THE STANDING SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE

(edited and redacted)

OTTAWA, Wednesday, February 27, 2008

The Standing Senate Committee on Banking, Trade and Commerce met this day at 4 p.m. to examine the present state of the domestic and international financial system. Subject: Bankruptcy and Insolvency

Senator W. David Angus (*Chair*) in the chair.

The Chair: Good afternoon, ladies and gentlemen, witnesses, people in the audience and honourable senators.

I am Senator Angus from Montreal, Quebec. I am chair of the Standing Senate Committee on Banking, Trade and Commerce. To my left is Senator Harb, a senator from the Ottawa area in Ontario; and further down is Senator Massicotte, who is also from Montreal, Quebec. Other members of this committee, I imagine, will arrive as we progress. ...

I will not go into a long repetitious description of the history, but I think it is important to explain again what we are doing here.

The bills that contain the major revisions are the Bankruptcy and Insolvency Act and the CCAA, the Companies' Creditors Arrangement Act, and were passed without study and review in the House of Commons. They were both basically passed. The reasons do not matter.

There were conditions, however, which basically boiled down to the fact that it was agreed by the powers that be that this committee would have an opportunity to review and report on those two bills. One was Bill C-55, back in 2005, which was passed but not proclaimed. It is enshrined in chapter 47 of the Revised Statutes of Canada, 2005; and Bill C-12, which was passed and received Royal Assent just before Christmas 2007. That bill, Bill C-12, is now part of chapter 36 of the Revised Statutes of Canada, 2007.

Interestingly, Bill C-12 contains a number of complicated provisions which, in effect, are amendments to the previous bill, Bill C-55.

I have asked for clarification from the powers that be as to when all these new provisions will actually take effect so that our stakeholders can arrange their affairs properly and people like you, learned in the law, will be able to provide value for money when your clients ask you what law applies. We are taking the lead here to try to bring some focus.

There are regulations that need to be enacted. There are administrative elements that will make the new provisions work but that have not all been finalized, and that is one of the main reasons for the delay. ...

Basically, we are not only giving sober second thought to Bill C-55 and Bill C-12, but we are hearing from all stakeholders, and we have enlarged the scope of our study to also include the Winding-Up and Restructuring Act, which applies to financial institutions, insurance companies and banks, and the analogous act relating to farm operations. We will be having witnesses appearing in the next days and weeks on those two bills as well.

The officials in all concerned departments are following our hearings. This being framework legislation, I believe we will soon be bringing in another bill with further amendments, which will take into consideration our findings in these hearings. We are, indeed, hearing not only satisfaction from some stakeholders, but also some constructive criticisms of how the bills can be improved.

...

Mr. Klotz: Senators, in the personal insolvency area, we are very pleased at a number of the changes. However, we are also extremely concerned that this legislation for the second consecutive time has been enacted without any hearings.

That being said, I will restrict my comments to four principal areas, apart from the various items in our submission. The first will be a regret. The second will be a serious, imminent and unforeseen problem, and the third is primarily an issue of draftsmanship.

RRSPs

The first issue is RRSPs, and that is a regret. The Canadian Bar Association is strongly in favour of exempting RRSPs so that there is some parity of treatment of professionals and non-employed people with employees who hold pensions. That being said, the question is how to do it in a manner that is fair and equitable.

It is a central proposition of justice and the rule of law to treat like cases alike. That, I am told, comes from Book 5 of the *Nicomachean Ethics*, which I have never heard of until about two hours ago.

The Chair: When you come to Ottawa, you never know.

Mr. Klotz: That is where it comes from. Its counterpart is to account for differences in a different way, and not to pretend that they are the same.

Therefore in dealing with exempting RRSPs, we must account for the ways in which RRSPs are different from pensions. Our concern is that what has been enacted in Bill C-36 does not account for any of those differences. There are two sets of differences.

The first is that for pensions, the pension holder, the employee, has no control over contributions, or minimal control. The contributions are regular and in relatively small amounts. RRSPs, however, give the contributor complete control over when to contribute and how much, subject to the limitations of the tax legislation.

The second difference is that pensions are locked in. There is simply no access to pension money until retirement age, subject to exceptions that are monitored by the pension administrator in cases of illness. That is well and good, whereas RRSPs are fully redeemable at any time. We have to account for these two differences.

