

In this respect the estimates of the Department of External Affairs differ from those of other government departments. Some 30% of the amount requested in the main estimates, or about 80% of the total of this year's main and supplementary estimates represents Canadian contributions to various international organizations. Once the government's decision has been taken in favour of Canadian participation in these organizations, the funds required must be asked of parliament and there is little the department can do to affect the amount involved. In these days of growing awareness of the need for relief in some areas and development in others, it may be expected that the amounts provided in the department's estimates for items other than those required for our normal departmental activities may for some time exceed those needed for departmental activities in the normal sense.

Moreover, our estimates carry amounts for the International Joint Commission, which though reporting to the House through External Affairs, does not form part of the department itself.

*Section A—"Department and Missions Abroad"*

For this reason I suggest that the committee consider first the amounts being asked for under Section A—"Department and Missions Abroad", the total of which this year is put at \$8,548,421 and which is to be found on page 14 of the Blue Book. This amount, apart from two relatively small grants represents the true operating costs of the department at home and abroad. I should perhaps say at the outset that the figures shown for the current year include recent upward salary adjustments.

The total of some \$8½ million under "A—department and missions abroad" is an increase of some \$800 thousand over the comparable total last year. This increase is more than accounted for by the inclusion this year of one substantial item. I refer to that covered by Vote No. 88—which is entitled "Representation Abroad"—to authorize the construction, acquisition, improvement and furnishing of properties, for Canadian government offices and residences abroad, payment therefor to be made in foreign currencies that are not convertible into Canadian or United States dollars and that may be used only for governmental or other limited purposes and that have been acquired in respect of reparations or pursuant to the settlements of claims arising out of military operations or war expenditures, or in exchange for other such currencies so acquired.

Members of the committee will recognize this is substantially the \$1 item of other years.

Mr. CROLL: It has grown has it not?

The WITNESS: Very substantially. Of itself that more than explains the increase in this particular part of the estimates.

Mr. STICK: Does that mean that the amount standing to our credit for foreign currency is used up to that extent?

The WITNESS: No, it does not. It means that of the total standing to our credit in this account, we propose to spend this amount which is indicated in vote 88.

Mr. STICK: In addition to what you are spending out of blocked currency over there?

The WITNESS: No. This is the amount we expend out of blocked currencies, and I think as I shall explain in a moment, this is being voted in Canadian dollars, or rather I should say it is proposed to be voted in Canadian dollars. It will not in effect represent an expenditure in Canadian dollars, but rather an expenditure in blocked currency, from credits which we have outstanding in Europe.

Mr. COLDWELL: And you will tell us what that comprises a little later on?