

as being more in line with the current rate of expenditure. Notice will be taken of two new references which are now before the commission, the St. John River reference, and the Niagara Falls reference, each estimated to require \$50 thousand during the fiscal year.

With respect to terminable services, it is under this broad heading in our estimates that the government's principal contributions for relief and development fall.

As the amount voted last year for the I.R.O. was considered adequate to carry the organization through its winding-up activities—which are estimated to be completed early in 1952—no amount has been asked for this organization for the 1951-52 fiscal year. The "Hard Core" problem is receiving separate consideration and may have to be the subject of a further supplementary vote.

As for the 1951 contribution for U.N.I.C.E.F., \$500 thousand, unknown at the time the main estimates were prepared, is included in the supplementary estimates, 1951-52, that is, in the supplementary estimates for this current year, and that does not appear before you.

In what I have said so far, I have, I think, drawn attention to the more significant changes in our estimates this year. No doubt, further questions will occur to members of the committee when each vote comes to be considered. We shall do our best to answer them satisfactorily.

Before the committee proceeds to consideration of the individual votes, however, I would like to call attention to an item in the estimates, not specifically under the amount to be voted for this department, but nevertheless directly connected with our operations. I refer to vote 566, on page 71 of the blue book, under "Loans, investments and advances."

This vote reads:

To authorize and provide for working capital advances in the current and subsequent fiscal years to maintain cash and bank balances at Department of External Affairs posts abroad subject to regulations of the Treasury Board, the amount of advances hereby authorized outstanding at any time not to exceed \$300 thousand.

Certain members of the committee may remember some discussion we had in the committee concerning our difficulty about year end financing, not only for our own department but for other departments which operate abroad.

This is advice which has been proposed by the Treasury officials to meet our difficulties, and in that regard I might at a later stage, if the committee wishes, make a more detailed explanation of this working capital vote which is proposed.

That is all that I had proposed to say in general, Mr. Chairman. But I can supplement it on any particular point, and I would be glad to do so.

*By Mr. Stick:*

Q. There are reports lately that the United Kingdom and other European countries might revalue their currencies in an upward direction. How would it affect your estimates if that should happen? Would you have to revise your estimates upward in a case like that? Would it cost more to operate?—A. It would cost more, wherever we are operating in the Sterling area, of course. We would probably have to come for supplementaries, depending upon the extent to which such revaluation was accomplished.

Q. It seems to me that there is a desire to do that over there lately. I take it that it would throw our estimates here out, would it not, if that should happen?—A. Any revaluing upwards in foreign currency, where we operate, would throw our estimates out. I think the Polish zloty is a good example.

*By Mr. Dickey:*

Q. How did we get stuck on that one? I remember the circumstances.—A. The Polish government decided without warning—and warning is not