To look at redeemability for a moment, is this a problem or is this rare? I have noted that at least one witness before you has said that this is extremely unusual, and I am afraid that that is incorrect. When I was working on the Personal Insolvency Task Force on this question, we looked at two studies. One was a government study from 1997 that noted that almost two thirds of all RRSP withdrawals that year were made by individuals under 55. Another study, I believe

commissioned by the superintendent of bankruptcy, showed that early withdrawal of RRSPs is common. Of all the withdrawals by people under the age of 65, 75% were made by people under 55.

Why is this so? Because the RRSP is an ideal bank account or savings plan. It is tax-aided in contribution and it is tax-deferred. It is a wonderful place to put money and then to use that money if it is needed. We find in the insolvency area, people do use their access to this money. There is no reason for us to exempt bank accounts. The only reason for this exemption is to ensure that people have money available at the time of retirement. That is the social policy for pensions and that is the social policy for RRSPs and for exempting them. We want people to stay off the welfare roles when they retire and not to have to rely on the Canada Pension Plan.

That being said, if we simply exempt RRSPs as Bill C-36 has done, people can pass through bankruptcy and then cash their RRSPs, buy a boat, go off to a vacation in Bermuda, do whatever they want to the dismay and the horror of the creditors, and as well of the Canadian public.

The exemption should favour the policy behind the exemption. By locking in the RRSP as a condition of exempting it, we ensure that the policy is met by the reality. We force the exemption to do what we want it to do, which is to save that money for retirement. The last thing we want is to give the debtor a free pass to a bank account.

That is the lock-in. Now, as to the other difference, namely contributions, it is well-known that some people are artful or strategic in utilizing the Bankruptcy and Insolvency Act. We need an effective, cheap remedy to ensure that people cannot load up on their RRSPs shortly before bankruptcy. It was the conviction of the task force and it is the conviction of the Canadian Bar Association that there is currently no effective remedy against abuse in this context. There are a variety of practical reasons for this.

Bill C-55, the Task Force and the Senate in its 2003 review all accepted, I believe, that there should be a cheap, effective remedy. That is where the clawback came from. Unfortunately, under Bill C-36, the clawback is a short one. There is no judicial ability to lengthen it in the appropriate case, and it only applies where there is no provincial exemption. That will have the effect of neutralizing

the clawback as soon as the various provinces enact their own provincial RRSP exemptions. That is going to happen very fast as they all imitate and match what is being done at the federal level.

That one-year clawback will very shortly be completely irrelevant. It will be history even though it will still be there on the books because every province will fall into line. For instance, I received a call two days ago from a gentleman in the Ontario Ministry of Justice who wanted to start reviewing that question. The other provinces are all going to do the same.

That is RRSPs.

Undervalued Transactions and Preferences: Effect on Separation Agreements

The second problem is one that we see as a possible crisis, and that relates to undervalued transactions and preferences. I will start with undervalued transactions, the new section 96. The concern here is not with the arms' length issues, nor with business issues, which I will not be addressing, but with the non-arms' length test.

The problem is that these provisions replace the anti-abuse mechanisms that we have now. We are concerned that the draftspeople have not run the scenarios, that no-one has examined all of the possible consequences, and particularly unforeseen ones. What are some of these unforeseen consequences?

This section allows the court to attack the payment of money from a parent to a child to support the child, for consumption. That transaction is undervalued because there is no consideration being given by the child to the parent. That falls within the section, and that may result in a judgment. The only defence the child has is judicial discretion because the section is drafted so as to say the court "may" grant a judgment.

That one word is a slender reed. First, that does not give any guidance as to when that order should or should not be made. It gives no guidance to the court or, more importantly, to the Canadian public as to what is right or wrong. People look to the

law to determine what is right or wrong; what is good or bad.

The law is a reflection of public morality, but it must also serve to reinforce that sense of right or wrong. We are moving away from that in these sections.

The Chair: Was there no such provision in the previous law?

Mr. Klotz: Section 91 was the settlement provision, and it provided a safe haven for conveyances make for the purpose of consumption. That is precisely what this does not exempt -- consumption. We will have to rely on the word "may" to exempt all of the transactions where someone gives something to someone else so that they can live. Sending your child to day camp can result in a liability on the part of the child. This may seem absurd but it has happened under section 160 of the Income Tax Act. Someone was assessed for sending the kid to camp and the kids were assessed for the cost of that camp experience.

This is not fanciful. Judges are human and they make mistakes too. We have to anticipate that as citizens and as lawyers. This section gives us no moral or legal guidance whatsoever on where the line should be.

