



House of Commons  
CANADA

## **Standing Committee on Finance**

---

FINA • NUMBER 023 • 3rd SESSION • 40th PARLIAMENT

---

**EVIDENCE**

**Tuesday, June 1, 2010**

**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Tuesday, June 1, 2010

• (1535)

[Translation]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** Order, please.

[English]

This is meeting number 23 of the Standing Committee on Finance. For our orders of the day, we have Bill C-290, An Act to amend the Income Tax Act (tax credit for loss of retirement income).

Colleagues, we have two panels today of one hour each, so we have a very tight timeline.

[Translation]

Today, we have with us two colleagues from the House of Commons. First, Mr. André Bellavance, the member of Parliament for Richmond—Arthabaska, whom I welcome to the committee.

We also have with us Mr. Louis Plamondon, the member of Parliament for Bas-Richelieu—Nicolet—Bécancour, who is also the dean of the House of Commons. Welcome to you as well.

You have 10 minutes for your presentation. After that, committee members will have questions for you.

Mr. Bellavance, please.

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** Thank you very much, Mr. Chairman.

I would also like to introduce the people to my left. They are two economists with the Research Department of the Bloc Québécois, Jean-David Beaulieu and Odile Rochon. So, if there are any questions about the numbers, we may want to call on them for assistance.

This is a bill we are all very familiar with, because I introduced it for the first time in 2007. At the time, it was Bill C-445. I would like to give you some background to explain how I came up with the idea of introducing this bill. I might add that it was developed in cooperation not only with a number of MPs, but also with people who have been affected—retirees who lost a lot of money in their pension plan.

You have already introduced my MP colleague, Louis Plamondon. He, my colleague representing Chambly—Borduas, Mr. Yves Lessard, who is here at this table, and myself all met with the people from the Jeffrey Mine and Atlas Stainless Steels a few years back. They asked us what could be done under the federal tax system to help them out, given the loss that they had suffered under their pension plans.

After some discussion and brainstorming, we concluded that a bill introducing a tax credit would be the best solution. In that regard, I take my hat off to Mr. Gaston Fréchette. He lives in my riding and is the chair of the Jeffrey Mine Retiree and Active Workers Sub-Committee. He is the one who proposed the idea of a tax credit that would soften the blow for retirees whose pension plan was cut following the closure or failure of their employer's company.

So, Bill C-445 was introduced for the first time in 2007. I have just given you a brief explanation of the discussions that led up to this solution. Because of the election in 2008, this bill died on the order paper.

Today, Mr. Chairman and colleagues, we come before you, at this stage in the process, to discuss Bill C-290 which, if I am not mistaken, was introduced again in February of 2009.

Following that, we also received a great deal of support. I believe that some witnesses will be coming here to add their voices to those of the pensioners from these two companies located in our respective ridings. A petition has also circulated. In our region, we have gathered more than 2,000 signatures in support of this request for a tax credit through Bill C-290. We also have the support of the Fédération de l'âge d'or du Québec, or FADOQ—at least, of its president—for this bill.

I would like now to briefly explain what happened at the Jeffrey Mine. A bankruptcy occurred in 2002. On average, people lost 40% of their pension. Approximately 1,200 workers were affected by this. In fact, under their pension plan, people lost some \$55 million. Atlas Stainless Steels, located in Sorel, went bankrupt in 2003. Workers there lost between 28% and 58%—almost 60%—of their pension funds. Approximately 250 workers are affected. On average, they lost \$6,000 each. As you see, there is quite a gap: some lost almost 30%, while others lost 58%.

There is one question we have been asked frequently. Are there currently other cases that could be eligible for this 22% tax credit proposed under Bill C-290? To our knowledge, there are none at the present time. Could other industries eventually fall under it and could other workers also be penalized? The answer is yes. Having said that, such cases will have to involve workers whose employer has gone bankrupt and shut down, as well as workers who have actually lost part of their pension funds.

The solution we are proposing is a 22% tax credit. It is the equivalent of the federal marginal tax rate that applies to the middle class. I will explain by way of an example. If someone was expecting to receive \$20,000 under his pension fund and ended up with only \$12,000, he would be looking at a loss of \$8,000. So, it is based on that loss that the tax credit is determined. The tax credit would be \$1,760, non taxable and transferable to a surviving spouse, but not retroactive.

I said earlier that the bill only applies to retirees who have been cheated through income losses under their pension plan following a closure or bankruptcy. This is not a virtual loss, as it would be for someone who loses his pension funds because of the economic crisis or because the stock market falls. He could not suddenly claim a tax credit because, in actual fact, he would not already have lost the money. The idea is not to make up for an actuarial deficit resulting from a stock market drop. That point must be absolutely clear.

I would like to provide a further clarification, Mr. Chairman. There are legislative amendments which, in our opinion, would mean that there would not be a lot of other companies or retirees who could avail themselves of this tax credit, even though one may think the door is always open. It is important to realize that Bill 30 is already in effect in Quebec. In Ontario, the Pension Benefits Guarantee Fund has been set up. In other provinces as well, there are laws in effect which prevent such unfairness from occurring, at least we hope so. That means that these kinds of situations will be very few in number. There is also the Bankruptcy and Insolvency Act which has been amended by the Parliament of Canada. The benefits must be paid into the pension plan before the court accepts the bankruptcy. Therefore, any contributions due by the employer are paid out of the company's assets. Before an employer can declare bankruptcy, those contributions must be made, which obviously makes an enormous difference. I believe that amendment came into effect last September 18.

I am not telling you anything you do not already know when I say that regulations will be introduced once the bill is in effect, in order to restrict the scope of some of these measures. But the initial idea was to help workers who have been cheated out of their pension—to help retirees. Thus far, I must say we have received the support of the Opposition parties at every reading. The Bloc Québécois obviously voted in favour. Only the Conservative Party has opposed this bill. Today will be an opportunity for you to ask us questions. We will be very pleased to answer them, Mr. Chairman.

Thank you very much.

• (1540)

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Just to add to what has already been said, Mr. Chairman, I would like to mention—and this is very important—that a lot of documents providing estimates have circulated. They are from the Library of Parliament or from researchers. Reference is made in those documents to companies experiencing financial difficulties. But that is not accurate; this applies to companies which have failed and have shut down. For example, Nortel would not be included, because it has not shut down and it has not declared bankruptcy. We researched this across Canada and contacted unions across the country to ascertain whether there were other similar cases. The only two companies we found are the ones we have been talking about.

By digging a little deeper, I found another company near Quebec City, MIL-Davie Shipbuilding. The president told me that pension benefits had dropped, but that the company which bought the business is now negotiating to compensate that income loss. So, there are no other similar situations out there. In all of these consultations, we found no other companies in Canada where workers have been treated unfairly, as is the case here.

This bill is therefore an economic measure, but with an important element of compassion, since it would do justice to individuals who have actually been robbed of one third of their pension. It is not a very costly measure, since it is limited to 1,200 people who are fairly advanced in age. In many cases, they are over the age of 70, which means that the number of beneficiaries would decline continuously, as would the government's contribution. This is not a large amount of money and it would be aimed at a specific group of people who worked for companies that—I repeat—have failed, as opposed to being in difficulty. It could be an exemplary piece of legislation in terms of compassion and it would do some justice from an economic standpoint, by refunding 22% of the loss.

Thank you, Mr. Chairman.

**The Chair:** Mr. Plamondon, Mr. Bellavance, thank you for your presentations.

We will begin with Mr. Pacetti.

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Thank you, Mr. Chairman.

I would like to thank our witnesses.

Congratulations, Mr. Bellavance. I have found myself in your position in the past and it is not always easy to be on the other side of the table. So, I want to commend you for the excellent work you have done in this area. I have some fairly technical questions.

Mr. Plamondon, perhaps I should ask you first. Nortel has not declared bankruptcy at this time, but were it to fail, would this bill apply to Nortel employees? Apparently, Nortel is going to declare bankruptcy in September or October.

**Mr. Louis Plamondon:** People working for that company are protected by the provincial legislation in Ontario, and now, by the legislation in Quebec. When Atlas Stainless Steels in Sorel declared bankruptcy, the workers found themselves in the situation we described earlier. In Ontario, however, there was no problem for Atlas because provincial legislation guaranteed the first \$1,000 of pension losses. At Atlas in Ontario, no claim was made, whereas there were claims made to Atlas in Quebec, because of losses. However, if that were to happen at Nortel, there is already legislation in place that would deal with it.

In Quebec, that could no longer occur because Bill 30 is now in effect. There cannot be any more such cases in Ontario either, nor in most of the other provinces, because people are now protected by a provincial scheme.

**Mr. Massimo Pacetti:** The bill consists mainly of a series of formulas. It is quite simple. Now where does it say that this pertains to or will only apply to companies that have declared bankruptcy?

• (1545)

**Mr. Louis Plamondon:** I do not know exactly on what line of the bill it says that, but it is there. If necessary, we will spell that out.

**Mr. Massimo Pacetti:** I do not see it, because it is quite informal.

**Mr. Louis Plamondon:** Do you have the bill?

**Mr. André Bellavance:** I haven't got it with me.

**Mr. Massimo Pacetti:** That leads me to another question. How will this work? Will people have a certificate that they will have to send in with their tax return?

It has to be applicable. I am talking about the mechanisms here. The individual has to be eligible in order to receive that amount. Whose job will it be to determine that person's eligibility?

