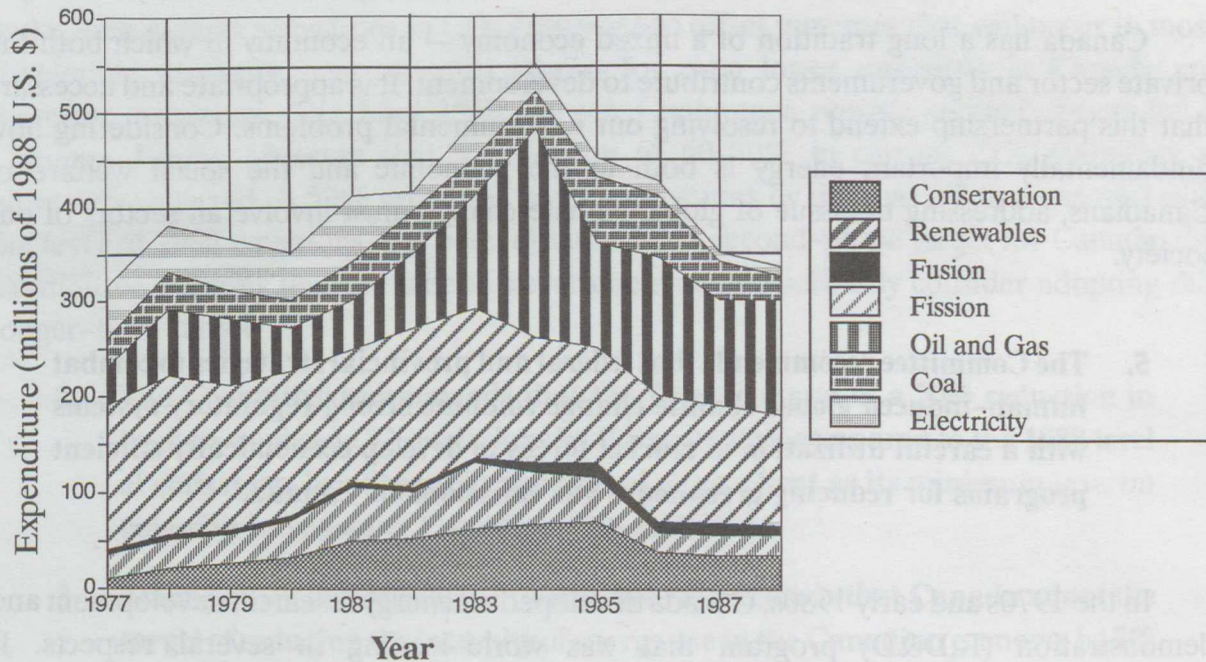


Figure 2: Government Expenditures on Energy R,D&D in Canada by Type, 1977-1988, Measured in Constant 1988 U.S. Dollars



Note: The category "Electricity" includes electricity conversion and transmission R,D&D, energy storage and energy systems analysis.

Source: Organisation for Economic Co-operation and Development, International Energy Agency, *Energy Policies and Programmes of IEA Countries: 1988 Review*, Paris, 1989, p. 97-105.

The earlier interest in conservation and alternative energy R,D&D was largely prompted by energy supply concerns arising from two international oil shocks. When oil supplies increased in response to high prices and fears of further supply interruptions, the world oil market became glutted, the price of oil plummeted and interest in new energy initiatives waned. In retrospect, this complacency was short-sighted; it stemmed from a failure by policy-makers to take a strategic, long-term and holistic view of the environmental, economic, social and political impacts of global energy development. Today