

The difficulties in generating substantial additional aid flows notwithstanding, however, international economic cooperation will continue to be critical. If prospects for the industrialized world are poor, for the populations of the developing world it is a matter of survival. The economic difficulties of the times, indeed, argue not for less action but for more.

Basic to our efforts must be the elimination of hunger and malnutrition. But what is the key to these efforts? Projections suggest that the physical and technological constraints to feeding an expanding world population are not insurmountable. It is rather a question of political direction. Developing countries themselves must make special efforts to increase domestic food production and to ensure adequate storage and distribution. I am heartened in this regard by the progress being made on food sector strategies including the support that is being given to them by the international community. For Canada's part, we are allocating over 40 percent of our official development assistance - more than five billion dollars over five years - to the food and agricultural sector.

Energy exploration and development in oil-importing developing countries also continue to be of key importance. Canada has made this a priority sector in its bilateral development assistance. Similarly, Petro-Canada International, with initial funding of \$250 million to provide assistance for oil and gas exploration in developing countries, is now operational. Exploration projects will commence this year in Tanzania, Jamaica and Senegal and are under consideration for a number of other countries. On the multilateral level, while the idea of a World Bank Energy Affiliate now appears unlikely to go ahead, we will continue to seek other methods to advance the aim of increased energy lending.

A healthy international trading system is also vital to prospects for economic growth and development in developed and developing countries alike. The GATT Ministerial in November will provide a major opportunity to address current problems in trade and to set a trade agenda for the 1980's. We hope that issues of concern to developing countries can be addressed in ways that strengthen and make more relevant the international trading system as a whole. In this regard, it is time for the newly industrializing countries to accept more obligations under the GATT and to make a contribution to the international trading framework commensurate with their stake in the system.