

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

VETERANS AFFAIRS

Thursday, March 10, 2011

COMMITTEE ROOM 1

**Military/RCMP Veterans Against
Annuity Benefit Reduction at Age 65**

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VETERANS AFFAIRS COMMITTEE

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[Michele Raymond was replaced by Leonard Preyra.]
[Lenore Zann was replaced by Mat Whynott.]

In Attendance:

Kim Langille
Legislative Committee Clerk

WITNESSES

Military/RCMP Veterans Against Annuity Benefit Reduction at Age 65

John Labelle
Campaign Coordinator

Melvin (Mel) Pittman
Webmaster



House of Assembly
Nova Scotia

HALIFAX, THURSDAY, MARCH 10, 2011

STANDING COMMITTEE ON VETERANS AFFAIRS

9:00 A.M.

CHAIR

Gary Burrill

VICE-CHAIR

Jim Boudreau

THE CHAIR: Good morning. I would like to say at the outset how pleased we are to have our guests with us this morning, Mr. John Labelle and Mr. Mel Pittman, from this longstanding campaign to end the clawback of RCMP and Canadian Forces veterans' pensions.

We all have in our material at our seats and you've got copies, too, of the background to this discussion, which is a resolution that had been introduced to the House by Mr. Leo Glavine some years ago, in support of this program and which was then reflected in a tri-partisan unanimous motion of this committee a year and a half ago.

So with that in hand to further speak to it, we are awfully glad to have you with us. We'll think about being open as to time, up to let's say around 10:45 a.m., then we have a few odds and ends that the committee needs to attend to about other things.

We'll begin, Mr. Pittman and Mr. Labelle, just by introducing ourselves. Will you begin, Mat.

[The committee members introduced themselves.]

THE CHAIR: Mr. Labelle and Mr. Pittman, I think we'd probably be best just to begin, go right into your explanation of the issue and where we are with it, then we could follow that by trying to explore the question a little more through questions and discussion.

JOHN LABELLE: Thank you, Mr. Chairman. I'd just like to mention that Roger Boutin is not here at the moment. He has had some minor health issues in the past year and a good vacation was in order, so he's enjoying the good sunshine in Florida. Mel and I and Roger have been together for over five years working on this campaign, so without delay, I'd like to commence.

Mr. Burrill, chairman of the committee, members of the committee, ladies and gentlemen, on behalf of Mel Pittman, webmaster; Roger Boutin, public relations coordinator; 112,500 military and RCMP veterans and supporters, along with numerous subcommittees across Canada, we wish to thank you for the opportunity to speak to the Nova Scotia Standing Committee on Veterans Affairs.

Bill C-201, an Act to Amend the Canadian Forces Superannuation Act, and the Royal Canadian Mounted Police Superannuation Act (deletion of deduction from annuity). First let me advise you that Mr. Peter Stoffer, our leader, has introduced to the House of Commons Bill C-441, Bill C-221, Bill C-502 and Bill C-201. Unfortunately, on May 5th, 2010, for the fourth time, Conservative MPs were directed to vote against Bill C-201. The bill count was successful and the final vote recorded was 149 yea and 134 nay. The Speaker of the House of Commons then declared that Bill C-201 was carried but he also discharged it from the parliamentary agenda because the Prime Minister of Canada refused to request a Royal Recommendation. Therefore, Bill C-201 died on the order table.

Let us remind you that in the 2005 campaign, Mr. Harper stated that when a motion passes the democratic elected majority of the House of Commons the government shall honour that motion. That is listed in the Hansard of 2005. Once elected, the Conservative Party rule changed.

You should be aware that the Canada Pension Plan was enacted in 1965-1966. Its intention was to provide another source for an income security program, supplementing the Old Age Security plan.

The crux of the issue is that veterans maintain that in 1965-66, the Government of Canada - deliberately or otherwise - imposed on military and RCMP personnel, a gross injustice and unfairness by merging rather than stacking their annuity contributions. They were not given any options. It is a known fact that military/RCMP personnel were dealt with in a negligent fashion, that senior military officers did not hold assistant deputy minister appointments to represent them. Personnel were not briefed on the pitfalls associated with merging of their contributions. In short, democracy did not occur.

Veterans always made the required maximum contribution. Veterans' contributions were always listed separately on their pay guides, therefore giving them a false sense of financial security.

Canadian Forces superannuation facts: On January 1, 1966, the Canadian Forces employee contribution rate was reduced from 9.3 per cent to 7.5 per cent of gross pay, hence, a so-called reduced annuity contribution to our Canadian Forces superannuation has accumulated a military and annuity surplus of over \$20 billion. It clearly indicates that our contribution to the Canadian Forces superannuation was sufficient to pay for our annuity benefits, without a reduction clause.

The 2006-07 Annual Pension Report indicated that there were 84,728 military pensioners and 12,331 RCMP pensioners. The total cost for the Canadian Forces veteran pension benefit was \$2.2 billion and the cost for the RCMP pensioners was \$451 million. It is estimated that terminating the CPP benefit reduction program may affect 40,000 pensioners, veterans, at age 65, for a cost of less than \$100 million per year.

Depletion of Canadian Forces superannuation funds - the Government of Canada has withdrawn \$16.5 billion surplus dollars from the military annuity funds to pay down the national debt. Take note, that the 2003-04 report indicated that a further \$630 million, surplus dollars, was also retired from our annuity account. The 2003-04 report indicated that no funds were withdrawn from the account and that there was a surplus of \$1.099,013,000 billion recorded in that year. Surplus funds have accumulated and were sufficient to terminate the CPP benefit reduction formula.

Why are pensioner-indexing revenues reduced at age 65? Why are disabled veterans' pensions reduced? Why reduce disabled veterans' pension index revenues? Why establish the CPP plan if it benefits no one?

With regard to the CPP, the employee and the employer each paid half of the required contribution. In 1966 the government-levied rate of contribution for military personnel was 1.8 per cent of basic earnings. Over the years, the rate substantially increased to 4.95 per cent. The military/RCMP personnel have made the required maximum contribution to the plan. Recently the President and Chief Executive Officer of the Canada Pension Plan Investment Board advised that the CPP fund is financially healthy, with a surplus of over \$130 billion.

