

he will agree with the principle of this bill and that it will be more palatable to him.

Honourable senators, this bill is one to provide vacations with pay for employees who do federal work and are employed in federal undertakings. The legislation will benefit employees in works and undertakings connected with shipping, navigation, railways, canals, telegraphs, interprovincial pipe lines and other interprovincial activities which of course include ferries, aircraft, radio broadcasting, banks, one or two specified industries such as uranium, and certain industries that are specified in the bill. With respect to a specified industry, the best example is the Hudson Bay Mining and Smelting Company, which has a mine in operation on the border between Saskatchewan and Manitoba. That company on that operation has been specified under this bill because at times the workers are engaged underground in Manitoba and at other times they work underground in Saskatchewan. Both provincial Governments asked to have that particular industry specified under this bill.

The purpose of the bill is to provide minimum vacations with pay for the people who are engaged in these particular industries. There is no desire here to fix any maximum benefit but rather it is the purpose of the Government to fix a minimum which will enure to each employee.

Roughly, the bill provides that any person who has been employed for two years or more by the time this bill comes into force shall be entitled to two weeks' vacation with pay. The bill is retroactive. Supposing it comes in force on January 31 this year, an employee who had been with a firm for a year up to that date and then continued on for another year after the act came into force—thus having been employed for at least two years—would be entitled to two weeks' vacation with pay. Persons who have been employed for only one year shall be entitled to one week's vacation with pay. The employee who has worked two years or more will receive 4 per cent of his annual earnings as vacation pay; the person who has been employed for a period of only one year of course shall be entitled to receive half of that amount, namely, 2 per cent.

The bill contains two definitions of a year of employment. The first definition may be stated as follows: Year of employment means continuous employment of an employee by one or more employers for a period of 12 consecutive months beginning with the day the employment began or any subsequent anniversary day thereafter. For instance, if an employee goes to work on January 31,

1958, the year of employment would be up on the 31st day of January, 1959. That is one definition of a year of employment.

The second definition of a year of employment is any calendar year or any fiscal year. There are a number of firms throughout the dominion of Canada that do not operate their business on a calendar year basis but rather on a fiscal year basis, so the year may run from April 1 of one year to March 31 of the following year. But before any company can use that definition the consent of the minister must be obtained.

Once the bill becomes law it will apply to a year of employment which has begun before the commencement of the act but has been completed after the bill becomes law. In other words, once the bill becomes law, employees will be given credit for past services. It applies to the year of employment, if the employment has begun before the bill becomes law and is completed after that time. It also has application to a year of employment begun within two years prior to the passing of this bill, if the employee was continuously employed thereafter with one employer.

There are many special features, which I do not intend to go into in detail, but I should like to mention a few. For instance, if an employee is entitled to a week's holiday with pay, and a statutory holiday—such as Labour Day—falls within that period, he shall be paid for that day in addition to his week's holidays. But it must be a recognized statutory holiday for which firms usually pay wages. However, if a firm allowed its employees a holiday on Armistice Day, November 11, but without pay, an employee whose week's holiday occurs in the period covered by Armistice Day would not be entitled to the extra day's pay.

It also is provided that the employer must grant the holiday period not later than 10 months after the completion of the year's work. In other words, the holiday period cannot be delayed longer than 10 months after the end of any year. An employee can actually work a maximum of 22 months before he gets any vacation with pay.

Another provision is that if a business is transferred from one employer to another the purchaser of the business must assume all liabilities in respect of holiday pay which existed at the time of transfer. This, of course, is fair and necessary.

It is further provided that, where employment is terminated before the completion of a year of employment, the employer shall pay any vacation pay then due for a prior year of employment. For instance, if the employee had worked 14 months and had not