

Commonwealth and of the community of *francophone* nations. Canada has for many years taken a close interest in the development of international law. We played a leading role some years ago in drawing up international regulations governing air transportation and are currently involved in negotiations regarding hijacking and air piracy. Law-of-the-sea discussions aimed at securing the peaceful use of the seabed and ocean-floor are also a current preoccupation. Again, I am not trying to be exhaustive, I am giving you some idea of the range and complexity of the Department's operations to make two essential points. First, that to operate in all these fields effectively the Department needs the body of experts and experienced officers it has built up, and secondly, that the notion that Canada's complex of international relations and responsibilities could be carried out on an *ad hoc*, minister-to-minister, official-to-official basis will not stand up to a moment's scrutiny.

As a responsible member of the community of nations and above all to serve our basic national interests, Canada must make its presence felt and its voice heard throughout the world and in the multilateral bodies where so many decisions that can affect Canada's security and prosperity are made. This is the central function of the Department of External Affairs and it is carried out with skill and patience by its able and experienced officers.

It has been said that Canada has no enemies in the world, only friends. I think there is truth in that, but what is also said, that for this reason Canada has less need than others of a diplomatic service, is not true. In fact, the closer the contacts with any given country the greater and the more numerous the problems and conflicts of interest. Canada has no closer friend than the United States. We share this continent north of the Rio Grande and day-by-day the multiplicity of contacts gives rise to a multiplicity of problems that have to be managed and solved, occupying a large proportion of the time and energy of the Department.

The Government's fight against inflation is inevitably placing even greater strain on the Department's limited resources but I am determined (and in this I have the full support of my officials) that the Department will continue to meet its responsibilities, and to protect Canada's basic national interests in their external dimension. At the same time, I would be less than honest if I were to suggest to members that our posts and missions will be able to perform all the services they have provided in the past, particularly to travelling delegations and individuals. In a time of financial retrenchment services that are helpful but not essential must suffer. The External Affairs establishment abroad has never been more than barely adequate to meet the demands placed upon it. To serve our essential national interests, when the current campaign against inflation ends, the Department must be encouraged to grow with Canada's growing activities and responsibilities in the world environment.

Before this session ends I shall be presenting to Parliament a series of papers on Canadian foreign policy in the Seventies. These are the result of nearly two years' work by the Department in co-operation with other interested departments and agencies. I look forward to discussing these papers in this committee. This will provide us with an opportunity to discuss the work of the Department in greater detail.

TEN-YEAR COMPARISON

In the 1959-60 fiscal year departmental operations and capital expenditures totalled \$19.7 million. This represented six-tenths of 1 per cent of total government expenditures. The strength of the Department was then 335 foreign service officers and 1,625 support staff.

Ten years later, total departmental expenditures for operating and capital cost totalled \$56 million, or four-tenths of 1 per cent of total government expenditures, and the strength of the Department was 485 foreign service officers and 2,584 support staff.

A growth of 150 officers in a decade is not unreasonable. On the contrary, only careful planning and consistent economy of operation has enabled the Department in this period to assume the added burdens of 17 new missions, a fivefold increase in development assistance programs, a threefold increase in consular services, the support of new or vastly-increased cultural and information activities, new initiatives toward the *francophone* world, increased activity in disarmament negotiation — and this again can only be a partial list.

The expenditures of all other departments operating abroad have doubled during the same period, reflecting the growth in the range and complexity of Canadian interests abroad. As one would expect, there has been a consequent increase in the time and effort required of the Department in the co-ordination of Canadian Government activities in every country and multilateral organization where we are represented, to ensure that Canadian policies and activities are carried out in an orderly and coherent manner. This expansion of overseas activity by the totality of the Canadian Government has involved a considerable increase in the workload and expense of the Department in providing the increased administrative support required.

FINANCIAL CUTBACKS

As part of the Government's campaign against inflation, it was announced last summer that, except for certain high priority activities, departments would be expected to absorb price and wage increases and to maintain their estimates next year at levels prevailing for 1969-70. This has been a formidable task. Inflation is not a problem only in Canada. Around the world, wages, prices and rents are escalating rapidly and we estimated that we would have required an increase of some \$7.5 million just to maintain our operations at the 1969-70 levels. In view of the