

wishes to confirm its understand that, while the Governing Board Decision on Procedures for Review of IEA Countries Coal Policies is binding on participating countries to the extent mentioned above, these references to paragraphs in the Principles for IEA Action on Coal do not in any way change the agreement of Governing Board members that the latter document is not legally binding.

Canada considers the adoption of IEA Coal Principles to be an important forward step in the context of international energy relations. Though not an intergovernmental agreement, the Principles constitute a political instrument designed to promote a suitable coal investment and trade climate. In the final analysis, it will be bilateral commercial arrangements which will bring about the actual increases in international trade in coal desired by all. These IEA Principles will demonstrate to enterprises in coal consuming countries that coal producing IEA countries are prepared to cooperate in developing a secure coal supply for this trade. At the same time, it is a sign to coal producers that coal consuming IEA countries are willing to undertake measures that will develop assured long term markets for their future production. The Principles for IEA Action on Coal will help bring about the