

Canada participated actively in the United Nations Conference on Natural Rubber held in November 1978, also under the aegis of the Integrated Program for Commodities. This conference, called to negotiate an International Rubber Agreement that would promote price stabilization, did not reach consensus on the terms of the agreement. Some progress was achieved, however, and a resumed session will take place in 1979. Canada was also involved in 1978 in international preparatory work on cocoa in anticipation of negotiations for a new international cocoa agreement scheduled for early 1979. Canadian representatives continued to participate in the continuing activities of international commodity councils on tin, coffee, cocoa and sugar, and in the international lead-zinc and rubber study groups.

Of major significance to Canada in 1978 were international discussions and negotiations on a new International Wheat Agreement and an accompanying Food Aid Convention. A new agreement, to replace the 1971 International Wheat Agreement, which lacks economic provisions, would be aimed at improving world food security and increasing wheat price stability.

Substantial progress was made in 1978 in the protracted international negotiations for a Common Fund to promote commodity price stability. At the third negotiating session in November 1978, there was broad consensus among participants on the basic purposes of the fund and some narrowing of differences over fund financing. While a number of major issues are still outstanding, there is reason to hope that these will be resolved during further negotiations in 1979. Canada is committed to the Common Fund, and will continue to work actively with other participants for its establishment as a workable and effective international institution.

It should be noted, in conclusion, that Canada's commodity interests are closely bound up with international activity in a number of other forums in 1978. These include, in particular, the current round of Multilateral Trade Negotiations and international negotiations on the law of the sea (both reviewed elsewhere).

Energy

The world energy situation displayed a deceptively calm surface throughout most of 1978, with ample quantities of oil available on the world market and no increase in OPEC prices. Under such apparently benign circumstances, it was a challenge for the industrialized nations to pursue the development of concerted energy policies based on projections of the global oil-supply storage in the 1980s. Agreement was, however, reached on activities to lessen the dependence of those countries on imported oil in the International Energy Agency and at the Bonn summit. Programs were also initiated at Bonn and in the UN to assist with the development of energy resources in underdeveloped countries. Ominous oil-supply and price developments at the end of the