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Mr. Smith gets his reward

Severance pay not intended for those who quit their jobs

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Outrage over Alberta's former Washington envoy Murray Smith's sweet severance deal is completely justified.

Even though the deal was brokered during the Klein years, Premier Ed Stelmach still holds much of the blame, since he was the minister at the time who signed the platinum-plated deal for his friend.

Smith, whose resume includes a stint as Energy minister, will be handsomely rewarded for quitting both his jobs, with two severance packages worth well into the six figures. He also will cash in a transition allowance granted to MLAs, that he had put on hold after he gave up his seat three years ago. As then-intergovernmental relations minister, and the person responsible for closing the deal, some in his office are arguing that Stelmach had little choice but to sign on the dotted line if his boss had already approved it.

That's a nice try, but it doesn't equate. Yes, taxpayer anger should target the arrogance of a government that had been in power by that time more than 30 years, one whose long tenure had spawned such a sense of entitlement that it felt nary a qualm about making so free with public money to smooth the path of a member of its inner circle.

In the private sector, where the taxpayers who unwittingly funded Smith's deal work, severance is paid to people who lose their jobs, not to those who leave them. Intended as a form of compensation for a sudden job loss, and also as a way of staving off wrongful dismissal suits, severance packages are supposed to help alleviate the financial problems of someone who is terminated while he or she looks for a new job. They are also a means of recognizing a downsized employee's years of service with the company. If severance was routinely paid to people who quit, companies would be unable to retain employees for very long. There would be a continual exodus of people from their jobs -- after working the requisite amount of time to collect severance, they'd move on to other jobs for short periods, pocketing package after package as they went. Unfortunately, that scenario pretty much sums up the plot of *Mr. Smith Goes To Washington*. Smith will be entitled to his severance packages even though he has been working since July on the energy advisory board of a bank headquartered in Toronto.

Stelmach, who likes to boast about his fiscal conservatism, is having troubles talking his way out of this one. He cannot undo the Smith severance bonanza without the accompanying legal bills which could quickly add up to more than the severance packages themselves.

Stelmach deserves all of the heat he gets on this, even if much of the blame lies with former Premier Ralph Klein.

What Stelmach must do now is to pledge to Albertans that under his watch, such a situation will never be permitted to happen again, either with Smith's replacement in Washington, Gary Mar, or with anyone else.

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