Other veteran issues - the words of bridge benefit are a misrepresentation of facts. They are not listed in the manual A-FN-109-001/ID-001 and furthermore, the manual was not made available to serving personnel. The bridge benefit term is a myth that was never heard of prior to the establishment of our annuity campaign of justice and fairness. At age 73, the government has recovered all of its funds yet it continues to collect a 30 per cent gratuity penalty for the rest of their lives.

Supposedly, veterans are getting 100 per cent of what they paid for. Well, they sure are not getting what they paid for, otherwise, their annuity plan would not have accumulated over \$20 billion surplus.

Solutions to terminate the Canada Pension annuity benefit reduction format:

- Stop depleting the surplus in our military/RCMP annuity accounts.
- Veterans believe that their annuity plan has a surplus exceeding \$1 billion and these surplus funds would be sufficient to terminate the benefit reduction program.
- Return the billions of dollars depleted from our Canadian Forces superannuation account and RCMP superannuation annuity account.
- Transfer funds from the Employment Insurance account, as we receive no benefits from the EI account.
- Transfer funds from the CPP account as our spouses also lost their CPP benefit opportunities following us around the world.
- Request that serving personnel temporarily increase their annuity contribution by 0.5 per cent - the employee pays 0.5 per cent, the employer pays 0.5 per cent, as they will also be affected in later years.

Any of the above mentioned steps would easily terminate the CPP benefit reduction program affecting our veterans and their families.

Military/RCMP veterans were a distinct, different government provider who had encountered a varying number of issues on a regular basis. What financial values can we associate with the following facts: loss of spousal income opportunities, therefore loss of spousal CPP benefits; loss of overtime revenue with the loss of the member's second income opportunities; loss of ability to purchase a home and be mortgage-free during a career.

Veterans are a distinct government provider. They serve far abroad on numerous 24/7, 16-hour days of operational requirement. Veterans often face dangerous conditions, health hazards, extended family separation with elevated level of stress and Canadian Forces/RCMP personnel were prepared to give the ultimate sacrifice to our country, Canada.

[9:15 a.m.]

Endorsement of our campaign; this worthwhile initiative continues to grow. Over 112,500 supporters have identified their support; 121 former colonels and generals have signed our petition. It includes the signature of 54 former generals and RCMP superintendents. The Royal Canadian Legion, the Army, Navy and Air Force Veterans and the Air Force Veterans Association of Canada have adopted resolutions at their annual general meetings in full support of our initiative.

We also receive the support from veterans living in 18 countries. Veterans from England, Mexico, Germany, CYQQ Force, Florida, Warsaw, Poland, Saudi Arabia Republic, Greece, U.K., U.S.A., Cayman Islands, Afghanistan, South Africa, Iraq, Thailand, Sarajevo, Bosnia, Italy and Japan.

It is time to put the politics aside and for all Members of Parliament to demonstrate their recognition and appreciation in a tangible way to the men and women who have served and are currently serving their country. Take action to terminate this undemocratic, unfair and unjust treatment of veterans and terminate this annuity benefit reduction program that has been imposed on them without fair and open consultation of this misguided policy, the principle of democracy, fairness and justice as it affects the welfare of military/RCMP veterans and their families in their golden years.

Veterans have gallantly served Canada, they deserve nothing less than to spend their golden years with the financial dignity from the annuity that they and their families have earned and paid for in so many different ways. It has been over 45 years and now is the time for the Government of Canada to resolve this outstanding issue.

God bless our military/RCMP veterans and their families because it is their sacrifices that allows me to speak freely to you today. Let us not forget them, it has been an honour and a privilege to serve our country, Canada, and we continue to serve today. We shall remember them. Thank you.

THE CHAIR: Thank you very much, Mr. Labelle, for this explanation and we would be open to the floor for further exploration of the question beginning with Mr. Whynott.

MAT WHYNOTT: Mel and John, thank you for coming - two good guys from Sackville here. John, I remember meeting you about five or six years ago and obviously this was when you began your campaign. I remember it being one of those common sense things that you were pushing for. One of the things I have learned, especially being an elected representative, is whenever you see a vet, thank them. So, first of all, thank you, because if it wasn't for veterans like you, I wouldn't be able to be sitting here today not only as a Canadian citizen, but as an elected person, so thank you.

I have one question. Now that the vote has taken place in the House of Commons, obviously you're continuing your campaign. Do you see anything moving forward or do you see a light at the end of the tunnel? Are you continuing to meet with Peter Stoffer? What do you see on the go-forward basis here?

JOHN LABELLE: We continue with the campaign. We continue to create publicity. We continue to request the support of provincial governments, as we have received the support of the Yukon Government, now the support of the Nova Scotia provincial government. We continue working with Mr. Stoffer; he will introduce another bill in the House of Commons after the next election.

I think a point of importance to us was that during the last bill, C-201, we received the support of all Liberals, all NDPs and all Bloc Québécois. Only the Conservatives voted against our motion which means that there is some progress and we continue. To us it is not a political issue, it's a veteran issue and therefore we need the support of the majority of the members of the House of Commons and we'll continue working in those directions.

THE CHAIR: Other responses? Mr. Porter.

CHUCK PORTER: Thank you, gentlemen, for being here. You're right, unfortunately you say it's not a political issue and it is a political football, isn't it? It has been tossed around now for 45-plus years. For whatever reason - and you can read whatever you want into the politics of this situation - it doesn't make any difference who's in power. We've seen Parties change over the years, but no willingness really to do anything with it, but it is very unfortunate that it has to be at that level that those decisions have to be made.

