

Canada Labour Code

The hon. member for Timiskaming (Mr. Peters), the sponsor of this bill, proposes that the Canada Labour Code contain much more generous provisions for the employee who is laid off unexpectedly.

He proposes specifically the inclusion of a provision following section 57 of the Canada Labour Code which reads as follows:

An employee who is declared redundant by his employer or who ceases to be employed by him as a result of circumstances beyond the employee's control shall thereupon be paid by his employer a sum, hereinafter called severance pay, . . .

—which is the title of the bill—

. . . calculated under subsection (3).

And the mover of the bill specifically states, and I quote:

(2) This section does not apply to

(a) an employee who has become entitled to receive a payment or payments under any superannuation or pension plan whether statutory or otherwise;

(b) an employee who dies while employed;

(c) an employee whose period of employment by the employer, and by any person from whom the employer has accepted a transfer of the contract of employment, extends for less than 12 months.

This clause clearly indicates that the hon. member for Timiskaming shows some goodwill; he proves once more that he is a reasonable man when it comes to considering matters as serious as this one.

Mr. Speaker, the calculation of the amount of the compensation proposed in this bill is rather simple, and I think that even an employer with little education could understand it. The hon. member for Timiskaming actually proposes, and I quote:

(3) Severance pay is the higher of the following amounts:

(a) the average weekly earnings of the employee based upon the average of the last five years or lesser period of employment, multiplied by the number of years of his employment, and in addition where any part of such years falls between the employee's forty-fifth and sixtieth year, a further amount equal to such average earnings multiplied by such years of employment as fall between these ages; or

I made a brief calculation on the basis of average weekly wages of \$100, multiplied by five years, which gives a total of \$500. For example, if the employee concerned was, as proposed by the hon. member for Timiskaming, between 45 and 60, one could multiply \$500 by five years, which would make \$2,500. That is how I understand the arithmetic formula proposed by the hon. member for Timiskaming.

My attention was drawn to subsection 2 of his addition to the Canada Labour Code which reads as follows, and I quote:

"54. Parts I, II, III, IV and IV(A) of this Act shall come into force on the 1st day of July, 1970."

I think this should have been corrected or the present bill should have been updated. But he simply kept the same subsection which was in the bill he had introduced earlier. Therefore, I take it for granted that he would want his bill to come into force on the 1st day of July 1974, and if I am wrong, I stand to be corrected.

Mr. Speaker, I had the opportunity to do a bit of research before deciding to speak on this bill and I found in an analysis of 1804 collective agreements of recent date that out of 1,735,000 employees in all industrial sectors in

Canada, only 43 per cent, and what is even more significant, that only 28.4 per cent of those affected by collective agreements were protected by a provision entitling them to severance pay.

Another analysis of 306 major collective agreements involving 447,700 employees in the manufacturing sector shows that 37.9 per cent of the agreements involving 58.7 per cent of employees, included provisions entitling them to severance pay. A 1967 investigation on labour conditions, the last of a series of investigations whose findings are apparently available has shown that only 17 per cent of employees in all industrial sectors of Canada subjected to a sampling were covered by a provision concerning severance pay compared to 35 per cent of employees covered in industries under federal jurisdiction.

● (1630)

Those statistics speak volumes and strengthen the arguments already put forward by the hon. member for Timiskaming (Mr. Peters) for the passage or at least a full study of his bill. It seems to me that while some progress may have been made since the publication of the last surveys available to me—I do not think, and this is my intuition—that conditions have materially improved in Canada.

I also had before me a recommendation of the 1963 International Labour Conference which advocated a form of income security for the dismissed worker, but it was suggested at the same time that it might be done through unemployment benefits plus severance pay.

The hon. member for Timiskaming commented on the protection available under the unemployment insurance scheme in Canada. I will not discuss that, but I think there are gaps that should be filled.

As I already said, this is not, of course, the first attempt on the part of the sponsor of this bill to have his bill passed. I think he introduced it for the first time in 1969, and he indicated a while ago that he had to amend it in recent years so as to take into account certain amendments that we introduced, among other things, with respect to the unemployment insurance scheme.

I wanted to do it at the beginning of my remarks, but I should like at this point to commend the hon. member for his initiative and his well-known perseverance, and I want to assure him that he can count on my support for the detailed study of his bill. It seems to me that we could very well refer that bill to the committee.

The hon. member for Timiskaming, as most other hon. members, is concerned about the plight of the Canadian worker because he probably comes from the working class as most of us do. I am not an expert on the Canada Labour Code and I have no legal training nor any union background and at times those questions seem a bit unfamiliar to me. Still I think it is important for all members to expose the abuses that can happen occasionally and are brought to our attention.

No one ever doubted that the employee often is discriminated against by the employer and this especially in areas where there are no unions or where employers openly work against trade unionism.

Mr. Speaker, I should not like anyone to deduce from this last comment that I am a socialist like the hon.