

Adjournment Debate

who are affected by the changing fortunes of the Canadian dollar. Particularly I am thinking of the cases in Washington where the change of the Canadian dollar in relation to the American dollar has created problems. People have written me about that particular situation. When the parliamentary secretary replies, I hope he will be able to spell out, not only the general problem, but specifically what is being done for the people in Washington affected by the late happenings.

Mr. Maurice Dupras (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I shall attempt to give some explanation as to the policy of the government in regard to these problems.

In recognition that the costs of goods and services vary between Ottawa and those places where career public servants are working abroad, a part of the employee's income is adjusted when he is overseas to provide him with purchasing power comparable to that which he would have had in Ottawa. This adjustment ensures that the employee is protected in countries where costs are greater than Ottawa, without giving him windfall gains in places where his cost of living is lower than found at home. This price differential between posts and Ottawa is computed and expressed numerically by Statistics Canada, and is called the "Post Index". It represents the retail price relationship of a sample range of consumer goods and services at a location overseas with the prices of a similar range of goods and services in Ottawa.

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The Post Index encompasses price comparisons for such consumer expenditures categories as food consumed in the home, meals taken in restaurants, household supplies and maintenance, communications, transportation, health and personal care and clothing, some 225 priceable items being included. Shelter, fuel and utilities and education expenses are excluded from the comparison because separate provisions provide reimbursement for any such excess costs while abroad. Since Canadian public servants pay full Canadian rates of income tax regardless of their place of duty, income tax differentials are excluded.

The Post Index is one part of a system of emoluments and conditions of employment abroad called the "Foreign Service Directives". The mandate to adjust the index is given to Statistics Canada by the various foreign service departments and staff associations acting within the forum of the National Joint Council.

The Post Index is established by carrying out a full-scale retail price and cost of living survey at the location overseas. These surveys are repeated regularly at least every 30 months, and often more frequently if there are sudden changes and the post concerned requests a review. As well, Statistics Canada representatives conduct on the spot visits to judge the price and market supply situation. In between, the Post Index is subject to a monthly review to assess its continuing validity in the light of average monthly exchange rate movements, Ottawa price movements and information on post price movements gathered from as many sources as possible. From Janu-

[Mr. McCleave.]

ary to the end of October this year there have been 223 index recommendations: 191 increases, and 32 decreases. At the end of October 48 upward revisions were made, largely because of the weakening of the Canadian dollar.

Washington's post index of 110 dates back to April, 1977, when it was raised from 105. As Ottawa price levels are always expressed as 100, this means that prices in Washington are presently estimated to be 10 per cent above prices in Ottawa. While the Washington index was closely monitored during October, the comparative difference with Ottawa did not warrant an increase to the higher level of 115 because the Canadian dollar's reduced value was partially offset by a lower inflation rate in the U.S.A. In the month of November Washington's index, along with all other post indices, will be closely monitored by Statistics Canada which will make a recommendation for change, should such be warranted.

That is the way these problems are monitored, surveyed, followed, and eliminated.

FINANCE—REQUEST FOR ESTIMATE OF LEVEL OF
UNEMPLOYMENT NEXT YEAR

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, the debate this evening arises from a question I put to the Minister of Finance (Mr. Chrétien) on November 7, at which time I asked him what I thought was a very simple question. I asked him to inform the House what level of unemployment he anticipates for the next year in Canada. I am sorry the minister is not here tonight to join in this debate because I feel that one of the most significant deficiencies of the government has been its tendency not to want to indicate what it plans for this nation not only with respect to unemployment but also with respect to many other things.

The OECD has virtually insisted that member states start setting out quotas, and not just for the next year. The OECD wants member states to set out clearly their targets for unemployment and other related matters for the next year, three years, and five years. This government has consistently refused to do so. It is particularly unfortunate that the government will not set out these goals. It systematically attempts to cloud the issues.

Every time certain negative points are raised with respect to Canada's economic activity the government hastens to say it is as a result of some factor beyond its control. Hon. members will recall that at one time the climate was the favourite excuse of the government. At another time I believe it was the poor crop of anchovies off the coast of South America. At another time the government claimed it was the oil embargo; that somehow the OPEC states caused our trouble, totally forgetting that we were an energy sufficient country.

I notice that the current Minister of Finance chooses to reverse things a little and is saying that somehow the situation in Quebec is causing the economic problems of this country. Presumably what he hopes is that the Canadian public will take their eye off this government in the earnest hope that the government will not be called to account.