**Mr. André Bellavance:** We talked to senior officials at the Department of Finance before introducing this bill. We wanted to know whether it was credible and acceptable. Senior officials at the Department of Finance told us it was. However, if the bill passes, what will the specific procedure be? Will a cheque be sent following receipt of the tax return or following receipt of another form? In terms of the paperwork, no procedure has yet been established, but it would be a simple matter.

**Mr. Massimo Pacetti:** Where taxes are concerned, nothing is ever easy.

**Mr. André Bellavance:** That will probably be specified in the regulations.

To answer your question about companies that go bankrupt, I just want to mention that what we have presented here corresponds exactly to what we presented to the law clerks. We asked them to draft it so that it would do what we wanted it to do. It is the same with a lot of bills. You can always try and interpret it in different ways, but it is clear that the legislator's intention—in this case, that is us—was to provide assistance when companies have actually shut down and declared bankruptcy.

**Mr. Massimo Pacetti:** That is why it is preferable to specify in committee.

The same thing applies to tax credits. Tax credits are usually not refundable. In this case, it has to be refundable. That is another problem. I do not know whether you are familiar with tax returns, but I believe this normally appears on page 4, does it not?

**Mr. André Bellavance:** We have opted for a refundable tax credit. You are right. That does pose an additional problem, in that this must receive the royal recommendation. We obviously sat down with the retirees to look at this. We could have opted for a non-refundable tax credit, but many retirees have very little income. They are poor people who already pay no taxes. Consequently, a non-refundable tax credit would not have been effective.

That is the choice we made in order to help people as much as possible.

**Mr. Massimo Pacetti:** I have one final question. If someone was eligible to receive this amount but subsequently found other work, is it possible he would no longer be eligible? Could that happen?

**Mr. André Bellavance:** That has not been specified. In fact, given their age, most of these people would probably not be seeking other

employment; at the same time, this is a tax credit for lost retirement income. Therefore, they would have the right to keep on receiving it.

**Mr. Massimo Pacetti:** Thank you, Mr. Chairman.

**The Chair:** Thank you, Mr. Pacetti.

Mr. Paillé, you have seven minutes.

**Mr. Daniel Paillé (Hochelaga, BQ):** Good afternoon, colleagues.

This bill, based on the way you have explained it and on the mechanism you are relying on, is a tax-related bill. By its very nature, it would not help people with a fantastic pension who are trying to pull a fast one on the tax authorities. Based on what we know, there would only be these two cases. Mr. Plamondon, you said that there is a third case—MIL-Davie Shipbuilding, which is currently trying to resolve the issue. For all intents and purposes, this is salary that people put aside for retirement, and then, at some point the company went bankrupt. So, we are not talking about a company in difficulty, but rather, one that has shut down and left a financial hole. As I understand it, before I was elected—but Mr. Plamondon knows about this, since he was here before even Jacques Cartier arrived—that hole was identified by the tax authorities, who then plugged the hole saying that a company will only receive a bankruptcy certificate from a judge if it has already paid the amounts that it owes.

I would like you to confirm the difference between a company in financial difficulty, which could end up declaring bankruptcy—even if things are going very well right now—and the particular circumstance that this bill aims to address. If it were an open bar, so to speak, there could be huge costs in future, but that is not at all the case. Basically, this is not an open bar. The bar is closed and people had already paid to receive their glass of water.

• (1550)

**Mr. André Bellavance:** Exactly. As a result of legislative changes, the situation is different now. When we initially prepared the bill, we did our own research on businesses elsewhere in Canada where similar circumstances might exist, as Mr. Plamondon was saying earlier. There may be one in the riding of the Hon. Peter MacKay. It is not clear that it would meet the requirements of this bill. The whole purpose is to assist the retirees we met with, even though we are not against the idea of helping other retirees who have been cheated. There is a humanitarian issue here.

Now, as you say, if the hole has been plugged, that could restrict access to this legislation. If it turned out that the measures already in place were not sufficient, there might end up being others. However, for the time being, these laws have resolved the issue.

**Mr. Daniel Paillé:** That is the very nature of this bill. Basically, this bill is highly restrictive and limited in time, because it specifically addressed two companies—we could almost name them—and about 1,450 retirees. But time is moving on. You were saying that this goes back to 2002-2003. It is already 2010. So, the theory put forward by our Liberal colleague, that these individuals could find other work, is less plausible and, as regards the tax credit, the hole has been plugged.

You were saying that action has been taken in Ontario and elsewhere. Has the Government of Quebec already take action and shown a desire to respond to the situation you described? I know that there are quite a few retirees who are also here today.

**Mr. André Bellavance:** Bill 30 is in effect in Quebec. I can also tell you that, when we began discussions with retirees about this bill, our counterparts in Quebec—Sylvain Simard, in the riding of Mr. Plamondon, and Yvon Vallières, in my own—had discussions with authorities in Quebec about this. I believe the Government of Quebec concluded that if the federal government were to move forward on this bill, it could then harmonize its own legislation along the same lines. I cannot guarantee you that this is the case, but as I recall, that is the way it went in Quebec.

**Mr. Louis Plamondon:** As regards the retirees, I would just like to point out that, in some cases, these individuals have been receiving their pension for 15 or 20 years, only to suddenly see it cut by one third because, at the time of the closure, the \$15 million that was needed was no longer there. So, these are people who may have retired at 58 or 60 years of age, and are now 75 or 80.

**Mr. Daniel Paillé:** Pardon me for interrupting you. You are well acquainted with the seven-minute rule. You have been on this side before. Do we know what proportion of workers were already retired? Is there a chart—

**Mr. Louis Plamondon:** There were all retired. There is a retirees' association, and often these are individuals who have been retired for quite a few years. People who have been retired for 10 or 12 years must represent more than half of the former Atlas workers. And it is the same for the Jeffrey Mine.

**Mr. André Bellavance:** At the present time, there are still between 300 and 400 workers at the Jeffrey Mine. They have also seen their pension funds melt away. There are almost 1,000 retirees.

**Mr. Daniel Paillé:** However, in the case of the Jeffrey Mine, you say there are still several hundred people who are working. How would this cover them? Would it cover them? Because this is a situation which is frozen in time, we do not have to concern ourselves with them. In that case, we would only be considering the 1,200 people at the Jeffrey Mine?

**Mr. André Bellavance:** That is correct. If the new legislation means they recover their virtual losses, they will be better off.

**Mr. Daniel Paillé:** So, it is clear for everyone—at least, we hope—that this would not apply either to Nortel, to a car manufacturer in Ontario, for example, or to other companies, which is something that may be of concern to government members, who might wonder how big the hole is. But it has been completely plugged.

● (1555)

**Mr. Louis Plamondon:** That is right. The others are already protected.

Since you referred to the auto workers, I just want to say that with the last loan provided by the government, \$250 million was set aside by the company to bail out the pension fund. That money has now been paid back to the government. That shows that there has in the past been indirect government assistance to deal with specific situations.

**Mr. Daniel Paillé:** I understand. What occurred in the auto industry clearly shows that, when the government provided loans, it

demanding that the company pay and provide compensation. In this case, because there is a financial hole in two specific companies, there is a need to treat these people fairly.

**Mr. Louis Plamondon:** Exactly.

**Mr. Daniel Paillé:** Take your time answering. We have all the time we need.

**The Chair:** No, your time is up.

Thank you, Mr. Paillé.

Mr. Gagné, please.

**Mr. Bernard Gagné (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Chairman.

To begin with, I would like to address some comments to the workers who are here with us today.

If our government has voted against this bill up until now, it is not out of a lack of compassion. I am a recent arrival to Ottawa and I can tell you that this has absolutely nothing to do with a lack of compassion on the part of our government. We are very sorry about the unfortunate impact these events have had on you in the last number of years.

Having said that, Mr. Bellavance and Mr. Plamondon, you know that we have been holding consultations for a number of months now on everything dealing with retirement funds in Canada. Those consultations are not only being held in Ottawa. We are also consulting in many provinces across the country. The provincial governments have agreed to come on side and help to develop the kinds of reforms that would improve our health care systems and avoid the kind of thing that happened to plant workers in your region.

My first question is as follows. Why did you introduce your bill again when we are in the process of examining all these issues? What is your true intention?

**Mr. Louis Plamondon:** This bill was introduced well before the government expressed any intention of holding the consultations you have referred to. It was even introduced in the previous Parliament. An election was called and it died. So, we introduced it again.

However, as we see it, this is clearly a very special case. As a result, a special piece of legislation and a special settlement are in order. The analysis being done by the government and its consultations with the other provinces on all pension plans—which is a good idea, in fact—are intended to result in a more general policy that would satisfy everyone and ensure that situations like these do not recur. The proper process was followed for the bill.

**Mr. André Bellavance:** They will not recover what they lost, whatever mechanism we put in place.

**Mr. Bernard Gagné:** Yes, I know that.

**Mr. André Bellavance:** On February 5 last, you had not yet begun your consultations. After the election, we introduced the bill again.

**Mr. Bernard Gagné:** I know that.

I have a great deal of respect for the workers who are here today. I would like to get to the bottom of this situation by asking some questions.

**Mr. André Bellavance:** That is what we are here for.

**Mr. Bernard Généreux:** You have drafted a bill which, based on what you said, is aimed at two companies in Canada. That is pretty much what you just told us.

**Mr. André Bellavance:** That is how it turned out.

**Mr. Bernard Généreux:** I am going to try and stick to arguments when commenting and not be arrogant, if possible.

Do you think that every time two companies have a problem in Canada, we should come back to Parliament to pass a bill?

