

which have an impact on developing countries, the need for a variety of policy instruments to respond to the requirements of developing countries and the greater integration of the South into the international economic system.

Whether or not global negotiations begin, negotiations will continue in various international fora, on such matters as energy, money and finance, trade, industrial development, food and agriculture and development assistance.

Energy

The OPEC price increases encouraged developing countries to take a stronger stand on issues affecting them, which aggravated their economic difficulties if they had to import oil. The need for reduced reliance on nonrenewable hydrocarbon resources to meet global energy needs is widely recognized internationally.

Energy related projects already constitute nearly 25 per cent of Canada's bilateral aid and in August 1981 Prime Minister Trudeau announced at the UN Conference on New and Renewable Sources of Energy in Nairobi, that Canada would make further contributions including more than \$1 billion of energy related bilateral assistance during the following years.

The creation of Petro-Canada International to help emerging countries develop their own energy resources, particularly hydrocarbons, is a unique, pioneering initiative in this area.

Money and Finance

Some developing countries have had balance of payments difficulties due to oil price increases, declining prices for their exports and heavy borrowing to finance development. This has made it difficult for them to pay for the imported food, oil and fertilizer they require and has resulted in their putting forward far-reaching and controversial proposals for changes in the international monetary and financial systems.

Canada, with other nations, has explored ways to make such institutions as the International Monetary Fund and the World Bank more effective. Similarly, in 1978, recognizing their growing financial problems, Canada cancelled outstanding debts owed to us by the Least Developed Countries. Since then Canadian assistance to these countries has been in grants rather than loans.

Trade

To a greater or lesser degree, developing countries need increased opportunities to sell their products abroad and the developed countries provide many of the best markets. At times there is direct competition with products from developed countries, which leads to