

ECONOMIC AFFAIRS

The establishment of an Office of Economic Affairs to replace the former Economic Division has meant increased efficiency in the conduct of the Department's economic activities. The reorganization, which took place in September 1968, has given the head of that office greater freedom to concentrate on co-ordination and development of policy and initiatives touching on broader questions of major significance for Canada in international economic affairs. It has also resulted in a more effective handling of the Department's economic work through the separation of activities into three divisions -- the Aid and Development Division, the Commercial Policy Division and the Transportation, Communications and Energy Division. These divisions operate in collaboration with a large number of departments and agencies in Ottawa to ensure that international economic policies are conducted in harmony with the more general foreign policy consideration and objectives of the Government and that these general foreign policy matters reflect appropriately the Government's interests in the economic field.

Aid and Development Division

Canada has accepted, with other advanced countries, certain responsibilities to help the developing countries, both by providing more and better aid to them and by expanding their trading opportunities. The Aid and Development Division forms a focal point for departmental consideration of these issues.

The year 1969 was one of questioning and review of policies designed to narrow the disparity between the standards of living in the developing and developed countries of the world. In October, the Commission on International Development, appointed by the World Bank and chaired by the Right Honorable L.B. Pearson, published its report entitled *Partners in Development*. The report studied the consequences of 20 years of development assistance, assessed the results, clarified the errors and proposed policies that would work better in the future. The assessment by the Canadian Government of the implications for Canadian aid policy of the 68 recommendations the report contains began at once, and will continue into 1970. In December the United Nations released *A Study of the Capacity of the United Nations Development System* by Sir Robert Jackson, which examines critically and profoundly the problems inherent in co-ordinating and expanding the development content of the United Nations agencies and programs. Its important conclusions were also subjected to immediate study in Ottawa. During the course of the year, the Canadian Government was similarly submitting its own development-assistance policies to an intensive review, the results of which are expected to emerge in 1970. The Department of External Affairs has played an integral role in the assessment of the Pearson and Jackson studies, as well as the Canadian review. The Aid and Development Division attempts to co-ordinate Departmental views on these matters.