I never really did understand - and I don't really speak as an elected official today. I speak as a grandson of a man who gave his life for this country, as a nephew, as a brother to those still serving this country today. It's a very important job that they're doing and have always done. It does certainly designate the freedom and all that we enjoy in this great country today. Anyone who has travelled, and I know a lot of folks probably around this room have, this is indeed one of the best countries in the world to live in, regardless of all the hard times that we'll go through and the things that we think we're not that well off on. This is a great country and we're very well off when it comes to G8 countries or any country around the world for that matter.

I'm kind of curious, you say you're carrying on with the campaign, that's obviously very good. Have there been any formal, written responses from the Conservative Government of Canada as to why they voted totally against it? What's the technical piece to this? Obviously, there's something coming back saying this wasn't right or that wasn't right. I'm just thinking about the politics of it all.

MELVIN PITTMAN: Their argument is primarily that we are getting what we have paid for. Of course, as my colleague outlined in his presentation, that is indeed a myth - the funding was there. Paul Martin used it to pay down the national debt some years ago to the tune of \$21 billion or thereabouts and that's strictly from the Armed Forces CFSA side, but they also stripped the Public Service funding and the RCMP as well.

In order for government to be able to generate such a massive surplus of \$31 billion-plus total that was used to pay down the national debt some years ago, in order to attain that surplus, where did it come from? It didn't grow, funds had to come in. It was either attained through - which we suspect - good investments, so the adequate funding was there. Where do they come up with this reduction clause? Their argument is simply, you

are getting what you paid for, you paid a reduced premium. We argue no, we didn't pay a reduced premium because if we paid a reduced premium, where in the dickens did you get the \$31 billion?

CHUCK PORTER: Is there anything that designates that you actually did pay a reduced premium? Did you sign things? When this all comes into place, was it a verbal thing, is there documentation that says in 1965 or 1966 when it came in, here's the devil in the details basically, here's the rules and then it's a matter of misinterpretation, or is it something else?

MELVIN PITTMAN: First of all, go back when we were 17 or 18 years old, when we came right out of high school and going into the Armed Forces looking for a career. Some big, burly sergeant who you'd probably align with your dad - he's about to kick your rear end or something or other - is standing up in front of a classroom of 38 or 40 people, all young people for the most part. You are probably getting a lecture on this, and this is happening in the first month or two and you have no idea what's coming down the tube, you don't understand it. You are told to shut up and listen and - I'm sure my colleague can allude to this - even asking a question during such presentations would be a no-no, it's a "shut up and listen" type of thing. Whatever you were told was thrown at you without adequate explanation.

I could vaguely recall, very early in my training being told that somewhere along the line if you make a career of the Armed Forces, that there is a small reduction to the tune of \$150 to \$200 a month if you made it a career. I can't think of a better person to elaborate on what I'm just referring to than my colleague, because he has personal experience in that respect.

CHUCK PORTER: Sorry, you said there was a small . . .

MELVIN PITTMAN: I was informed that there would be a small reduction, I vaguely remember that - \$150 to \$200 a month if a made it a career, but my colleague can elaborate on that.

JOHN LABELLE: I can add to that a little bit; he's a lucky person that he did have some knowledge. I was the financial counsellor for Maritime Command for a period of three years where I received a Commander of a Command Commendation for doing an exceptional job. I was lecturing all rank levels, I even debriefed the admiral on his retirement benefits. I was lecturing on financial counselling, SISIP insurance, RRSPs, bankruptcy and solvency and so on. I was lecturing three to five times a week, I was trained in financial counselling as I was trained in accounting and so on. I was never told about it, not during training. When I was lecturing all these groups of people and the largest release centre in the Canadian Forces, Halifax - none of these people were fed by me the fact that there would be a reduction at age 65. I didn't find out myself until I turned 65 years of age, do you understand?

I was calculating pension benefits for individuals, this was before the computers were available to do it for them, I would do it manually. I would come very, very close to the figures that Ottawa would eventually give them. I would never say to them, part of the calculation was if you intend to retire, you wish to retire - I lectured a scan of retirement programs, I lectured them all. I would go in to tell them what their military pension would be, what their Canada Pension would be at age 65, what their Old Age Pension Security would be at age 65, it was all part of the plan. None of these people knew the truth, neither did I.

CHUCK PORTER: For private individuals working who are on pension when they turn 65, is there a reduction in their pension?

JOHN LABELLE: Yes, there is.

CHUCK PORTER: What it seems like, or appears to be to me in general, is that the Government of Canada, regardless of who is in power, they only want you to have so much money in the beginning anyway. I don't want to use the word "cap", but it's almost like they want to see a senior whose pension now, regardless of whether they worked all of their life and paid in or not, because I deal with them every day and I'm sure all these gentlemen sitting around this room do as well - it seems like it's sort of, don't make this or you're going here, regardless of your pension you have that.

I don't really understand myself today why I'm even paying into CPP because if you work and you pay into a pension - and I did in my former life as well - what would the real benefit be? The losers would be us as individuals and certainly you more so, as people who gave for their country. I'm not sure and it's a great question, I was wondering if you had it listed - and I see that you did - why bother establishing the plan if the plan is to pay less and less out of it, so really you are fighting for something that you shouldn't have to fight for, you've also paid into that as well. I'm not sure where it goes, it has been a long battle - a five-year battle for you.

JOHN LABELLE: That's why we asked the question, why participate in a CPP plan if it benefits no one? Yes, it's applicable to all Canadians, to anybody who pays into an annuity plan or a pension plan they will receive a reduction. We cannot fight for their cause, all these companies have unions and so on, they must look after their own benefits, we can only speak of our own benefit. All we can say is our annuity plan must pay for the reduction clause to be terminated as every other civilian pension plan or annuity plan must pay for the Canada Pension Plan reduction to be terminated. It's the individual pension annuity plan that pays, that takes the loss, not the Canada Pension Plan.

CHUCK PORTER: I understand it fully and there's a slight difference between me and you or anyone who has served their country and the public sector. I think that we recognize that as Canadians, we just seem not to recognize that at certain levels and I'm sure that when it comes right down to it, the facts are that it's all about the money

unfortunately. It's the God almighty dollar that rules the world and that is really where the buck stops, isn't it? That is what it is.

