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and human resources. It is in these sectors that Canadian capacities based on Canadian expertise and future needs of developing countries best coincide. I foresee a continued shifting of emphasis from traditional forms of aid — food aid and large infrastructural projects — to forms of assistance which aim at better developing human skills.

There is a real prospect of a food crisis in the 1980s. While international trade in food products may have increased dramatically in recent decades, it is disturbing to note that many nations which were previously self-sufficient in staple products — even exporters of them — have become today reliant on imports. With regard to food aid, the general thrust of Canada's new projects is to help develop the capabilities of least-developed countries to become self-reliant both in terms of food and in the various inputs into agriculture such as seeds and fertilizers — so that dependencies on agricultural imports can be broken. In 1975, 6 per cent of bilateral aid went to this kind of assistance while in 1981 the figure is 25 per cent, with plans for even greater increases.

Energy is a second priority area of focus for Canada. Approximately 20 per cent of our bilateral aid now goes into energy-related projects. Our major contributions in this regard have been in hydro-electricity and forestry, although a variety of new aid channels have been established. Examples in this regard are Petro-Canada International, an emergency balance of payments facility, and several other new mechanisms.

Two and one-half billion of the world's poorest people, the great majority of whom live in rural areas, depend for almost all of their energy needs upon wood and agricultural residues — the so-called non-commercial fuels.

Energy-related research in and for the developing countries therefore presents a considerable challenge. At present the great bulk of energy-related research is located within the industrialized countries and is directed towards their needs. There is, for instance, little work being done which has any immediate application to the small-scale, rural-oriented needs of the developing countries. And because renewable energy technology is a recent and still-emerging field of activity, many questions remain unanswered about its potential uses in developing countries. An immense amount of work is required, therefore, on technologies appropriate for use in the poorest countries.

**\$10-million  
boost for  
energy research  
aid**

One of the new initiatives which the government of Canada is undertaking involves a \$10-million increase in our support for energy research related to developing countries. This was announced by the Prime Minister at the recent energy conference in Nairobi. These funds are being made available to Canada's International Development Research Centre so that it can undertake an intensified program in this field. I don't have to go into the reasons why energy should become an increasing priority for Canadian aid. It is simply enough to reiterate the fact that the impact of recent oil shocks on developing countries has exceeded in dollar terms the total value of development assistance from the North, a considerable sum. The impact on these economies of these added costs, together with current high interest rates, has in some cases been shattering.