**Mr. André Bellavance:** Personally, I would have no problem with doing that. I would not be ashamed to do it. And I am not ashamed to have done what we did.

We might have found others, but it turns out there are only two. These are people who have been cheated, and who, as I said earlier, lost between 28% and 58% of their pension funds.

I believe that our role, as legislators, is to help people. These individuals came to meet with us, asking what we could do under the tax system to help them out. And the idea of doing this causes us no discomfort. We have calculated that, for these two companies, the cost would amount to between \$3 million and \$5 million a year. The role of lawmakers and government is to help these people.

• (1600)

**Mr. Louis Plamondon:** When we started this, there were two companies. We did some research, because we thought there could be more. However, we realized that, at the present time, there are only two.

**Mr. Bernard Généreux:** Pardon me, Mr. Plamondon, are you telling me that in Canada at the present time—I am not talking only about Quebec, but of Canada—

**Mr. Louis Plamondon:** Yes, Canada.

**Mr. Bernard Généreux:** —and that, with the number of bankruptcies that are occurring all across the country, there are only two companies that could potentially be covered under this bill?

**Mr. Louis Plamondon:** Yes, because the others are protected under provincial legislation. I gave you an example. Atlas Stainless Steels in Sorel is not protected. The two Atlas companies—the one in Ontario and the one in Quebec—declared bankruptcy at the same time. The one in Ontario made no claim because it was protected by a provincial statute.

**Mr. Bernard Généreux:** So, what is Quebec waiting for to pass a provincial law that will protect them?

**Mr. Louis Plamondon:** It is already in place and there will be no more such cases.

It is a little like for special situations. Let us take the example of the auto sector. The government bailed out that industry. I am in favour of the support that was provided to the auto sector. However, the government included a clause telling these companies that they had an obligation to keep the pension plan afloat—the auto sector pension plan is generous—and that is what they did.

In the forest industry, for instance, there was government assistance. People did not need it because the circumstances of the companies that were shutting down were not the same.

**Mr. Bernard Généreux:** However, there are currently a number of forest companies or firms operating in other industries in Quebec that are experiencing problems.

**Mr. Louis Plamondon:** Yes, but they will not be affected because they are protected by Bill 30.

**Mr. Bernard Généreux:** I want to come back to my initial question, to be sure that I understand. At this point, I still do not understand—maybe I am a little slow to catch on.

**Voices:** Oh, oh!

**Mr. Bernard Généreux:** Insofar as this bill would only apply to two companies, I understand that you are not ashamed of proposing it, but I will repeat my question—

**Mr. Louis Plamondon:** It would cost the government less money.

**Mr. Bernard Généreux:** Do you think that, if two or three companies in Canada encounter problems because of what happened eight years ago, we should go through the whole process again to settle issues on a piecemeal basis, such as we are doing here?

According to the assessments we have been given, the \$3 million to \$5 million annually that you refer to would end up being much more if, at some point, other companies are covered by your legislation.

**Mr. André Bellavance:** We have just explained at great length that, in actual fact, because of new laws that have been passed across the provinces, as well as at the federal level, under the Income Tax Act, it would be practically impossible for there to be any more.

As regards these two companies, you are asking me whether we should make piecemeal changes because of the problems facing several thousand people. My answer is yes; we have a duty to do so.

**Mr. Louis Plamondon:** Every time citizens are treated unfairly, as a government, we have a duty to act. Sometimes people are put in jail by mistake. What does the government do then? It provides financial compensation. These are individual cases, but when people have been treated unjustly, corrective measures are taken. It is the same in any area.

Every time we have an opportunity to help people who have been treated unfairly, we have a duty to do that.

**The Chair:** Thank you.

Mr. Mulcair, for seven minutes.

**Mr. Thomas Mulcair (Outremont, NDP):** Mr. Chairman, I would like to say to our colleagues that the NDP continues to support Bill C-290.

**Mr. Louis Plamondon:** Thank you.

**Mr. André Bellavance:** Thank you.

**Mr. Thomas Mulcair:** The questions have given both members an opportunity to clearly explain the importance of this bill.

I have followed events at Atlas Stainless Steels right from the outset. In actual fact, in everything the government does, it is always about posturing. When we talk about protecting retirees' pensions and doing the right thing, well, so far, the government has been endlessly consulting, but has actually done nothing.

Even though I would like to see this broadened and imagine there will be other such situations to deal with in future, the fact that we cannot do more now is not a reason not to do this. You have been working on this for three years now. Congratulations, and I can tell you that you have our support.

**Mr. Louis Plamondon:** Thank you for your support.

Mr. Godin has also followed events in this area from the beginning. Thank you for cooperating with us on this.

**The Chair:** Is that it? All right.

• (1605)

[English]

Mr. McCallum, please.

[Translation]

**Hon. John McCallum (Markham—Unionville, Lib.):** Congratulations on your work.

I am in favour of the principle that you are trying to introduce, meaning that I agree that people should receive a 22% tax credit for losses that occur in cases involving bankruptcy.

**Mr. Louis Plamondon:** Only if the fund has a deficit.

**Hon. John McCallum:** Yes.

Moreover, I think the government's estimate of \$11 billion is ridiculous. At the same time, looking at the estimates provided by the Bloc Québécois and the PBO, the amounts go from \$3 million to \$53 million.

There is another thing that I do not understand at all. How does what is described in the actual wording of the bill meet your objective?

I have two questions. How will this bill produce the results you are seeking and how do you explain the significant discrepancy between the estimates produced by the Bloc Québécois and the PBO?

**Mr. André Bellavance:** Thank you, Mr. McCallum.

As I said earlier to Mr. Pacetti, we laid out our goals for this bill, which is something we all do when we are introducing a private member's bill. We explain our objectives to Legal Services at the House of Commons and to the law clerks, who then draft the bill using their own terminology to ensure it meets the specified needs.

Since 2007, and throughout this whole process, we were never told that the bill did not meet the specific requirements for a tax credit. I studied law—although I did not become a lawyer—and, to be perfectly frank, I think the bill says exactly what it should say, which is that a 22% tax credit will be provided to people who suffer losses as a result of the failure or closure of their employer's company.

**Hon. John McCallum:** However, in everything that I have read, there is no mention of the word “bankruptcy”. How can a bill deal with bankruptcy if the word “bankruptcy” does not appear in the bill?

**Mr. André Bellavance:** The tax credit applies in cases involving lost income as a result of pension funds that have declined or have been lost. Our intention and that of the legislators has always been to address cases involving company failures and closures.

**Hon. John McCallum:** I agree with that objective. However, I do not see how this bill allows us to attain that objective.

**Mr. André Bellavance:** That is exactly what we asked for and the result we received from the law clerk is what you have in front of you. The intent truly is the one we have explained today.

In terms of the discrepancies between certain estimates, Mr. Page will be appearing as a witness, and you can ask him how he arrived at \$53 million. He says there may be other cases that are affected, but as we pointed out in our testimony, we have found no other such cases. Mr. Page says that there may be others and that the cost could be as high as \$53 million.

**Hon. John McCallum:** Is it true that this bill applies only to pension funds that fall within federal jurisdiction?

**Mr. Louis Plamondon:** Most pension plans fall within provincial jurisdiction. This legislation would apply in any province to any pension fund with a deficit following a bankruptcy or closure. It provides a 22% tax credit for incurred losses. When Mr. Page talks about \$50 million in his analysis, he is referring to companies in difficulty. We are not talking about companies in difficulty; we are talking about companies that declare bankruptcy or shut down.

**Hon. John McCallum:** So, that should limit the cost.

**Mr. Louis Plamondon:** Yes, enormously. Our estimate is that it could cost between \$1 million and \$1.8 million in the first year. That would decline subsequently, because people do not live forever.

**Hon. John McCallum:** I understand.

I want to be sure I understand. This bill would apply to all pension plans, provincial or federal. Is that correct?

**Mr. Louis Plamondon:** Yes, it would apply to any company with a federal or provincial charter.

**Hon. John McCallum:** Fine, thank you.

**Mr. André Bellavance:** I would just like to clarify one thing, Mr. McCallum, with respect to bankruptcies. Obviously, we have always said—and I have said this as well in my speeches—that we are open to any amendments that would enhance the bill without, of course, penalizing the people we are seeking to assist with this legislation. We are not at all against the idea of specifying that this applies to bankruptcies.

• (1610)

**Mr. Louis Plamondon:** The current title of the bill is: An Act to amend the Income Tax Act (tax credit for loss of retirement income). We could add to the title by including the words “following a company failure or closure”. That way, it would be in the title and would better describe the intent.

**Hon. John McCallum:** Fine, thank you very much.

**The Chair:** Mr. Carrier, please. You have five minutes.



**Mr. Robert Carrier (Alfred-Pellan, BQ):** I would like to welcome my colleagues.

I want to commend you on your bill. I found the comments made by Mr. G  n  reux earlier to the effect that this bill would only help the workers of two companies, to be offensive. You were saying that it would affect 1,400 workers from these two companies.

**Mr. Andr   Bellavance:** It is a little more than that. It is about 1,450.

**Mr. Robert Carrier:** In reality, we are not talking about two companies, but of 1,400 workers experiencing financial difficulties because of inconsistencies in legislation that left them unprotected. Our role as parliamentarians is to try and correct the situation and improve the lot of our fellow citizens. Pension plans across the country are currently being reviewed, but if important corrective action is needed immediately, I think we have a duty to take that action.

