

III

ECONOMIC AFFAIRS

The volume and variety of work arising from Canada's international economic interests and activities continued to increase steadily during 1968. In response to this trend, and in parallel with measures taken in certain other areas of departmental activity, what had previously been the Economic Division was reorganized during 1968 as an Office of Economic Affairs containing three new divisions. The Aid and Development Division, the Commercial Policy Division and the Transport, Communications and Energy Division have responsibilities corresponding to those of the three sections of the Economic Division. The change became necessary because the Economic Division, which had grown very large and complex, no longer represented the most effective structure for meeting the requirements of a Department in which divisions were the established operational and administrative units. Under the new arrangement, the Head of the Office is able to concentrate his attention mainly upon the co-ordination and direction of work relating to broad questions of major significance for Canada's international economic relations.

Aid and Development Division

The importance of economic development questions in international relations has continued to grow. The problem of how to reduce the increasing disparity between the standards of living in the developing countries is not easy of solution but greater effort in many countries, including Canada, are being devoted to it. Canada has accepted, along 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 Annual Review of the Canadian International Development Agency, which is primarily responsible for administering the Canadian aid programme, provides a detailed account of Canada's bilateral programmes and of our contribution to multilateral assistance activities, both of which continued to increase in 1968. With the growing size and diversity of Canadian aid activities, the necessity for reviewing carefully the foreign policy implications of our development efforts has become yet more important. A fundamental task of the Aid and Development Division is to maintain a continuing dialogue with the responsible officials in CIDA and those of other government departments and agencies that have a particular interest in the expanding Canadian aid effort. Since development projects and programmes almost invariably raise questions affecting Canadian relations with recipient countries (primarily Commonwealth and francophone countries), the Division provides a point of co-ordination for the views of interested area divisions and a channel of communication of them to the Canadian International Development Agency. The Division also helps relate Canadian assistance activities to those undertaken by multilateral institutions. In consultation with the United