The reason I'm asking about the documentation is, what has come back from the government saying, here's why we voted against it? There must be something saying that or telling you?

JOHN LABELLE: We've rebutted so many documents from the Conservative people. They're usually formatted letters basically stating the same repeated arguments that we have mentioned here.

CHUCK PORTER: But if you know the numbers, they must know the numbers. Is that fair to say?

JOHN LABELLE: They talk in circles. You have to understand, among the three of us, we have over 100 years of service in the Canadian Forces. We're not complaining, we volunteered to serve, we're not complaining about that at all. We served in isolation, I have 20 and a-half years of isolated operational duties, in Goose Bay, Labrador with a temperature of 101 degrees below zero - it's no picnic. I served in Masset on the Queen Charlotte Islands, a very difficult situation, we're not complaining about that. What we're saying is that we've earned our pension, our annuity, leave us alone, allow us to retire with dignity.

[9:30 a.m.]

CHUCK PORTER: So your documentation points out that the numbers are there, the dollars are there . . .

JOHN LABELLE: The dollars were there, the dollars should be there now, but it's very difficult to get documentation out of Ottawa, it takes a long time.

CHUCK PORTER: Is there any other reason that you can think of why it's not being as simple as it should be, why it's just not being paid out? What is it about?

JOHN LABELLE: The answer we get is that you're getting what you paid for, that's the answer we receive.

MELVIN PITTMAN: I might add, another reason is simply the Public Service. I think the Public Service is a fear factor because if they turn around and eliminate it for us, I can assure you that Public Service unions are going to be all over any government that is in power. I'm sure now you're looking at big, big numbers. As you alluded to, sir, a moment ago, it's all dollars and cents, yes.

JOHN LABELLE: It's doable. The Members of Parliament are exempt from the clawback, the judge advocates are exempt from the clawback and senators are also exempt from the clawback to their pensions. We don't think that's fair.

CHUCK PORTER: No, if it's not equal across the board. It would be one thing if everyone was treated the same to some degree, but again on the other point I made, the significance of the difference between you and I, and you and every other private or Public Service personnel not serving for their country and certainly those veterans who have done so and given up much.

I just wanted to point out one other thing. It was interesting in your solutions page, a good perspective about looking forward and the contributions that would be made by employees and employers to continue to help grow it enough to accommodate future years of others who are in fact coming along.

We have this issue now of what a veteran is, given the new age of conflict that we're in, Afghanistan and there will be others, I'm certain over the years - are they veterans? There are arguments now all going on in that, I think that's part of the fear factor as well when they start looking at some of those things and when they can be pensioned off and so on, probably a lot younger than when say, World War II, as an example, were pensioned. They worked probably until they were 65 and gave all of their time and now we see our military personnel retiring at 50, 55, some even younger who have already got 25 years or so of service, so that is going to become a long-term issue when it comes to pensions. I think you're fighting that battle, too, probably, I don't know. I'm only surmising, but I think that's all part of it.

I do wish you well and certainly support your endeavours as a Nova Scotian and a guy who comes from a long history of military family serving this country. So thank you for all that you've done for this country and continue to do in your fight for freedom and trying to get a fair and equitable solution to your issue here. Thanks, Mr. Chairman.

THE CHAIR: I would just like to say a word about how important I think your campaign has been. Not very long before you began it, I was giving some help to a retired disabled service person, trying to put some financial numbers together and figure his way out of a difficult period. The question was, how to get these numbers to add up until 65. So I had done my best to put this together and explain it to him and he said no, you don't understand, you're adding up things here that won't be added up for me at 65 because you are adding my CPP at that point but there will be no addition for me because my military pension at that point will be parallel reduced.

I must say that at that point I had many years of this kind of financial counselling under my belt and had never heard of this provision. I thought at first that the person had misunderstood their pension provisions. It was around that time that your campaign began. Now I think there are a lot of people in the situation that I was in at that time who had no idea of this basic unfairness and that in my view the campaign, while it has not

had success in the House of Commons, has had tremendous success in bringing this issue to the front of national consciousness, which I think is extremely important to mention this struggle.

I wanted to say about how important I think the campaign itself has been. I think that I probably wouldn't be untypical also in that the details of how pension plans work are difficult for me. I want to ask you to explain a little bit more about this. The background to this is, when we communicated our position in support of the campaign to the federal government, we received correspondence back from the federal government, in fact from Honourable Peter MacKay, giving I think what Mr. Porter was asking for, well what is the bottom line of their side of the story. I want to just read you a sentence or two from that and maybe you could - this deals with some of these matters that we're not all familiar with, bridge benefits and so on.

The core of Mr. MacKay's explanation goes this way:

"Upon retirement, members begin receiving a pension that is made up of two parts: a lifelong pension which remains the same before and after age 65, and a 'bridge' benefit which is paid from the day of retirement until the age of 65, at which point members begin receiving full benefits from the Canada Pension Plan (CPP)."

I want to ask you, is this not true?

JOHN LABELLE: In my opinion, no, it isn't. Bridge benefit is a myth. This wording was never used. We rebutted Mr. MacKay, we rebutted the Honourable Laurie Hawn. They came out - you were asking, somebody was asking about figures. Well, Mr. Laurie Hawn, a Member of Parliament, comes out with figures that it would cost \$7.4 billion to fix this program for the military and the RCMP. That is a completely false figure because we went to Ottawa and requested the position of the Canadian Forces superannuation and it told us the total cost to pay out all annuities for all veterans who are on annuity, from the military and the RCMP is \$2.2 billion. So how could the cost be \$7.4 billion to fix a portion of the plan?

They create figures, they create statements and this misrepresentation continues to grow with them. It is false representation of facts and figures and that's what we're dealing with all the time. We've rebutted and I can send you the copies of the rebuttals that we've done and we've done. We've rebutted every point that they - the words "bridge benefit" are not in existence in any financial counsellor's manual, they never have been.