Earlier, Mr. Plamondon gave an example. When there is an injustice, when someone is wrongly jailed, that person may receive financial compensation for any miscarriage of justice may have occurred. That does not apply to only one individual. It goes without saying that this is a bill that all parliamentarians should support. I would like to ask you something. You were saying that, based on your research, you would be surprised if other companies found themselves in the same predicament. Does that mean that, in each of the provinces, laws have been passed to protect workers and preserve their pension fund?

**Mr. Louis Plamondon:** Yes. To our knowledge, that is the case in Ontario and Quebec. It definitely applies to Alberta and British Columbia as well. There are laws in place in all the provinces, and it would be quite exceptional if one province did not have one. As I say, we researched this with the assistance of the network of unions that exists all across Canada. We made inquiries to find out whether other companies were in similar circumstances, but we found none.

**Mr. Andr   Bellavance:** Mr. Carrier, I would like to give you an example in response to your surprise at Mr. G  n  reux's saying that this only affects two companies.

In my riding, there is a little boy who has an extremely rare disease. He cannot be exposed to sunlight. When he is, unfortunately, his skin burns. I believe there are only two such cases in Quebec and the condition of the little boy who lives in my riding is even more serious than that of the other individual, who does have some tolerance. I might have thought to myself that it is really unfortunate that this little boy is not entitled to the disability tax credit. And do you know why he is not entitled to it? Because, in order to be entitled to receive the disability tax credit, you must have received treatment. But there is no treatment for this particular disease. In order to receive the disability tax credit, you must be taking a certain amount of medication every week. There are certain criteria to be met. However, there is no medication available for the disease that afflicts this child.

So, I had two choices. Either I could just say to myself: well, it's too bad, but he does not meet the criteria, so he is not entitled to the tax credit. My other choice was to make representations to the Minister. I did not introduce a bill dealing with this, but I did make representations for there to be an exemption, so that this child can

receive the tax credit. It was a long process but a fruitful one. And I am doing the same thing now, after meeting with retirees from my riding who told me they made contributions expecting to receive a certain amount of money when they retired and that they have lost a significant percentage of the income.

**The Chair:** You have 30 seconds.

**Mr. Robert Carrier:** I am going to use them.

I heard you say earlier that, according to the bill, this refundable tax credit would not be retroactive. Is that right?

• (1615)

**Mr. Andr   Bellavance:** Yes, that is right.

**Mr. Robert Carrier:** So, it is urgent to resolve this as soon as possible. I believe you were talking about bankruptcies that occurred in 2002, were you not?

**Mr. Andr   Bellavance:** In 2002-2003.

**Mr. Robert Carrier:** So, these people have been deprived of significant amounts of income since then.

**Mr. Andr   Bellavance:** Yes, that is correct.

**Mr. Robert Carrier:** They have been deprived of considerable income for years now, but we cannot turn back the clock. That is an additional reason to at least correct the situation for future years on behalf of these people.

Thank you.

**Mr. Andr   Bellavance:** Thank you, Mr. Carrier.

[English]

**The Chair:** *Merci.*

Mr. Wallace, please.

**Mr. Mike Wallace (Burlington, CPC):** Thank you, Mr. Chair.

Thank you, witnesses, for bringing the bill forward.

I just need a couple of clarifications, really. You admit, then, that the word "bankruptcy", the issue of bankruptcy, is not actually mentioned in the five clauses that actually make up the bill. Is that correct? The word "bankruptcy" is not in there. I've been reading it over and over. I think Mr. McCallum mentioned it. The bill does not mention bankruptcy. Is that correct?

So you cannot honestly tell me—

[Translation]

**Mr. Louis Plamondon:** The word "bankruptcy" does not currently appear in the bill, but it can be added. That was the legislator's intent and when we presented the bill—

[English]

**Mr. Mike Wallace:** Since bankruptcy was not in the bill, and we asked the Parliamentary Budget Officer to look at what the definitions would be and how it would have an effect, is it reasonable that it could be interpreted that it would include companies other than those that are bankrupt because there's no mention of bankruptcy in the bill?

[Translation]

**Mr. André Bellavance:** Mr. Wallace, I can only repeat that the legislator's intent—in this case, that is us—truly was to have this apply when a company goes bankrupt. The legislator and the people who draft legislation—I imagine they are the same people who draft government bills—worded it as you now see it.

[English]

**Mr. Mike Wallace:** That is not the case. That's actually not true, sir.

**Hon. John McKay (Scarborough—Guildwood, Lib.):** It's not a good argument.

[Translation]

**Mr. André Bellavance:** What is not true?

[English]

**Mr. Mike Wallace:** Here's my next question to you. Day after day at committee and in the House we hear from the Bloc Québécois that this is provincial jurisdiction, so keep your nose out of it. We hear that Canada should stay away from this issue and from that issue, that they're a provincial responsibility.

You have said here today, sir, that this is a provincial responsibility. Why would we make an exception in this case? Why are you, as a party, making an exception in this case? First of all, is it not provincial jurisdiction?

Second of all, I think you need to check your facts about the insurance programs that are available from provinces to cover deficits in defined pension plans that don't go well, because that is not the case in every province. In Ontario that plan itself is bankrupt; they don't have enough money to cover it off, so it doesn't really work, to be perfectly frank with you.

I'd be happy to hear how you justify asking the federal government to get involved in provincial jurisdiction.

[Translation]

**Mr. André Bellavance:** There is no contradiction whatsoever. Provincial jurisdiction is not affected by this kind of bill. This is comparable to a tax credit provided to young people who settle in a region, for example, to a tax credit for people with a disability and to many other tax credits that are now available, at the federal level, in Quebec or in any other province.

I am aware of no interpretation that would prompt me to conclude that this bill infringes on Quebec's jurisdiction. This simply deals with the people who have been cheated and whom federal lawmakers believe should be compensated for their losses, just as been done with other tax credits. There is no difference.

**Mr. Louis Plamondon:** This amends a federal statute. It does not affect provincial jurisdiction. We are amending a federal statute. How can a federal statute help people who have been treated unfairly? Well, through amendments to the federal Income Tax Act. We came up with this solution in cooperation with researchers, as a way of showing our compassion for these individuals.

[English]

**Mr. Mike Wallace:** It's my understanding this bill needs a royal recommendation for it to become law or for it to even be voted on in

the House of Commons at third reading. You can correct me if I'm wrong about that, but I believe it needs a royal recommendation. Were you aware of that when you drafted the bill?

[Translation]

**Mr. André Bellavance:** Yes, absolutely. Of course, the government always has the option of doing that for a refundable tax credit. It can require a royal recommendation. However, we were hoping we could convince you to support this bill and grant the royal recommendation. That is still our hope.

● (1620)

[English]

**The Chair:** You have 30 seconds.

**Mr. Mike Wallace:** That's good enough for me. Thank you.

**The Chair:** Thank you, Mr. Wallace.

Mr. McKay, please.

**Hon. John McKay:** I'm looking for the triggering event in the bill. The first part of the bill has to do with definitions: the “defined benefit provision”, the “eligible individual”, and the “money purchase provision”. You talk about benefits under the money purchase provision of the plan “if the employer had made the contributions”.

I don't understand why you put what I think should be the triggering event in the definition. There doesn't seem to be any event that actually triggers the claim. You give there how you calculate the money and several other things, but how is Revenue Canada supposed to know there's some basis for this claim? I don't quite follow it.

[Translation]

**Mr. André Bellavance:** On their tax return, people will have to show that they have actually suffered a loss of retirement income following the closure or failure of the company that employed them, before they can avail themselves of the tax credit.

**Mr. Louis Plamondon:** That is well known information, because the pension fund is administered. The trust which administers the pension fund could easily provide the exact amount of the losses incurred by every individual during the year.

As to what the 22% represents, I think federal officials can calculate it fairly quickly and ascertain whether that reflects what is being requested.

[English]

**Hon. John McKay:** Let's say that's true. I've lost \$100,000 in my pension plan, for argument's sake, and I get some trustee or someone to say that I've lost \$100,000. If that's true and I file that, what is in this bill that says Revenue Canada has to give me a 22% credit? Could you point me to that section?

[Translation]

**Mr. André Bellavance:** In the second part of the bill, where it talks about the amount of tax deemed to be paid by subsections 120 (2) or (2.2) and following, on page 2, is where it says the Department of Revenue has to—

**Mr. Louis Plamondon:** This bill was drafted following meetings with the law clerks here, whose job it is to draft bills so that they abide by the rules. After explaining what we were seeking, they drafted the bill as you see it. They arrived at 22% after checking the current Income Tax Act. According to the law clerks, everything that needed to be here was here and, if the bill were to pass, it would be consistent with the current act. This is an amendment to the current act. They said it would be consistent with the act and these amounts could be paid.

Our research officer may want to add something.

**Mr. Jean-David Beaulieu (Researcher, Bloc Québécois Research Bureau, Bloc Québécois):** It would be up to the Canada Revenue Agency to determine exactly which mechanism would be used and where on the actual tax return taxpayers would be requesting that credit, once the law is in effect. I don't think the bill should be setting out the specific conditions under which the tax credit would apply. It is up to the Canada Revenue Agency to decide how to implement this, based on its own guidelines.

[English]

**Hon. John McKay:** Just as a point of procedure, or precision, if you will, usually there is a clause of some kind that says “in the event that so-and-so is found, the Government of Canada or Revenue Canada must do this”. It may well be that it's in paragraph 2(1)(b), but I read it three or four times and it wasn't clear to me.