The effect on separation agreements is much more of a concern. This problem arises when one of the spouses has declared bankruptcy shortly after the spouses have finalized the financial aspects of their separation in an agreement. Typically, the test for whether a separation agreement, or a transfer pursuant one, can be challenged in bankruptcy, depends on the good faith of the spouses, whether the process has been respected, and whether the transfer made or the agreement drafted is within the range of what a family court would order. Those are good and proper tests and are universal in Canada. However, the undervalued transactions test replaces all that with arithmetic such that the fair market value of what was transferred minus the fair market value of the consideration equals the judgment for the difference that may be granted. We are now out of the realm of good faith, knowledge and morality, and into arithmetic. There is no reason for that. It is regressive and ignores all of the case law in the country, in my view.

Married spouses are treated worse than common-law spouses under this new remedy. Married spouses are presumed, or deemed, subject to evidence to the contrary, to be caught by these non-arm's-length rules, which are very harsh, whereas for unmarried spouses, it is a question of fact that determines which set

of rules applies to them. There is no earthly reason for this distinction to be made. Why should marriage be discriminated against in this setting when there is no substantive or reasoned excuse or justification for it? It is difficult to understand why that has been chosen. In our view, it will give rise to a constitutional challenge.

The Chair: What is the reverse? Maybe it is payback time.

Mr. Klotz: The usual test is separation. That is the functional test and what differentiates the two situations. That is what section 160 of the Income Tax Act does. I am not saying that should be done, although it is one solution to what will be an imminent problem.

Arm's-length is simply the wrong test in this situation because someone will have to pass judgment on whether the spouses are at arm's length. The spousal relationship is so much more complex than that. Two people can hate each other's guts and fight tooth and nail in court and yet, when it comes to saving the money in the family from creditors, they will be united and act as one, despite that hatred, hostility, separate lawyers and litigation with tooth and nail. Is that pair at arm's-length or not at arm's-length in this respect? It is impossible to say with any precision and it is impossible to predict with any precision. It is the wrong test.

We commented on the section back at the time of Bill C-55 and said that it was a problem. The response of the government was to implement section 95, which makes the problem significantly worse. Again, we have this non-arm's-length problem treating married spouses worse that we treat common-law spouses. Instead of having a judge who 'may' grant judgment, we have no discretion at all if the test is met in the non-arm's-length scenario, because the transaction is void. There is no discretion whatsoever. Now, we have eliminated morality and good faith as considerations, and discretion. This means that if the parties enter into a separation agreement that involves a property transfer from husband to wife to satisfy her equalization claim, that agreement and transfer will be set aside -- even if they were separately represented and acting in good faith -- if the husband declares bankruptcy within a year, there were some other creditors whose debts were not paid during that year, and a judge decides that they were not at arm's length. Spouses will be unable to order their affairs for one year after the separation agreement.

The effect in some provinces is much worse, because three of the provinces --

Ontario, Manitoba and Prince Edward Island, and to some extent Quebec -- are equalization provinces where this preferential aspect is critical because the family law remedy for property is a debt-type remedy. In the other provinces, it is a property-type remedy. I will not go into the technicalities, but this problem will be faced in serious terms in those three provinces more than in any of the other provinces.

There will be an impact on the collaborative family law process. All provincial governments and the federal government have utilized substantial resources to get people to the table to collaborate in solving the horrible problems of family schisms and the wreckage it makes of children in those families. They have devoted substantial resources to mediation and other creative initiatives. These efforts are intended to result in the resolution of the dispute in a separation agreement, but that agreement will now be fragile and under threat if the transferor spouse declares bankruptcy -- or files a bankruptcy proposal -- within one year.

I spoke with a family lawyer earlier today, because I am not a family lawyer, although I work with lots of them, and I want to know what their views are. After I explained the new provisions to this lawyer, she told me that she would not be able to sleep tonight because she is worried about her cases and the agreements she is currently working toward. I did not find that an overreaction.

No one in the family law bar knows of this amendment; no one asked for it; no creditor group asked for it; and no one intended it; but it has a significant social policy effect.

The Chair: You are saying that it is an unintended consequence.

Mr. Klotz: Absolutely.

The Chair: The draftsmen unwittingly created this problem. It was not a policy decision.

Mr. Klotz: To a large extent, that is absolutely true. I have reviewed the research papers that originated this concept and, in my view, they do not focus at all on the personal area. It was economic efficiency that drove these changes, which is valuable in the commercial sphere but not so important in the personal

sphere. In the personal sphere, the important elements are ethics, morality, good faith, adherence to a proper judicial or negotiating process, and the policy of getting people to stop fighting and to enter into that agreement. Efficiency is not the critical element.