The words never came out until we started the campaign. Mr. Laurie Hawn brought the words out so Mr. MacKay used the formatted letters, as does every other Conservative MP. We rebut them and we don't hear from them anymore. So that's the position we're in all the time. We tried to explain to them, this to us is not - we're not

interested in a political football game, we're interested in the Canadian Government looking after its veterans.

You see in the newspapers and on television lately what we're doing to our disabled veterans. It's terrible, it is sick. You must understand that we volunteered to serve in the Canadian Forces and we're not complaining about where we served or how we served and what we had to do, that's not what we're complaining about. You've got to realize that we don't get overtime, we worked seven days a week, 24 hours a day or 16 hours a day and so on. The wear and tear on our bodies - 15 years at sea on a ship, the wear and tear on my body. Statistics say that I should die five years sooner than somebody else because my body will wear down.

The Government of Canada has to at least be fair enough to treat us with dignity, financial dignity. We have paid into the funds. The funds were there, they should be allocated to us, in fairness. An annuity fund to us is sacred to the pensioners. It's difficult to answer your question.

THE CHAIR: No, I'm following you and I realize that this is going back to something that you've already explained, but I just want to get it as clear as I can. As I understand Mr. MacKay's argument, he's saying that service personnel paid premiums which supported this two-level system - the long-term payment and the bridge payment - and that, in fact, in his view, if the bridge payment was not discontinued at age 65, if the whole thing were as the campaign is saying it ought to be, retired service personnel would be receiving a benefit for which they have not paid. That seems to be the basis of the argument. Would you mind just speaking to that part of the argument?

JOHN LABELLE: Sure. The amount of annuity you receive has to do with the amount of contribution you made and the investment of the surplus of your contribution, then the pensioner, veteran, civilian pensioner, receives a monthly income according to the benefits that you've paid in. This is where we get lost.

To say that, well, we've taken some funds out of your contribution to the Canadian Forces superannuation - if I can just speak of the Canadian Forces superannuation rather than mixing it in with the RCMP - your contributions to the Canadian Forces superannuation were at this level. We can't even get them to agree with that figure because they forget that we also paid 1 per cent for indexing. So when they list the figure they don't list 9.3 per cent as we do. They won't even agree with us on these facts. So if you contributed a certain amount and you arrive at a \$20 billion surplus, obviously we were overpaying, we were over-contributing.

Their argument that you couldn't afford to pay any more into the Canada Pension Plan - well, in 1966 it was 1.8 per cent that we paid into the Canada Pension Plan but today it's 4.95 per cent. We can still afford it. The contributions are made to the Canada Pension Plan, the military pension annuity plan is not suffering, we're still generating surpluses in the billions of dollars, so we don't understand their equation.

THE CHAIR: Thank you. Mr. Boudreau.

JIM BOUDREAU: Thank you, Mr. Chairman. First of all, gentlemen, I'd like to congratulate you on what you're trying to do here because I think what you're doing for yourselves, you're really laying some new ground for others as well.

In this country, we certainly have the opportunity to treat not only our veterans but all seniors with dignity. What you're doing right now is, you have a campaign for, I believe, financial dignity for yourselves and also for the rest of Canadians as well.

The system as it works, the way I understand it, is that in most plans - and you noted some exceptions - there's a blending of benefits at the age of 65. It has often been described as the chairman described it, with sort of this bridge benefit and then at age 65, the bridge benefit goes away so to speak.

One of the problems with that, obviously, is that people - I don't think a lot of people who have plans truly realize what's going to happen until the last minute. When they realize it they're thinking their financial situation is going to somewhat improve, but that's not the case because in many cases the financial situation gets worse, and that's not what really should happen but that's what's presently happening.

[9:45 a.m.]

One of the things that I was involved in as the Secretary Treasurer of the Nova Scotia Teachers Union was a move toward getting trusteeship, joint trusteeship actually, with the sole trustee at that time, which was the Government of Nova Scotia. There are obvious advantages to that because what it does is it allows you, probably for the first time, to actually see the books, see what's actually happening.

In your case, I'm sure you're not able to see the books because the trustee is probably the Government of Canada and that's why, as a trustee, they are able to willy-nilly move things about, take money from your plan to pay down the debt and so on and so forth, because they're making those decisions.

Certainly back in the 1980s and early 1990s, we saw some bizarre things happening in this province too, when the Government of the Province of Nova Scotia had exactly that power, because there were bridges built to nowhere - I mean we've all seen the pictures in the news. There were monies expended, investments were poorly done and, as a result, some of the pension plans - including the teachers, the Civil Service plan - all lost money and didn't receive the benefits that should have and could have happened.

Just recently, in the last year or so, there has been a move in the province to give the civil servants joint trusteeship over their pension plan. Although I know that has been

contentious with some people, they really don't quite understand the actual benefits that's going to give them in the long term because it's actually going to give them some say.

I know I'm going around this in a rather convoluted way, but have you folks - as an organization and as veterans - pursued that avenue of joint trusteeship with the government? At the end of the day this is probably going to be the first step, I think, to getting you to the place that you want to be because the trustees are the ones who make decisions on plans. They decide to either reduce benefits, increase benefits. They have control over investments and so on and so forth.

A classic example of how this has worked very effectively is the Ontario Teachers' Pension Plan, which is one of the largest pension funds in the country, very successful. That's because I think they took over sole trusteeship of their plan.

Although I'm not offering any solutions or anything, I'm trying to suggest to you that might be an avenue that you pursue because as long as your plan is left at the discretion of governments, I suspect nothing is going to change. This political football, as we've seen, will just continue to be punted from one side of the House to the other and that's no good. At the end of the day, I think we need to look at a positive way to move forward. This is just a suggestion and I think where it has happened there have been success stories. Thank you. I'd like to get your commentary on that.

MELVIN PITTMAN: My response to your suggestion is simply in the real world, the civilian world, that it could become very functional and certainly beneficial. I'm aware of the Ontario teachers and the Nova Scotia situation but we're looking at autocratic organizations here, the military and the RCMP. I'm a former military policeman but I won't pretend to speak for the RCMP in that respect but we do have a lot of their supporters. So being autocratic, that's not going to happen because the commissioner of the RCMP and his chief superintendents or assistant commissioners and the CDS of the Canadian Forces and his immediate commanders, they have no control over this. It's the civilian side and the National Defence side that administers the fund, not the Canadian Forces per se.