I'll leave the point there, but it seems to me to be a bit obscure.

• (1625)

**The Chair:** Thank you, Mr. McKay.

[Translation]

**Mr. Louis Plamondon:** In clause 2(1), it says:

“[...] the amount of tax, if any, deemed by subsection [...]”

The subsections are named—they do not appear in full but they are named. That is where you will find the answer to your question: in the 35 subsections of the Income Tax Act that are affected by this.

[English]

**Hon. John McKay:** You may well be right.

[Translation]

**The Chair:** Thank you, Mr. Bellavance and Mr. Plamondon.

[English]

Colleagues, we will take a two-minute suspension and then bring forward our next panel of witnesses.

*Merci.*

• \_\_\_\_\_ (Pause) \_\_\_\_\_  
•

**The Chair:** Order, please.

We will begin the second panel.

Could we have some order, please?

I believe there will be three presentations in this panel.

[Translation]

Our witnesses today are, first of all, Mr. Pierre St-Michel, representing the Regroupement des retraité(es) des Aciers Atlas, as an individual; second, the Association des Retraités d'Asbestos; and, third, the Fédération des associations de retraités du Québec. You will have five minutes for your presentations. We will be begin with Mr. St-Michel.

**Mr. Pierre St-Michel (President, Regroupement des retraité(es) des Aciers Atlas):** Mr. Chairman, I would like Ms. Blanchard to begin because she has prepared a statement. After that, I will comment, if that is all right with you.

**The Chair:** Fine. Ms. Blanchard.

**Ms. Diane Blanchard (Secretary, Regroupement des retraité(es) des Aciers Atlas):** Mr. Chairman, members of the Standing Committee on Finance, ladies and gentlemen, I would like to begin by conveying my greetings and once again expressing our appreciation for your interest in our cause.

On March 25, as part of your study on the retirement income security of Canadians, we had an opportunity to make you aware of our difficult living conditions. In your own words, you, the members of the Standing Committee on Finance, said that you appreciated the chance to put a human face to the questions and gather information, with a view to passing legislation that might put a stop to the widespread hemorrhaging affecting the pension funds of ordinary Canadians. For us, these discussions were an opportunity to gauge the misunderstandings and incomprehension.

Today, June 1, 2010, marks our 60th pension cut, representing a personal loss of tens of thousands of dollars, and 60 months of having to juggle with a budget that has been cut by between 30% and 58%, in order to meet our financial obligations. It is five years since we began the process of alerting governments to the gaps in the administration of private sector pension funds in cases of bankruptcy, as well as the devastating consequences for retirees and all sectors of the economy.

At the time, this was a relatively new phenomenon. Before us, only retirees from Singer and the Jeffrey Mine in Asbestos, Quebec, had suffered losses, as their pension funds had an actuarial deficit at the time their employer's company went under. So, we began working on a number of different fronts. Our analysis confirmed that only a political solution could solve our problem.

So, we went knocking on the door of our federal member of Parliament, Louis Plamondon, of the Bloc Québécois. As luck would have it, Asbestos was represented by André Bellavance, an activist from the same political party. It was therefore as a result of a joint effort that Bill C-445 was introduced in May of 2007, then introduced again in February of 2009, as C-290, An Act to amend the Income Tax Act (tax credit for loss of retirement income).

During the two-hour debate in May of 2008, at second reading, the Liberal Party and the NDP stated that they were in favour of more in-depth study of the bill, thereby giving it a chance of survival—an expression of empathy for which we are deeply grateful. The Conservative Party, however, felt it was poorly drafted and, because it might veer off in many different directions, likely to result in astronomical costs for the Treasury.

We are neither politicians nor tax experts able to ascertain the implications of its wording, no more than we have the expertise to examine it. We recognize that it is normal to want to engage in verbal jousting and flex one's muscles when one has a grip on power, but there comes a time when the cries and tears of ordinary people must be heard and a solution found to ease their suffering.

We derived no pleasure from having to drive hundreds of kilometres on this awful day. We see our appearance before you as a cruel humiliation. Having to enter the arena once again, at the end of your life, to redress a wrong is an aberration. And yet, ours was a life of work, sacrifice, contribution to this country's economic progress and foresight, because we contributed to a pension plan, with dignity and pride. Being reduced now to the level of welfare because of our income, but with no opportunity to avail ourselves of its benefits in the way of exemptions, is destroying us.

At the previous meeting, Mr. Menzies, in expressing your consternation, you stated that what Mr. St-Michel had said was extremely troubling, and that what had happened to him was terribly unfair. You added that this kind of thing should not happen. And yet, that is what happened, and we know all the reasons behind the current state of affairs: lax management, elastic legislation that favours employers, and tax benefits that allow an employer to escape his obligations, with no concrete protections for workers who bear the brunt of all the inherent risks when a plan is discontinued. Workers can easily monitor the share of wages and social benefits. However, that share of the pension plan is managed at a higher level, away from the watchful eye and control of others.

• (1630)

With respect to provincial and federal jurisdiction, I am sure you know that we have made the same appeal to Jean Charest's team. Five years after our indirect appeal, the Harper government now feels the need to react to this hemorrhaging. What will become of the groups that were sacrificed while the storm raged? Our two ambassadors from the Bloc Québécois are proposing to hand over Bill C-290 to the Conservative Party to amend it as it sees fit, in order to break the log jam and restore some of our dignity. Our demand, as representatives of the Regroupement des retraité(es) des Aciers Atlas, imposes no particular form of redress and can be summarized with this simple image: a blood transfusion is needed to get the patient back on his feet.

Moreover, there is a need to move quickly, because the time we have left is not unlimited. I would just remind you that our income—

• (1635)

**The Chair:** Thank you very much, Ms. Blanchard.

Mr. Fréchette, you have five minutes.

**Mr. Gaston Fréchette (President, Sous-comité des retraités et travailleurs encore actifs de Mine Jeffrey, Association des retraités d'Asbestos Inc.):** Mr. Chairman—

**Mr. Pierre St-Michel:** I only have a few comments to make. I was in attendance during the first hour, and I believe that our situation has been thoroughly explained by the Regroupement des retraité(es) des Aciers Atlas, but I would just like to add that—

[English]

**The Chair:** Monsieur St-Michel, we have four presentations for this panel. We have votes at 5:15. We do want to have questions from the members, and I believe the witnesses do. The witnesses were told five minutes each per presentation. In fact, I gave Madame Blanchard six minutes.

You can make your comments. I'm sure you'll get questions from members. I think you do want to hear questions from the members.

Monsieur Fréchette, *s'il vous plaît*.

[Translation]

**Mr. Pierre St-Michel:** That is fine. I hope members will have questions for me later.

**Mr. Gaston Fréchette:** Good afternoon, Mr. Chairman. My friend, René, was supposed to provide a brief introduction, but we will keep our five minutes.

First of all, I would like to thank you for inviting us to appear again. I also want you to know that you are giving us hope. This is the first time, in seven or eight years of fighting to be heard, that so many lawmakers have been willing to listen. I hope that we will be explicit enough so that everyone will hear us and understand that what we are saying makes perfect sense.

Some people think that it is easy to live with pensions that have been cut. I would like to tell you about a mine back home, in Asbestos. Ninety-five per cent of asbestos workers have a single family income. It is not by working three shifts in the same week that their spouse could both work outside the home and raise their children. That is inconceivable. When you live on a pension that has been cut, it is the couple that is penalized—not just one person. It is very important that you always bear that in mind. In our area, we cannot go and work in a store here or there, because there aren't any. There is only an asbestos mine. Everyone has heard about Asbestos.

I also want you to know that we have presented a brief. We will use the five minutes we are allowed. I hope you have had time to read the brief that we forwarded to you. There is one correction on page 6—Mr. Steven Blaney's last name was misspelled. I actually phoned Mr. Blaney's office to apologize for that.

I would like to briefly come back to the comment made by the federal member of Parliament who referred to the 1,200 or 1,400... Why is this resurfacing at the federal level? Well, because I pay taxes to the federal government and because I am encountering all these problems as a result of Bill C-36, a federal statute that allowed a company to take advantage of bankruptcy protection and discharged our pensions as though we had never worked a day in our lives. And do not forget that, if we are here today, it is because we asked these people to explain why we were the only creditors not entitled to deduct their losses from their income tax.

My daughter is a pharmacist. She lost income as a result of what happened at the Jeffrey Mine and was able to deduct that loss on her income tax return. I lost a lot more than she did, and yet I am not allowed to deduct anything. Bill C-36 is a federal statute. If we are here today, it is because we are part of a federation. We are governed by two governments. As long as people continue to make that choice, that is the way it will be. Do not forget that if what happened to us had occurred in the public service—federal or provincial—tomorrow you would have a revolt on your hands. Maybe we should not have been such good little boys, because we did not kick up enough of a fuss. Keep in mind that there are 1,200 of us, 400 of whom now survive on the federal Guaranteed Income Supplement. That is another example that shows that the federal government can provide help from time to time. Because these individuals lost a significant amount of pension income, they are eligible for the federal Guaranteed Income Supplement, which they welcome.

The reason we are here today is that we firmly believe lawmakers in Quebec or Ottawa... They are lawmakers who are part of our governments, and we have every right to make the demands we feel are necessary. We do not feel as though we are being treated like full-fledged citizens.

