

*Canada Labour Code*

ance pay in the example I used would be penalized during the two months covered by his severance pay, inasmuch as unemployment insurance benefits would not be paid. In my opinion, such workers should also be entitled to these benefits.

While considering this subject I submit we should look at both vacation pay and severance pay, as both payments are made for a specific purpose. Severance pay and vacation pay are accumulated through contributions normally made by the employer and the employee: they form part of the employee's wage structure. Both payments are made to the employee to enable him to enjoy a better way of life in the occupation he is following. Vacation pay is paid for the specific purpose of allowing the worker to take a holiday with his family in the summer.

The unemployment insurance people do not take this into consideration. They think that vacation pay must be paid when a man leaves his job. Consequently, the position of the Unemployment Insurance Commission is that such payment constitutes income and must be calculated and included as income for the purposes of unemployment insurance. That is wrong. The principle being followed is bad. Several of my colleagues and I have tried to remedy this situation in previous private members' bills. We contend that severance pay and vacation pay should not have anything to do with the Unemployment Insurance Act and should not be included in the calculation of income.

The regulations at present do not work to the advantage of short-term employees working under the jurisdiction of the federal government, or for other people for that matter, as they can calculate the point at which a lump sum payment would work to their detriment. The unemployment insurance payment would be larger than the severance pay if it were calculated over a period of one week.

• (1610)

I believe there is a need for mobility of employment in this country. Severance pay is one way of accomplishing this. There are others. Not only is mobility established by severance pay but it compensates one who loses his employment. It is a provision which enables him to make the transition to a second job.

There are many other forms of protection which could be given to workers in this field. This is essential for government employees and others who come under the Labour Code. Severance pay assists in a small way, but something should be done about the problem of housing which often enters into the picture when changing jobs. This applies also to people who are moved to another city. In my area a radar station is being closed. Civil servants, casual employees and armed forces personnel are being asked to move to another area. They have been assured by the Department of National Defence that their jobs will be protected. In the area in which they now live, they pay rent of approximately \$125, or can purchase a house for \$7,000 or \$8,000. Land costs are negligible. Services are almost totally lacking. Housing is a very reasonable proposition. If they move to another area, equivalent housing will cost three, four or possibly ten times as much: for a person now living in Matheson who moves to Toronto it will mean the difference between \$7,000 and \$70,000 for

[Mr. Peters.]

equivalent housing. No allowance is made in that kind of transfer, and it is reasonable that we should consider this question.

When the Unemployment Insurance Commission opened a computer centre in Ontario several years ago, employees across Ontario were given the opportunity to move to a new centre in Toronto. There were so few applications to work in the Toronto computer centre that there were not enough employees to operate it. No one was stupid enough to move from a small town in Ontario to the city of Toronto for a job that would possibly pay an additional \$1,000 a year. As a result, the computer centre was established in Belleville.

In this technical age there are many other forms of protection that should be given to employees who are transferred. A good example of this is James Bay. During the past several weeks the Quebec news broadcasts and election broadcasts have told the people about the wonderful opportunities in James Bay where 100,000 new jobs will be created. It is true there will be a number of new jobs in that area, but they will not be anywhere near 100,000. I doubt whether there will even be 50,000 new jobs created. However, when that job is complete, because of the high degree of technology we have developed it will not take more than 50 or 60 people to operate the major hydro project there. All the machines in the power plants will be automated; they will be run from a switching plant at Val d'Or, St. Jean or Montreal.

Not long ago a \$40 million hydro project was built in my area. Several thousand people worked on that project. It now operates with 15 or 20 employees who come from 20 miles away. A crew goes there once a day, or, once every several days to see that the oiling and other maintenance jobs are being done properly by the machine set up to do that work. If we are to maintain reasonable mobility to move people in the government service and in the construction field under federal jurisdiction, we must provide whatever means are possible to carry out these transfers with ease. Severance pay is not the answer. It does not provide the benefits that must be provided to retain mobility of the labour force.

I suggest that if this bill is passed and severance pay is mandatory in those fields where there is not superannuation or pension—superannuation is paid to employees under our jurisdiction—we will find their opportunity for mobility is increased and dislocation and disruption of their economic pattern of life will be less severe.

• (1620)

[Translation]

**Mr. Eymard Corbin (Madawaska-Victoria):** Mr. Speaker, I am pleased of course to rise on Bill C-44, as I have always been most interested in labour questions.

Before coming to the heart of the matter, I should like to recall briefly certain parts of the bill. First, Bill C-44 is entitled an Act to amend the Canada Labour Code, and then the words "severance pay" in brackets. I think this is clearer, and I have always wondered why in the House of Commons the pieces of legislation had unintelligible titles. I think that as much as possible the titles used should describe the purpose of each bill.