

protectionist measures but, in general, developed countries recognize the need to facilitate access to their markets. The Generalized System of Preferences (GSP) is one important mechanism used by most Western countries to reduce tariffs on imports from developing countries. Trade negotiations also take place within the General Agreement on Tariffs and Trade (GATT) and a GATT ministerial meeting in 1982 discussed trade policy for the 1980s. Canada is working within these organizations and the United Nations Conference on Trade and Development (UNCTAD) to encourage the international trading community to strengthen the open, multilateral trading system which is in the interests of both North and South.

Commodities

Foreign exchange earnings by developing countries often depend on their exports of agricultural products and raw materials, known collectively as commodities. Commodity prices are subject to wide price fluctuations on international markets which makes it difficult for developing countries to plan their budgets. Canada has taken a constructive part in UNCTAD negotiations to stabilize commodity prices. On January 15, 1981 Canada signed the agreement which established the Common Fund for Commodities, \$750 million which will help finance commodity agreements with buffer stock provisions and commodity development measures.

Food and Agriculture

One of the most pressing issues facing North and South is the need to reduce the food shortfalls that force one-quarter of the world's population to live in starvation. Greater world food security is necessary for humanitarian reasons and a prerequisite to overall economic and social development. North and South are working together to improve the situation, not only with the short-term solution of food aid but by longer-term solutions such as increased food production, conservation, family planning, land reform and fisheries development.

Food aid has long been a major component of Canada's development assistance, and we provide approximately 600,000 tonnes of grain a year, as well as other food commodities. As part of the long-term solution, Canada recently made aid to agricultural development a priority in the Canadian development assistance program. Also, at the Commonwealth Heads of Government Meeting in Melbourne, October 1981, the Prime Minister announced the creation of a new International Centre for Ocean Development, specifically to organize the development of the world's vast oceans as a source of food.

Development assistance

Official Development Assistance -- grants and loans -- continues to be a central ingredient in the development of many of the poorest countries. Since the 1950s the Canadian International Development Agency (CIDA) has administered our aid program. In 1979-80,