Mr. G  n  reux, I understand what you meant. When it seems appropriate to say that this should be a provincial responsibility, then it is provincial. My response is that we pay taxes to the federal government, and therefore we are entitled to a tax credit. We have accepted the idea that the amount we get back will be less, so that people who have nothing will also get something. That is something we agreed to at Mr. Lessard's riding office.

Ladies and gentlemen, there is one thing I would like to say.

•(1640)

**The Chair:** You have one minute left.

**Mr. Gaston Fr  chette:** We want to know whether the work we have been doing for the last eight years... It is hard to understand. You work hard to get elected for six months, and I know what an election is all about. When you wake up after the election, it is great if you have won, and if you have lost, you can try again the next time. But we cannot try again.

In the minute I have left, I would just like to say that I hope to live long enough, even though we spent our lives in asbestos mines, to finally see lawmakers do something to ease our misfortune, rather than... I hope that partisan politics will not enter into this. That is terrible to see, whatever the party that is responsible.

I take my hat off to all of you who are listening to us today and I only hope that we have not come all this way and worked so relentlessly for nothing. Even the unions did not help us. We have always been pretty much on our own. Jacques Beaudoin from the FARQ, who is here today—

Mr. Chairman, I will not take any more of your time. Thank you very much.

Ladies and gentlemen members of the committee, thank you. When the time comes to vote, I hope you will remember us. Vote as you see fit, but we will remember.

**The Chair:** Thank you very much.

Mr. Beaudoin, please proceed.

**Mr. Jacques Beaudoin (President, F  d  ration des associations de retrait  s du Qu  bec):** Mr. Chairman, members of the committee, ladies and gentlemen, good afternoon.

My name is Jacques Beaudoin and I am president of the F  d  ration des associations de retrait  s du Qu  bec.

First I would like to thank the Standing Committee on Finance for giving me the opportunity to present the Federation's views on Bill C-290, which we support.

I also wish to say that we greatly appreciate the fact that the House of Commons is allowing retirees and their associations to express their concerns to the committee and speak to issues related to their retirement benefits.

Our Federation comprises about 15 member associations, representing approximately 25,000 retirees who are covered by private pension plans. Entirely run by volunteers, these associations mainly aim to promote and defend their members' rights under their former employers' pension plans.

Our organization, the FARQ, is making representations to the Government of Quebec and the Government of Canada, as well as to those agencies responsible for enforcing the various laws affecting pension plans. Overall, we are coordinating our action with Quebec's major associations of seniors and retirees, including the Quebec Federation of Senior Citizens, which boasts 260,000 members.

We are currently making representations in relation to a number of different demands by retirees, which are summarized in the brief that I forwarded and which has been provided to you. Several of our affiliated associations could certainly be considered serious cases—pardon the expression—because their retiree members have had their pensions slashed in recent years after their former employers went bankrupt.

I refer here to retirees from the Jeffrey Mine in Asbestos—which you are familiar with—from Atlas Stainless Steel, in Sorel-Tracy, and the Davie Shipyards in L  vis-Lauzon, as well as from AbitibiBowater, who are very worried right now that they could suffer the same fate.

It is these retirees across Quebec who have experienced similar situations, with all the social trauma that this entails for themselves, their family and their region. As was explained earlier, these retirees have seen their retirement benefits cut by as much as 50% in some cases. And yet these now-retired workers had paid into their pension plan and made the mandatory contributions asked of them—or rather, imposed on them—in order to be eligible for a full pension.

Furthermore, when they retired, they received a contract from their employer, as provided for by the legislation, promising a full pension, not one cut by one quarter or one half.

So why, after the fact, are these retirees the principal victims of their former employer's bankruptcy, something over which they had no control and for which they are not responsible? When an employer goes bankrupt and pensions are cut, it is too late for retired employees to start over again or improve their situation because of their age.

Are our laws not adequate, not properly enforced or not complied with? Or are both factors at play in our tolerance of such situations? We honestly think that there is a serious problem of unfairness and that you, as parliamentarians, can rectify it. We are therefore appealing to you to do so.

Bill C-290 is on the right track. Employers and active workers are well organized and able to defend their rights. That is not the case for retirees in terms of their pension plan. Do we need to tell you that retirees urgently require protection from governments and parliamentarians, as well as adequate legislation?

FARQ supports Bill C-290, which would provide a refundable tax credit to retirees who have fallen victim to pension cuts following their former employer's bankruptcy.

• (1645)

In closing, FARQ hopes that the Standing Committee on Finance will recommend that the House of Commons unanimously pass this bill.

Thank you very much for your attention.

**The Chair:** Thank you for your presentation.

[English]

Our final witness will be Mr. Hamilton, please.

**Mr. Malcolm Hamilton (As an Individual):** Thank you, Mr. Chairman.

I am a pension actuary with 30 years of experience. I was asked to read the bill and come along and comment. Having read the bill and having listened to the earlier presentations, I have three concerns.

The first is that the bill as drafted doesn't really live up to its intent. As I understand it, the intent is to create a tax credit for people who were promised things from pension plans and didn't get them. I believe that what the bill does, as written, is give a 22% tax credit every year to everybody in receipt of a pension. So in order to achieve the intent, it needs redrafting.

Second, it won't be an easy redrafting. It's never easy to change anything to do with pensions in the Income Tax Act, because the pension provisions are so complicated.

Again, as drafted, if we just put in the concept that people getting less than they're supposed to get do get a credit, we're going to inadvertently get things like the Ontario Teachers' Pension Plan found when it rechecked all the pension calculations. It found thousands of people who for years hadn't been paid what they were supposed to be getting, because of clerical error, and then they went and retroactively fixed that.

I suspect that if this bill had been in, even if we fixed it to address losses, every one of those people would have been able to collect a tax credit for their prior years when they were underpaid, even though the error would subsequently have been fixed. So you have to zero in on losses and you have to zero in on bankruptcy.

Third, we heard earlier that this is a problem that exists for two companies, that it doesn't exist in any province other than Quebec, and that it won't happen in the future. I don't see how anyone could reach that conclusion. If you look at the Pension Benefits Guarantee

Fund in Ontario, you'll see that it guarantees pensions up to \$1,000. It doesn't guarantee any indexing.

This means that any Nortel pensioner who receives more than \$1,000 a month is going to have a claim for such a credit. And it also means that any Nortel pensioners who receive up to \$1,000 a month will have a claim for their foregone indexing because their indexing isn't going to be guaranteed and they will likely forfeit part of it.

So it's not going to be easy to fix the drafting.

Now, if people think this is a laudable intent, I'm sure the people who draft the parts of the Income Tax Act, who deal with pensions, can figure out a way to do this, but I'll be shocked if it turns out to be an easy way, because they're going to have to look at settlement by lump sum, settlement by pension, settlement by annuity purchase, deferred settlements, immediate settlements, settlements subject to guarantee funds, settlements not subject to guarantee funds, and settlements subject to Bill 30 in Quebec. So it's going to be a tricky thing.

The last thing is the fairness issue. I've heard a lot about the injustice, and I understand the injustice. When people are promised pensions and don't get them, they're right to be angry. If it happens to me, I'm going to be angry too.

But there are a lot of people whose retirement savings take hits. In 2008, almost everybody with an RRSP invested in the Canadian stock market took a 40% hit. People who gave their money to Earl Jones lost all their money. People who invested in Bre-X and Nortel lost all their money.

So in retirement savings, unfortunately, we have financial crises, we have investment frauds, and we have Ponzi schemes. We have a bunch of ugly things that shouldn't happen. We have armies of people who take losses. The concern I have is how we decide that certain losses deserve tax credits and other losses get no attention whatsoever.

I know you're short of time, so I'll end my comments there.

Thank you.

• (1650)

**The Chair:** Thank you very much, Mr. Hamilton.

We'll start our questions from members with Mr. McCallum for seven minutes.

[Translation]

**Hon. John McCallum:** Thank you, Mr. Chairman.

I would like to thank all the witnesses for being here with us this afternoon.

Since we do not have much time, I will be sharing my time with my colleague, Mr. Pacetti.

[English]

I'd like to ask Mr. Hamilton a question.

I agree with you. In my own comments, I said that I didn't see how the drafting of the bill connected with the intent of the bill, but I do think the intent of the bill is good if you really limit the tax credit to members of plans that go bankrupt.

And if you look at the statistics, even if you take the higher numbers of the Parliamentary Budget Officer, that's not a huge number.

**Mr. Mike Wallace:** That's \$10 billion.

**Hon. John McCallum:** It's not \$10 billion. It's like \$50 million. I'm talking about the PBO estimates.

So I guess my question is, if one specified very clearly this was only to apply in the case of bankruptcy, would that not limit the technical difficulty of redrafting the bill quite a lot because you're being quite specific?

**Mr. Malcolm Hamilton:** It would limit the scope and it would limit the cost to government because it would apply in far fewer circumstances.

I don't think it does much to fix the technical complexity, because if you look... For instance, some Nortel people will settle by transferring lump sums to lock in RRSPs. That really doesn't even create a ripple in their tax return. There is no inclusion. There is no deduction. It's not at all visible. So you'd have to create an event where there was none to identify how much should have been transferred had they not had a loss, versus what was transferred.

In other cases, when you have a pension benefit guarantee fund claim—so part of the money is the pension fund and part of it is the guarantee fund—the loss in any given year might be different than it is in other years, given indexing and other things, so you basically create a tax reporting requirement whereby you have to constantly keep track not just of what is paid, which is the easy thing, but of what would have been paid in an alternative world where this loss hadn't occurred. That's a formidable task.