I would think that the Act of Parliament that would be required to make that so, based on what we're encountering with the Conservative Government at this particular time, I wouldn't even dare suggest it because I would think, in my own many years of experience in the Canadian Forces, that it would never materialize because government is very keen on keeping the hierarchy in the Armed Forces at bay and you see that on a continuing basis. Mr. MacKay and his people and the Chief of Defence Staff and his people are forced to work together, yes, but that doesn't necessarily mean there's a great deal of love and harmony there, I can assure you. I spent a few years at National Defence headquarters - there is a perception but there is a real world too.

JOHN LABELLE: I'd just like to add that they're great comments. Is our committee prepared to tackle this situation? I don't think so, not at this stage of the issue because

there are so many issues. This is one issue that we've taken on and we simply didn't believe the volume of e-mails that we would receive in the run of a year of people complaining. We continue learning on the issue.

There are so many other issues. As an example, we're the only Forces in the world that buys its own disability protection, through our SISIP program - unbelievable. If you want to take us into wars and you want to spend billions of dollars on warfare, then you should be able to spend a few million dollars to look after your veterans. When we see the stuff that's going on television lately, that a veteran with both of his legs cut off has to fight the Government of Canada for a reasonable income, it's mind-boggling.

MELVIN PITTMAN: It's downright disgraceful.

JOHN LABELLE: We're not beggars, we only want what's rightfully ours.

MELVIN PITTMAN: It's disgraceful, as that major outlined in his interview on the CBC, at a time he has given his two legs. Now there are ladies in the room, so I won't go into detail, but if you lose your two lower legs then you've also lost a lot more. Just think of the concussion that blew your legs off, well, it has blown something else off as well. As Mr. Stoffer once outlined in the House of Commons, there's more than meets the eye.

Now here's a man forced to live for the rest of his life on 75 per cent of his original salary. As he said, he virtually gave the next thing to giving your ultimate for his country, and their thanks? Pension reduced by 25 per cent.

JOHN LABELLE: He has to live and his family has to live with that disability now. The least we could do is let him afford a new car or whatever, look after their grandkids with some dollars. Come on, we can spend billions of dollars on warfare, we can spend a few million dollars to look after our veterans.

THE CHAIR: Mr. Boudreau.

JIM BOUDREAU: Yes, I wholeheartedly agree with you that what's going on is not very good. I'm trying not to - and it's true, if we can spend billions and billions of dollars on weapons of war, then certainly I think as a so-called civilized country, we should be able to spend the necessary monies to help veterans and others in this country - I'm expanding it a little bit, too - that's absolutely true.

What I've suggested to you was not for you folks to pursue because it's a much bigger issue than that. What I'm suggesting is that you may want to take that to your national organization, the large group and say let's look at this. I'm very emphatic about the fact that at the end of the day, until you have some window of opportunity to participate in your own pension fund and to have some control and care for your fund, these kinds of situations will not fix themselves. They haven't fixed themselves in the 50 years probably that we're talking about here. I'm just throwing this out to you as a

suggestion for you to move ahead and I do commend you, again, for what you're doing and trying to do and I do see you folks as being sort of the vanguard of a much larger problem in this country that we should have addressed a long time ago. In 2011, we shouldn't be addressing these issues. Thank you very much.

THE CHAIR: Are there other responses to the presentation? If not, Mr. Pittman and Mr. Labelle, I might give you an opportunity, if you think there's anything that needs to be clarified, just to have the last word. Then Mr. Epstein is going to introduce a motion out of our discussion. Is there anything that you think we should go back and underline?

MELVIN PITTMAN: Yes, there is indeed, Mr. Chairman. To put this whole thing into proper perspective, we have to look upon veterans - correction, serving personnel in the military and RCMP - they have to be looked upon as an entirely different service to government than the Public Service, there's no comparison.

You might have a few senior officials sitting around on their backsides in NDHQ, but even though we may serve at NDHQ, as I have on two different occasions, I still had to serve my terms overseas as well, so you were still put into danger zones. So there is no comparison. The Public Service, you could take the odd government official who may be an embassy official in a foreign country and may be in a dangerous situation, but it's not the norm. It's an exception rather than the rule.

As a member of the Armed Forces or the RCMP, their lives are put on the line on a daily basis. Having spent 35 years in both capacities as a military policeman and as a serviceman, the danger is there, it's imminent at all times. Until somebody in government looks upon the serving personnel in both Forces as being unique, something different than the Public Service, then nothing is going to change. They have to recognize the fact that the way they're currently treating the veterans of both the RCMP and the military is totally unfair and it has to be based on the unfairness issue. They're not doing anything illegal, we don't advocate that, it's strictly unfair.

Mr. Labelle and I are sitting here reasonably comfortable because we were fortunate enough to retire at a sufficient level to sustain a reasonable pension. But we're not the norm; we're only in 1 per cent of the people who retire from the Armed Forces. The average person who retires from the Armed Forces is sitting at the rank of corporal. Now that young fellow starting out doesn't have a livable pension, this is why you see so many of them in the public buildings, downstairs and elsewhere, because there's no way they can live on those pensions. Then when they turn 65, they're hit again. As we often say, you get the proverbial stick again at age 65. This is why our airports and public buildings are so full of ex-servicemen doing commissionaire duty. They can't retire, there's insufficient funds and that is totally unfair.

JOHN LABELLE: I'd just like to add, to give you an example, we're both retired chief warrant officers - 37, 38 years of service. Our annuity today is less than the rank of a private in the Canadian Forces, so we're not retiring rich. We are fine, but as Mel said,

the vast majority of our people are retiring at the sergeant/warrant officer level. They're living on approximately \$15,000 a year income, they have to go back to work.

