

Ontario as participants with private industry in this development, which is seen as a commercial and technical venture on which future oil sands development will be based.

### 13.3.1.3 Multilateral cooperation in energy matters

**International Energy Agency.** In response to the selective Arab oil embargo of 1973-74 and the rapid rise in oil prices imposed by OPEC, Canada joined with other industrialized countries in establishing the International Energy Agency (IEA) in November 1974. The basic objective of this 19-member organization is to reduce the vulnerability of participating countries to changes in the price and availability of imported oil through multilateral cooperation. It is hoped that the IEA will contribute to the development of a stable world energy order that will take due account of the concerns of producing and consuming countries, both industrialized and developing.

To meet this objective IEA member countries agreed to an emergency sharing plan providing for the equitable allocation of international oil supplies in the event of future curtailments. The IEA has established a data information system on the international oil market, and member countries in 1976 adopted a program of long-term cooperation directed at reducing the dependence of the group on imported oil and promoting stability and equity in the international oil market. Canada was one of the countries originally involved in the formation of the agency and has played an active part in its development.

International initiatives were also taken after the developments of 1973-74 to ease the adjustments necessary to finance the balance-of-payments deficits of oil-importing countries. In 1974 the International Monetary Fund (IMF) established the IMF oil facility, a special fund of almost \$4 billion. This amount was borrowed mainly from the oil-exporting countries and loaned to importing countries, mostly in the developing world, for an average term of five years and in amounts related to the increase in their oil-import bills. In 1975 the facility was renewed for more than \$6 billion and provision for an interest subsidy on loans made to the most seriously affected oil-importing developing countries. The second major initiative was the agreement in 1975 by OECD countries to establish a "safety net" for industrialized countries in the form of a mutual aid fund, in the amount of \$25 billion, to provide credit or credit guarantees as a last resort to the financially weaker members of the organization. These two innovative concepts, together with substantial aid transfers by both the industrialized countries and the oil exporters and a greater demand than expected for imports on the part of OPEC, have substantially eased the recycling problems that had been anticipated.

On a broader scale, a new approach to international cooperation was successfully launched at the Conference on International Economic Cooperation in December 1975. Ministers representing eight industrialized and 19 developing countries, including seven OPEC members, agreed to establish four commissions to examine problems related to energy, raw materials (including food), development, and finance. These commissions, restricted to 15 members each, were to report at the end of 1976. Canada was one of two co-chairmen of the conference, and has had a continuing coordinating role in its work. In addition, Canadian representatives participate directly in the two commissions dealing with energy and development.

### 13.3.2 Natural gas

Demand for natural gas in 1975 increased slightly from 1974. Net sales in Canada of 1,325 MMMcf (38 billion m<sup>3</sup>) were only 0.8% more than the 1974 total of 1,314 MMMcf (37 billion m<sup>3</sup>), while exports of 946.9 MMMcf (26.8 billion m<sup>3</sup>) showed a decrease of 1.3%.

Ontario, the largest provincial market, consuming 48% of all natural gas used in Canada, had a 2.1% reduction in sales between 1974 and 1975. Quebec's low