

Engaging specialized firms is also cost effective. While such firms services do not come cheaply, they do not give rise to the transportation, housing, education, secretarial, and other support costs of Canada-based officers. Nor do they require time to develop the requisite depth of expertise in a particular field.

In 1983, responding to the growing protectionist and other threats Canada faced in the United States, the then Government set up the Fund for the Management of Canada-USA Relations from vote 1 of my Department's estimates. Originally set at \$550,000 for FY 83/84, the fund now has \$715,000 for the current fiscal year.

The United States Justice Department maintains records of all American consultants engaged for foreign countries or industries in accordance with the provisions of the Foreign Agents Registration Act. The most recent report covering the 1984 calendar year, indicates that such services were employed by the Governments, state corporations or private sector entities of 154 countries. The Justice Department estimates that some 800 firms or individuals are registered with them as so-called foreign agents.

According to the Justice Department, total Canadian Government expenditures on such services in 1984 amounted to approximately U.S. \$600,000. In the same period, 7 Canadian provincial Governments expended over U.S. \$380,000, (not including their operating costs which they are required to register under the act), while Canadian private business and industry spent more than U.S. \$4 million (excluding in some instances the costs of legal representation in American courts and quasi-judicial regulatory processes).

Total Canadian public and private sector expenditures were dwarfed, however, by those of other countries such as Japan, for example, which spent more than four times as much as Canada, according to Justice Department records. Other sources, such as the New York Times, have estimated that real total expenditures in support of Japanese interests may be closer to U.S. \$50 million if account is taken of the lobbying efforts of American importers of Japanese products.

The retention or use of expert representation, counsel or consultants in Washington is by no means solely a phenomenon restricted to foreign interests. It is, in fact, as the Committee would know, a longstanding tradition in the United