Now we're not complaining about that, if we need to go back to work that's a choice, we decide, but after spending all these years in the military and taking our spouses, who have to be the father and the mother - depending on if they're a lady or a man serving - and do everything for our children, bring up our families in different schools, different locations, different areas, serving in many areas where diseases are rampant and so on, the physical, the stress level and so on, we are a different government provider and we believe we should be treated as such.

On behalf of Mel and Roger, who is not here, I would like to thank you for inviting us. We started a little bush fire five years ago; we believe now that the forest is starting to catch fire as we see the publicity that's being generated about veterans. It's about time, it has been a long time. You just showed me a resolution passed by your government, the second province . . .

[10:00 a.m.]

THE CHAIR: By this committee, in fact.

JOHN LABELLE: I'm sorry, committee. You see, it's nice, we have the support of the Yukon that passed a resolution similar to that, now we have one from Nova Scotia. We'll just continue fighting because we're not really fighting for us, we're fighting for the lower veterans who have families and need to be looked after, need to be treated with the financial dignity that they've earned and paid for in so many different ways. Thank you.

THE CHAIR: Mr. Epstein.

HOWARD EPSTEIN: Thank you very much to the presenters for the additional information, it reminds us of something we've engaged with here before. The motion I'm going to put forward I hope will receive unanimous support here. If it does then, of course, it can be characterized as an all-Party matter so I think it would be duly noted.

I'm wanting to move that the committee write to various federal officials about this matter. I think the right federal officials would be the Prime Minister and a variety of members of Cabinet. I think, along with the Prime Minister, the Minister of Finance - or of National Revenue or both - the Minister of Defence, probably the Solicitor General who is responsible for the RCMP. I think the Solicitor General's designation may have changed, there may be a slightly different name now for the Solicitor General at the federal level, but whichever minister is responsible for the RCMP.

I would want the letter that would come from the committee to say that we have received further information about this topic to acknowledge receipt of a response to our

resolution from November 2009. I would want the letter to express doubts about the points that were made to us in response to our resolution. I would want the letter to urge reconsideration of their position - that is, the federal government's position on this - and urge them to reconsider it with the view to achieving fairness for members of the Armed Forces and the RCMP covered by this situation. I would suggest that the letter might point out to the federal government that there are a variety of things that they might consider doing if they weren't about to change their view immediately, that they might ensure that there was a full debate in the House of Commons, that the matter might be explored in committee at the House of Commons or it could be studied by an arm's-length pensions expert who was acceptable to all parties.

The essence of it would be to urge reconsideration, asking that there be approval from this committee that a letter be drafted by the chairman on behalf of the committee expressing these points. I so move.

THE CHAIR: Is there discussion on Mr. Epstein's motion? Mr. Porter.

CHUCK PORTER: I think, yes, I agree with the letter, I just wonder if we shouldn't add, Howard, maybe something specifically to the disability piece of this, as well, not to forget that as it has certainly been of light lately in the media and a huge issue as well, besides that, but just to point out that is one serious example of where things are falling down.

HOWARD EPSTEIN: I certainly accept that as a friendly amendment.

MAT WHYNOTT: I second that.

THE CHAIR: Thank you, Mr. Whynott. Is there any further discussion or response to the motion? Mr. Preyra.

LEONARD PREYRA: I wonder if we should add in that sentence referring to fairness, fairness to the spouses and families?

THE CHAIR: Is that agreeable, Mr. Epstein?

HOWARD EPSTEIN: Agreeable, yes.

THE CHAIR: Any further discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

With that we very much thank you for bringing us these clarifications and giving us this opportunity to continue this campaign in this way. It has been very good to have had

you here. We will perhaps recess for five minutes to allow our guests time to gather up and then we'll deal with a few administrative matters.

[10:04 a.m. The committee recessed.]

[10:11 a.m. The committee reconvened.]

THE CHAIR: If we could tend to the administrative side of our business. I'm thinking first about future agendas. I think everybody has the copy of proposed future topics. There are a number of kind of updates on that list that I think we could get Kim to give us because some things have to drop off. Do you want to speak to that, Kim?

KIM LANGILLE: At our last meeting when we chose witnesses, the tour of the Debert bunker came up and that was agreed to. I did some checking on that and apparently you're not able to tour it any longer - it's now in private hands and it's the Dataville Centre. I talked to the municipality that had owned it and had sold it to an organization called Bastionhost, so that's not possible is my understanding, so that's that.

THE CHAIR: Mr. Whynott.

MAT WHYNOTT: I actually know the gentleman who owns the business. I have been in and toured it actually within the last year. If you wanted to . . .

KIM LANGILLE: Have you? Oh, okay. I was told it was in private hands.

MAT WHYNOTT: It is in private hands and he bought it for a data centre; it's actually quite a fascinating story of how it changed hands. That being said, I don't mind giving the guy a call or passing it over to you to call because it would be amazing. I would love to go back actually. I don't sit on the committee, but I'm sure . . . (Laughter)

KIM LANGILLE: Okay.

THE CHAIR: We'll proceed that way about that one, agreed? Ok, then you had some notes on the Canadian Youth Remembrance Society, Kim.

KIM LANGILLE: Yes, that was brought up as possibly something we might want to investigate. At the time it wasn't put forward as a witness, we were supposed to sort of check and get a bit of information on exactly what it was. I did that and they actually had appeared before the Veterans Affairs Committee twice earlier. It was incorporated into a non-profit society. However, it has not been active since 2007. It has been struck off for default of registration fees with the Registry of Joint Stock Companies.

I did find a number for the gentleman who sort of headed up that organization, Patrick Milner, and was in contact with him. He, in fact, confirmed that yes, it was no longer an active society. What they did do when they were active, their mandate was to

create a national culture of remembrance which engages youth and have youth educate youth about the contributions made by Canadian veterans. Unfortunately, at the moment, they don't have an organization so that's kind of where that stands.

Now he did mention that he is looking and he is still very concerned about the issue and it's a possibility that he may look to sort of revive it at some point but that's where it stands at the moment.

