

year demonstrated the necessity of improved international energy co-operation.

As a result of the availability of new sources of oil from the North Sea, Alaska and Mexico and of reduced demand growth in industrialized countries (both developments that reflected the impact of the quadrupling of oil prices from 1973 to 1978), there was an apparent glut of oil on the international market during the year. OPEC member countries acknowledged this temporary oversupply by leaving the price for their "marker crude" for the whole of 1978 at the level (\$12.70 a barrel) established in July 1977.

Governments of most industrialized countries agreed nevertheless on the need for concerted national energy policies to confront a more challenging world energy-supply situation, which they believed would emerge well before the end of the century. A key task would be to ease the transition to a much-reduced reliance on import oil. The International Energy Agency became an increasingly significant forum for intergovernmental efforts in this direction. IEA member countries, including Canada, agreed in April 1978 to publish the results of their annual review of the energy policies of member countries and their contribution to the achievement of the IEA group objective on limiting oil imports that had been adopted by ministers the previous autumn. These countries also began preparations in 1978 for a policy document, to be adopted by ministers in the following year, aimed at promoting the development of world trade in thermal coal. Canada increased its participation in IEA co-operative agreements on energy-research and development projects, and continued to contribute to IEA activities on energy conservations, oil-sharing and monitoring of the world oil market.

At the economic summit meeting in Bonn, the seven leaders' agreement to reduce their dependence on imported oil reflected the energy-policy principles adopted at the 1977 IEA ministerial meeting. Canada played an important role in promoting agreement at Bonn on a two-pronged initiative directed towards the energy needs of developing countries. Leaders agreed to intensify national development-assistance programs in energy and to co-ordinate efforts to bring into use renewable energy technologies in developing countries. The OECD Council established a working party, under Canadian chairmanship, to examine as a matter of urgency means of achieving such co-ordination. The summit participants also asked the World Bank to examine new approaches to the financing of hydrocarbon exploration in developing countries. In response, the Bank prepared a report proposing a program for accelerating petroleum production in the developing countries through increased financing by the Bank.

No international forum for co-ordinating co-operation on energy matters among industrialized countries, oil-producing countries and oil-importing developing countries appeared in 1978. However,