would, of course, be very different and much easier. There might, indeed, be little need for remarks at this Conference on Energy and International Relations. It is the imbalances that create the international tensions. The 13 OPEC countries produce about 90 per cent of the oil moving in world markets. Three-quarters of this comes from the Middle Eastern members. On the consumer side of the equation, the United States imports approximately 50 per cent of its requirements, or one-quarter of its total energy needs. Western Europe, with the notable exceptions now of the U.K. and Norway, must import close to 100 per cent of its requirements, or one-half of its energy needs. By comparison, we in Canada are in a very favoured position with net imports accounting for only about