I don't think administration should be used as an excuse for not doing something that you think is worth doing, but I wouldn't underestimate the challenge of getting this properly drafted so that it doesn't inadvertently apply in a number of cases where it wasn't intended to apply.

• (1655)

[Translation]

**Hon. John McCallum:** Fine, thank you very much.

My time for asking questions is up now. I will turn it over to Mr. Pacetti.

**Mr. Massimo Pacetti:** I would like to be given some background information, and my question is addressed to Ms. Blanchard and Mr. Fréchette.

How did the pension fund go bankrupt? Because my time is limited, I would ask that you keep your answer brief, as I have other questions to ask.

**Ms. Diane Blanchard:** Mr. St-Michel will answer since he has not had a chance to speak yet.

**Mr. Pierre St-Michel:** Ordinarily, contributions should have been made to the pension fund to keep it solvent, but those contributions were not made. Furthermore, in the case of retirees from Atlas Stainless Steels, the retirement committee did not have liability insurance, but these people were unaware of that. The contributions were not made and people there did not want to claim them from the company because they wanted it to survive; so we are the ones who paid the price. We gave the company an indirect subsidy with the money from our retirement fund, and that is why we are here today.

**Mr. Massimo Pacetti:** So, it was not intentional and everyone was showing good will—at least the employees were. That may not have been the case for the employer.

Briefly, can you tell me whether the 1,200 affected workers are all over the age of 65?

**Mr. Gaston Fréchette:** There were between 1,200 and 1,330 employees. There are about 250 left who have not yet reached retirement age. They may be 61, 62 or 63 years old now.

You asked why we lost our pensions. Well, it is because the employer, even though it was required under the legislation... That is why it is a very different situation compared to what Mr. Hamilton talked about. Mr. Hamilton referred to Earl Jones and the fact they had lost their taxes. But our pension fund was covered under a collective agreement, and there was legislation in place guaranteeing that. The employer was required to contribute the money that was missing from the pension funds. It is important not to forget that. I did not invest with Earl Jones to earn 40% interest. We were paying a percentage of our own wages toward our pensions, which were administered by CIBC. But one day, we woke up to discover there was a \$55 million loss. So, we should not be lumped in with people who... Nobody likes losing money, but the money we lost is not money we invested... It is our money, and we are not the ones who chose the investments.

**Mr. Massimo Pacetti:** I understand. I only have one minute left and I have another question.

How much do your members expect to receive if this bill passes?

• (1700)

**Mr. Gaston Fréchette:** Could you repeat your question?

**Mr. Massimo Pacetti:** How much do your members expect to receive if this bill passes?

**Mr. Gaston Fréchette:** Anything we receive will already be greatly appreciated.

We noted that Bill C-290 talks about a 22% credit, which would be very satisfactory. We would be very pleased with that.

**Mr. Massimo Pacetti:** Fine, but how much does that represent, on average, for each individual who is affected?

**Mr. Gaston Fréchette:** René, I do not understand the question.

**Mr. René Langlois (Secretary, Sous-comité des retraités et travailleurs encore actifs de Mine Jeffrey, Association des retraités d'Asbestos Inc.):** We have lost between \$5,000 and \$6,000.

**A voice:** Yes, between \$5,000 and \$6,000.

**Mr. Gaston Fréchette:** On an annual basis, we have lost between \$5,000 and \$6,000.

**Mr. Massimo Pacetti:** On average. And what about in your group, Mr. St-Michel and Ms. Blanchard?

**Mr. Pierre St-Michel:** In our group, there are a lot of people with pensions of less than \$1,000. The oldest ones have pensions of about \$800, others, \$600, and others still receive even less than that. They are not very large amounts in their case. For the youngest among them, the pension amount is a little higher. There are people who are paying taxes. Some of them are not paying any, but there also some who pay taxes.

**Mr. Massimo Pacetti:** So the amounts vary then?

**Mr. Pierre St-Michel:** Yes, they vary enormously. However, a lot of people have a pension of less than \$1,000. We have not actually calculated the average.

**Mr. Massimo Pacetti:** Fine, thank you.

**The Chair:** Thank you very much.

Thank you, Mr. Pacetti.

Mr. Paillé, for seven minutes.

**Mr. Daniel Paillé:** It seems inevitable that the bill will have to be changed, but we are not here to nitpick. As I see it, we are here to make decisions.

Mr. Hamilton, when you say that we cannot decide on this or that or the other thing, that just is not correct.

And I would like to come back to the main reason this committee exists, which is to let people know that we are not impervious to their distress. But it just is not possible to compare levels of distress. People are in distress, period. We have people here today who are in distress. In the House of Commons, and in this committee, we have the power to do something, and when you have the ability to do something, as far as we are concerned, you have a duty to act.

From the outset, you have had the support of the Official Opposition, the NDP and the Bloc Québécois. Earlier, you welcomed Mr. Menzies' concern. But we take our hats off to you. You took yours off to parliamentarians earlier, but I think it should be the reverse. We should take our hats off to these people, because what makes no sense. You may laugh, but it is not funny to hear someone say that they have to wait for time to pass, 2011, 2012, 2013—for 60 months there has been nothing—72, 84, 96 months, and on and on, until they die. Yes, that is right: when they die, that will be it.

**A voice:** Oh, oh!

**Mr. Daniel Paillé:** I can react as I see fit. When someone insults you, you defend yourself.

People are saying they cannot understand why we are defending 1,450 workers. How many workers do you need, Mr. Généreux? How many workers do you need?

**The Chair:** Mr. Paillé—

**Mr. Daniel Paillé:** Yes, this is a comment and I am coming to my questions, but we feel insulted, Mr. Chairman.

How many workers does it take to be uncaring? How many jobs? How many months? In our opinion, that kind of behaviour is unacceptable.

People come here and are asked why they don't ask the province for help! But this is a federal statute, and as long as we are here, we will keep on defending the idea of amending federal statutes! And anyway, it is the Canada Revenue Agency that is responsible for giving the 22%—not the municipality, not the province, but the federal government. That is why these people are here. Either you should get that through your head, or apologize. I am having trouble deciding which is worse: insensitivity or incompetence; I will let you choose.

Also, Mr. St-Michel, you said you needed time. You are here to be heard, so take your time and comment now on what Ms. Blanchard and Mr. Fréchette said. You can forget about commenting on Mr. Hamilton's remarks.

**Mr. Pierre St-Michel:** Thank you very much. You are right that the problem will resolve itself by attrition.

**Mr. Daniel Paillé:** It will die off.

**Mr. Pierre St-Michel:** In the last five years, people back home... My pastime is attending funerals. Every two or three months, another one passes away. I want you all to be aware of that.

I would like to respond to what Mr. Hamilton said. For all the years I was working, I never opened an RRSP or invested in shares or anything like that. My employer told me that we had a guaranteed pension fund and that I had to contribute to it. I had no choice! They told me it was guaranteed and that I would leave with a pension, that I would not be rich, but that I would have a decent pension. But they lied! They took part of my salary. You may say that it was deferred salary, but it was my salary all the same. But they didn't give it to me; they gave it to the employer. They gave him contribution holidays that he was not entitled to.

I can assure you that we are also knocking on the province's door. A bill was tabled—Bill 194—which is along the same lines. It was introduced when there was a minority government by the MNA for the riding, Sylvain Simard. At this point, the government is saying that, if the bill is passed in Ottawa, it will harmonize its own legislation and do the same. We hope to be able to raise your awareness, so that you acknowledge our losses.



I would like to add one other thing, without wanting to sound pretentious. We had stable jobs, and we were lucky. We have nothing against social programs like Unemployment Insurance, which has now become Employment Insurance, work sharing and all the rest, but we never took advantage of these programs because we had full-time jobs. We feel we made a major contribution to society, and today, we are knocking at your door. I can't tell you how much I would like there to be a response and a recognition of the contribution made by these people for 40 years, as well as the fact that they are in the final chapter of their lives, since the average age is over 70. I appeal to all of you to do something for those who are still around by passing this bill. If the wording is problematic—I do not know whether it is or not, since I am not a lawmaker—then let's correct it so that it applies to defined benefit plans such as our own, as was said earlier. The Quebec legislation has been changed. Following our experiences, Bill 30 came into force and pension plans are now required to have a solvency ratio of 107%. I don't know whether there will be other cases like ours that slip through the cracks, but there certainly will not be many anymore.

That is what I wanted to say. I want to thank the members of the Bloc Québécois for their support. I would also like to thank the Liberals, who have always supported us up until now, as has the NDP. I also would like to thank Conservative members, and I hope we will manage to convince them. You are in government and you see the kind of predicament we are in. Even if the Bloc drafted this bill, I am sure that the changes you would like to make towards the same end are feasible.

Thank you; that is what I wanted to say.

• (1705)

**The Chair:** Thank you.

Mr. Langlois, you have 30 seconds.

**Mr. René Langlois:** Mr. St-Michel referred to the average age. In 2002, when the pension funds were slashed, the average age was 67 or 69. Now it is 76 or 77. There were 1,200 of us initially, but a hundred or more have died since then. The average age has gone up, and the number of people who will be paid or benefit from the 22% credit has greatly diminished.

[English]

**The Chair:** *Merci.*

Mr. Menzies, please.

