

Mr. SMITH (*Calgary South*): Yes. Mr. Chairman, I believe we are going to have some information concerning the question of allowances. Is this the appropriate time to give this information to the committee?

Mr. GILL: I think it was just a general question about the status of the current review.

Mr. SMITH (*Calgary South*): Well, I will be happy to direct the question to you, if it would be of some assistance.

I indicated at our last meeting that I had some concern—and, I will take New York as an example—with respect to not only permanent foreign service officers, but also those who are part of the delegation, in that perhaps the grading in relation to the cost factor existing in New York was not fully taken into consideration by the dominion bureau of statistics in relation to salary and expense appraisal. I was advised that I would have someone who would give us some indication of how this was established, whether or not it was a fair allowance, and so on.

I have a second question: Is it not true that you have reduced the allowances of your foreign service officers, and although you, admittedly, have increased their salaries—and I think this you will confirm—the total amount the officers receive is now still less than they had before, under the old basis?

Mr. GILL: Mr. Smith, as Mr. Robertson mentioned the last time, the question of allowances is one that is under continuous review. The form which that review has taken in recent years is a re-examination of the whole structure; in other words, the present structure of allowances was developed in 1948 and has been in effect for 12 years. There was general agreement on all sides that a look at the general structure was desirable.

Now, we are still on the basis of the old structure, but the new one is nearing the point of being approved, and the expectation is that it will be put into effect some time before the end of the year. One of the features, I can say, of the new basis, or the new structure, is that Ottawa, 1961, January, is taken as the basis for the post index, whereas Washington, 1946, has been the basis for the past few years, and is still the basis.

In the new allowance structure it also provides for supplementary allowance in respect of children, because it has been our experience since the old structure has been in effect, that the incidence of hardship is heavier on those with family responsibilities.

Another difference is that it separates the basic foreign service allowance from the representational side of it. The representational side is broken down into two elements; one, you might say, to provide the infrastructure for representational activity, and the other is for entertainment. The entertainment is to be on an accountable basis, which is quite a new feature.

In addition to the above, educational allowances have been improved.

So, in answer to your question as to whether allowances have been reduced, it really depends upon the individual cases. Some officers, perhaps, will get lower allowances than they have under the present basis, and others will not, depending on their individual circumstances.

Mr. SMITH (*Calgary South*): Let me put it another way: It then would be wrong to say that the majority of F.S.O.'s will not do as well under the new ruling as they did under the old one?

Mr. GILL: I think that would be wrong.

Mr. SMITH (*Calgary South*): That is incorrect?

Mr. GILL: Yes.

Mr. SMITH (*Calgary South*): I notice that a year ago, in answer to exactly the same question which I am putting to you now, set out at page 267, you then also indicated that this matter was under review, and that again you