

free-market sugar prices, to the benefit of both producers and consumers. Canada was also involved during 1977 in the preparations for a major conference to consider a new International Wheat Agreement, which was scheduled to take place early in 1978.

The establishment of a Common Fund to assist in stabilizing commodity prices through support for the buffer-stocking operations of international commodity agreements was a major concern of North-South relations during 1977. Two sessions of the Common Fund conference were held in Geneva, in March-April and in November. While developed and developing countries were not able to resolve their differences on the financing and objects of the Common Fund, some progress on the complex issues involved was made at the two sessions. By the end of 1977, both developed and developing countries had begun to prepare for the resumption of Common Fund negotiations in 1978.

Energy

During the year, the likelihood of a global oil-supply shortage as early as the mid-1980s greatly concerned policy-makers in the industrialized countries, as well as in the oil-exporting and -importing developing countries. Although no breakthrough in international co-operation to prepare against the coming tight supply situation was achieved during the year, there was at least some progress. The industrialized countries in the International Energy Agency (IEA) agreed on measures to help reduce their dependency on imported crude oil. The Conference on International Economic Co-operation ended in 1977 without agreeing on institutional agreements for dealing with international energy questions, though it did produce a program for international co-operation on energy. Finally, the OPEC countries, after weathering a potentially divisive two-tier oil-price split in the first half of the year, ended 1977 with a decision not to increase the world price of oil, at least during the first half of 1978.

Alastair Gillespie, Minister of Energy, Mines and Resources, served as chairman of the meeting of the IEA Governing Board held in Paris in October. To meet the risk that the

world might have to face a shortage of oil and other forms of energy as early as the 1980s, the Board adopted a decision on IEA group objectives and principles for energy policy. This decision set an aim of holding total oil imports by IEA members to 26 million barrels a day during 1985, and established principles to reinforce the energy policies of members to meet that objective. Canada participated further in IEA co-operative agreements on energy research and development, and continued to contribute to IEA activities for emergency oil-sharing and for monitoring the world oil market.

The Conference on International Economic Co-operation, of which Canada and Venezuela were co-chairman, ended in June. Canada was active in the CIEC's energy commission which, in the end, failed to agree on the establishing of a follow-up mechanism for co-ordinating international co-operation on energy. However, the conference did reach a consensus that it was in the world community's interest to bring about a smooth transition from an international energy economy based on hydrocarbons to one based on higher-cost alternative and renewable sources of energy. The CIEC commission also produced an International Energy Co-operation and Development Program that could provide a basis for future action.

In the immediate post-CIEC period, Canada's approach has been to encourage practical means of advancing co-operative energy programs through all available bilateral and multilateral channels. During 1977, co-operation on energy between industrialized and developing countries was discussed by the World Bank and the IEA. No substantive action on energy was taken at the thirty-second session of the UN General Assembly.

Throughout the first half of 1977 there were two prices for OPEC oil, because Saudi Arabia and the United Arab Emirates decided to raise their prices by only 5 per cent on January 1,