**Mr. Ted Menzies (Macleod, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses who have come here today.

Ms. Blanchard, please don't ever feel humiliated to come here to a committee. We're happy to have you here. We need to hear what is happening to our constituents all across the country. Whether you're in Quebec or Nova Scotia, your comments are credible. You have every right to be here, so please don't feel humiliated to be here appearing in front of us. We do appreciate that.

Mr. Beaudoin, your association came to our town hall in Quebec City. Forgive me, you may have been there yourself, but we do appreciate that.

But I'm hearing so much and I wouldn't ordinarily get partisan here...until I saw the display from Mr. Paillé. What he didn't lack in sincerity, he certainly overcame with volume.

We have asked the Bloc to participate in communicating what their constituents are telling them about overall retirement income, and I'm sorry, but we've had nothing. We've had not one ounce of feedback on what their constituents are saying. You say they've been supportive; I would argue they haven't. We've reached out to the Bloc to contribute to this, and the Bloc doesn't quite understand that we represent all Canadians. We hear your story, and it's a troubling story, but we hear it from all across this country. What we're trying to do is put forward something that will help all Canadians.

Please understand that we have a real challenge ahead of us. If we decide on that for one group or for two groups, if we approve a piece of legislation for them, how does that impact the rest of the country? That's not to say we shouldn't do that, but we have that dilemma.

To go back to Mr. Malcolm Hamilton, your comment is what troubles me. Do we then take the responsibility away from a plan sponsor so that they would just find it easier to walk away from a pension plan? Can you explain that? Am I misinterpreting that? The way this legislation is written, it would be an incentive for a plan to fold and leave its plan members stranded.

• (1710)

**Mr. Malcolm Hamilton:** I don't know if it's an incentive for plans to fold, because nobody likes folding and nobody likes going bankrupt—

**Mr. Ted Menzies:** But it's not an disincentive not to. It takes the onus off the company, am I right?

**Mr. Malcolm Hamilton:** Well, I'll tell you where it's going to create complications. It's going to create complications with the guarantee fund. If the guarantee fund is paying pensions that wouldn't have been paid, then people aren't getting credit that the federal government would have paid, and instead the province is going to have to put up the money, so they'll try to figure out how they can be second payer. The whole thing will get complicated.

It's very bad when people don't get the pensions they were promised. There's a whole debate going on about that. This isn't that debate. This isn't about preventing pension funds from leaving people high and dry. This is about compensating people who are left high and dry. If the other task succeeds, this will prove not to be very expensive and not to be very necessary.

For me, though, the issue here is... And Mr. Paillé said it very well. He said that you can't compare miseries and yet he thinks some miseries are much more important than other miseries. There's never anything to suggest that the people who are victimized by embezzlers or by bad investments or by bad markets in RRSPs deserve equal consideration, and I'm mystified as to why that is.

**Mr. Ted Menzies:** Mr. Wallace has a question.

**The Chair:** Mr. Wallace.

**Mr. Mike Wallace:** Thank you, Mr. Chairman.

I wanted a couple of clarifications.

Monsieur Fréchette, I absolutely believe that you have the right and the responsibility to come to talk to us about the issues. I know you didn't misinterpret what I was saying before, but around here, the Bloc Québécois talk a lot about Quebec jurisdiction and the federal government staying out. I don't blame you for coming; you have the absolute right to do it. I was talking about my Bloc colleagues.

Another piece was mentioned, too, that I want to go on the record on. WE will be seeing the... As you've all said, the bill does have some issues in terms of its wording. Clearly even the movers of the motion believe it needs improvement if it had a chance, but the Parliamentary Budget Officer will be here, and they did provide a report.

There were questions about what the Parliamentary Budget Officer said, which was that in effect the cost estimates by the government, which are \$10 billion per annum, and by the Bloc, which are \$3 million to \$5 million, are related through definition... Then it says further on in the report that "the Government estimates appear to be reliable".

So I was not misleading the group by saying it was reliable. It is reliable. It all depends on your definition. Mr. Hamilton clearly indicated that it would depend on how you define who gets that back.

Now, on the question I have, Monsieur Paillé is great at using up his five or seven minutes with a big long speech. He's even better at it when it's on camera, but my question is to Monsieur Beaudoin.

Did the Bloc Québécois—

• (1715)

**Mr. Bernard Généreux:** And he's laughing right now—

**Mr. Mike Wallace:** Yes.

Did you, representing retirees... Have they provided a synopsis or a paper or a position to your organization? Have they met with your organization about the pension issue in Canada and in Quebec?

We've been dealing with it for three months here at this committee and I haven't seen anything from them yet. I'm wondering if you have it so that you could provide it to me, because we certainly don't have it from them.

**The Chair:** Okay. Sorry, Mr. Wallace—

**An hon. member:** *Un point d'ordre—*

**The Chair:** I'll just explain to our witnesses that when the bells start ringing, I have to adjourn the committee unless I have unanimous consent.

Do I have unanimous consent?

**Some hon. members:** Yes.

**The Chair:** Okay.

Monsieur Fréchette.

[*Translation*]

**Mr. Gaston Fréchette:** I only need one minute.

If, just as the federal Bill C-36 stipulates, retirees were considered to be preferred creditors, we would not be appearing before you today. That is the federal government's responsibility. It is your statute.

If we met with the Bloc member of Parliament, it is because he was democratically elected in our riding. We could not go and see the Conservative candidate, because he was defeated. I even tried to become a Conservative member of Parliament. I still have my [*Inaudible—Editor*] in my locker. I have nothing against you. The thing is that it simply makes no sense not to pass a bill because of political squabbles.

Thank you, ladies and gentlemen.

[*English*]

**The Chair:** We're over time.

Also, I do have a request. In the first round we didn't get to the NDP, so I have a request from Mr. Mulcair to ask a few questions.

**Mr. Mike Wallace:** I didn't get a response from Mr. Beaudoin.

**The Chair:** Can I get unanimous consent to finish this round and that round?

**Some hon. members:** *Oui.*

**The Chair:** Okay.

*Ça va?*

Monsieur Beaudoin.

**Mr. Mike Wallace:** I just need a real quick yes or no.

[*Translation*]

**Mr. Jacques Beaudoin:** Thank you. I would just—

[*English*]

**The Chair:** We're just going to have a very brief response, Mr. Beaudoin.

Then we'll have your round, Mr. Mulcair.

[*Translation*]

**Mr. Jacques Beaudoin:** Thank you, Mr. Chairman.

I would just like to make one very brief clarification. RRSPs were mentioned earlier. The legislation will be very complicated. However, pension fund cuts also greatly complicate people's lives.

As regards RRSPs—the question was raised earlier, but it is important to understand the way things work—when there are returns, I take the money. However, if we are talking about my pension fund, the fact is that it is my employer who takes the surpluses by means of contribution holidays. So, there is quite a difference between the two systems, Mr. Hamilton.

I wanted to provide that clarification, because that simply does not hold water.

[*English*]

**The Chair:** *Merci.*

*Monsieur Mulcair, s'il vous plaît.*

[*Translation*]

**Mr. Thomas Mulcair:** Mr. St-Michel, I am happy to see you again, as well as Ms. Blanchard and Mr. Fréchette. It is always a pleasure to receive you. Mr. Langlois, Mr. Beaudoin and Mr. Hamilton, welcome to the committee and thank you for being here this afternoon.

Mr. Chairman, when my colleagues were introducing Bill C-290, I said that the NDP would support it, but I would nevertheless like to congratulate Mr. Fréchette, in particular. I was here when he made his presentation. He begged us not to engage in partisan politics with this bill and to understand that we are talking about human beings.

I think that is the most important part of our job, as members of Parliament—looking after human beings. I am anxious to see what the Conservatives will do. For a year and a half, lengthy consultations have been underway. My colleague, Mr. Menzies, crisscrossed the country in all directions—and more than once—because he is part of consultations on pensions that are going on at the same time. But the only answer we have heard from Minister Flaherty thus far is: “It's complicated”. That is all he has been capable of saying on this. But it is not that complicated, even for him; he is capable of understanding the issue. The Conservatives are just trying to provoke a federal-provincial squabble, which does, or does not, involve the Bloc and Quebec.

This bill simply aims to help human beings who worked all their lives and who have every right to be helped by the federal Parliament in an area that falls within its jurisdiction.

We can assure you of our support, but I am really anxious to see what the MP for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup will do when the time comes to vote on this. I promise you, Mr. Fréchette, that I will call you personally to tell you how Mr. Gagné voted on this important bill.

● (1720)

[*English*]

**Mr. Ted Menzies:** That's non-partisanship for you. Thanks, Thomas.

[*Translation*]

**The Chair:** Thank you very much for your presentations.

The meeting is adjourned.

---





**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of  
the House of Commons

### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and  
Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5  
Telephone: 613-941-5995 or 1-800-635-7943  
Fax: 613-954-5779 or 1-800-565-7757  
[publications@tpsgc-pwgsc.gc.ca](mailto:publications@tpsgc-pwgsc.gc.ca)  
<http://publications.gc.ca>

Also available on the Parliament of Canada Web Site at the  
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

### **PERMISSION DU PRÉSIDENT**

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les  
Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5  
Téléphone : 613-941-5995 ou 1-800-635-7943  
Télécopieur : 613-954-5779 ou 1-800-565-7757  
[publications@tpsgc-pwgsc.gc.ca](mailto:publications@tpsgc-pwgsc.gc.ca)  
<http://publications.gc.ca>

Aussi disponible sur le site Web du Parlement du Canada à  
l'adresse suivante : <http://www.parl.gc.ca>