[10:15 a.m.]

THE CHAIR: Okay, so we're kind of agreed to bump that from the list, I guess. Is that also the case, Kim, with the Pearson Peacekeeping Centre?

KIM LANGILLE: I had sent a letter - that was some time ago that it was put forth as a suggestion. I sent a letter off to them and I heard back - I can't remember if it was by e-mail or phone call - that they basically only had limited operations and staff here in Nova Scotia and they really weren't interested or available to come to Nova Scotia to give a presentation. That's kind of where that was left at the time.

THE CHAIR: So that sounds like a bump too, then. Okay.

About the subject of post-traumatic stress. Kim, you had mentioned to me that I think this was jointly proposed by Michele Raymond and Lenore Zann and that it was not apparent to you how we might . . .

KIM LANGILLE: Well the issue is - Lenore had mentioned it and then Michele has been very keen on that. She had specifically been talking about a program that she had heard about in the U.S. I guess my concern would be that I am not quite sure how one would go about organizing that, I guess. She did say that she perhaps had some contacts there. I have tried to get in contact with her about that, but I haven't heard back from her as yet.

THE CHAIR: It kind of sounds as though we can't advance that to the short list without some more details, so we'll ask you to look further into that before we do that.

Speaking about the short list, we said at our last meeting that we would receive the commissionaires who had asked to present and Kim has spoken with them. They are ready to do that, whenever we ask them, so can we kind of agree to put that towards the front of the list and ask Kim to go ahead with organizing that? Is that agreed? Ok.

We have in the same category, kind of ready to organize when he is available, Mr. Blackburn, the federal minister. I guess we might want to say to the Liberal caucus that in light of the depletion of the list, that we would be open to future nominations of possible subjects, too, from that side of the equation. Is there anything else? Yes, Mr. Boudreau.

JIM BOUDREAU: Well, my understanding, Mr. Whynott, is that we will - the committee will look at this tour as well, so that would be a fallback, is that correct? Okay, that's good, thank you.

THE CHAIR: Was there anything else on future agenda items? No, okay. Then just the question about meetings. We had run it previously that when the House was in session we did not meet, but this is not the same group that had decided that previously. I just wanted to check, does it suit everyone now that we continue the same way, that we'll organize these meetings monthly, except not when the House meets. Is it agreed? Okay, that is agreed.

One other matter I wanted to ask about (Interruptions) Sorry, yes.

HOWARD EPSTEIN: What does that mean about the 14th.

THE CHAIR: That means that the next meeting is not April 14th.

HOWARD EPSTEIN: Right, okay.

THE CHAIR: Kim.

KIM LANGILLE: That's fine. I just would like to have a bit of clarification around what's going to happen. When we get into May generally we run into the situation where everyone suspects the House is going to be getting out sooner than later. How do we want to operate it with regard to that meeting in May? If I go ahead and organize someone and two days before the House is out - are we going, are we not going, it makes it difficult for the witness when they don't really know what's happening because the House is still in session at the time they're booked. Are we just going to not book for May?

THE CHAIR: Mr. Porter.

CHUCK PORTER: I would suggest that we don't book for May. I assume we'll be there through - just with the Budget Estimates, that drags out a number of weeks. We're really not fired up into the budget probably until at least that first week of April and then we'll be there probably until sometime in June or July, I think, in the House and that will take us into next Fall, I guess. (Laughter) You guys are all laughing.

In all seriousness, I don't imagine we'll be out by the middle of May, maybe toward the end; I wouldn't book it just because of that risk. Maybe our tour for June, Mat, if we could get in there, it might be June and then we'll look forward to our Fall witnesses that may be lined up.

THE CHAIR: Okay, the proposal is shoot for June. Is it agreed? It is agreed, okay, good. Thanks. Another matter I wanted to just check with everybody about, I was wondering when Kim prepares background material for our meetings, and that would

include copies of correspondence, it would be useful to our caucus if Kim were able to make those available to our research staff and that has not been the case in the past. If she were to do that then, of course, we would want her to make it available to the research staff of all the caucuses, but that has not been the practice. Kim would need that decision to be made by the committee so I wanted to propose that. Mr. Porter.

CHUCK PORTER: I don't mind that, I've been arguing this point since I've been elected about the amount of paper that we kill in trees around here is just phenomenal; I've argued this in other committees. Could we get one copy at a minimum, if it has to be hard copy and could it come electronically for our researchers, even if it's just on a CD to be presented. If they really needed to make a copy of something or maybe all of it, but the paper sitting around here today is just - not that I'm . . .

MAT WHYNOTT: A tree hugger?

CHUCK PORTER: Whatever, a tree hugger if that's what you want to use; Mat's term. I do have some concern about what we do waste.

We're always trying to be thinking about the dollars and just what I see wasted sitting around the table in dollars is phenomenal. These committees, I don't know how many binders full of stuff that has been sent just in the mere five years that I've been here that I'll be honest, I don't have time to look at it and if the researchers are doing it, there's no question, we know who's doing the work. Even at that, I don't think they're looking at every page that you're sending them, so I would just want to be fair about that.

THE CHAIR: On the substance, can anyone think of a reason why we ought not to ask Kim to do that? No. Is it agreed? Okay.

KIM LANGILLE: I just want clarification on exactly what you want. The research package that is compiled by the Legislative Library does go to everybody electronically, so what documents are we talking about?

THE CHAIR: For example, if there is correspondence that has come to the committee, our caucus I think would find it useful for our research staff to be aware of that prior to the meeting itself and I would think that would be true for all caucuses. So that's whatever the members would receive would be useful to us if the research staff were able to receive it with a little headway, that's all.

KIM LANGILLE: So just when it gets sent out to members, cc it to the researchers.

THE CHAIR: That's it.

HOWARD EPSTEIN: Including the basic package.

KIM LANGILLE: Yes, the package does get done now.

THE CHAIR: Is there any further discussion on the matter? Is it agreed. It's agreed, okay.

Is there anything else we need to think about? Okay.

The meeting is adjourned.