Surplus Income

The third issue is one of draftsmanship in regard to surplus income. Our concern is simply that the section is badly drafted, in particular the definition of "total income." The definition of "total income" includes damages for wrongful dismissal, workers compensation and pay equity. That is expressly stated. By bringing in damages for wrongful dismissal, presumably someone thought that all such damages were lost income, which is far from the truth. What has been brought into total income are items that have never been considered as income by the bankruptcy process; they have always been exempted entirely.

I spoke with an employment lawyer to assemble a list of the kinds of damages that can be awarded in these cases, that will now be incorporated into the definition of total income.

Damages for mental distress are awarded in wrongful dismissal cases. Because of this definition, instead of being exempted from bankruptcy, they are brought into income. Loss of reputation, which has never been part of income or of the bankruptcy process, has been brought into income. Punitive damages have been brought into income. Damages for tortious behaviour have been brought into income. General damages awarded for breach of human rights -- when someone is fired because of discrimination, for example -- are part of total income. Currently, in Ontario, legislation that specifically deals with the right to claim these damages will come into force in July 2008 and these items will become part of total income. No one asked for any of this. None of them should be, or historically have been, included in income.

The three items -- wrongful dismissal, workers compensation and pay equity -- are on the list but there is one item missing that should be included on the list: lost income damages in a tort case, such as a car accident case. You can get a huge award for lost income, but that category is not on the list. It is like forgetting

that there is an elephant in the room when asked, what is in the room? There is a chair and a table but you forget to mention that there is an elephant. The omission of tort damages for lost income from this list, by the usual principles of interpretation, means they are intentionally excluded. That means a huge category of lost income, which should be and currently is part of total income, will be excluded from total income.

Perhaps when assessing the construction of this proposed section, a court will ignore the plain wording but, at minimum, there is complete lack of clarity and complete confusion on this point.

Discharge of Student Loans

I will comment briefly on two other issues, the first of which is student loans. You have heard submissions from many sources about the concerns in this area. We share these concerns. We do not like the 10 years; we prefer 7 years to 10, and 5 years to 7. I will stop there because, given the realities, we would prefer it to be as short as possible. We would agree with Senator Goldstein here.

The Chair: You know about his private bill going to two years?

Mr. Klotz: Very much. It started at two years. I was before this body when it was raised to ten. It was by the skin of my teeth that I got here because there was no notice. We raised the same concerns back then.

It is a bit complex. We all know that two years is essentially meaningless in terms of its actual function. If they are legitimate, no one will go bankrupt within two years, so what does a two-year provision actually do? It sends a message to the courts that this is a problem.

There are other provisions like that -- for example, the income tax provision we will soon have. What does it actually do? If the taxes exceed $200,000 and amount to at least 75% of the total debts, it mandates that a discharge hearing must be held. However, the government can currently request that discharge hearing under the current legislation simply by filing a short notice and paying $50. The new section will save the government $50 in every tax bankruptcy; that is all it does. However, its moral effect is much more significant. It sends a message to

the courts: Treat tax abusers harshly in these circumstances.

That is precisely the message that this student loan provision, when it was at two years, sent to the courts. What do you do when the courts are not taking a sufficiently firm approach to the student loan problem? How do you send a message to the courts? You do it by enacting a section which, of itself, does not necessarily do that much, but it acts as a guide to the exercise of judicial discretion.

We think that if this period is brought down to two years -- yes, two years is, in some sense, meaningless -- it will nonetheless serve the function of acting as a guide to the courts. The case law has already realigned itself by virtue of these provisions; and that process will be locked in place, I think, regardless of whether the period is two, five or ten years. However, if it is two years, we can avoid the hardship, we can avoid the misery in proper and just cases. In our view, in the experience of our members, those cases do arise.

Finally, we regret that a number of provisions recommended by the Senate were not adopted by the government and we have listed those in our submissions.

Those are my comments, senators.

…

Questions from the Senators

Senator Harb: … When you talk in your presentation about the student loans, you talk about the hardship hearing and the partial discharge element.

I would be interested if you could tell us a little bit about a scenario where a student will have a partial discharge.

Mr. Klotz: I want to make sure I understand your question. The case law has developed so that the judge or registrar hearing the mercy or hardship hearing can only say yes or no, all or nothing. He cannot say 50%, 25%, or 75%.

The job is to do justice. This is after the ten years or seven years. It is too late, in my submission, but the job is to do justice and why should the judge be hampered by this rule and not be able to do justice? It does not make good sense,

in my mind.

Does that answer the question?

Senator Harb: Yes. I just wanted you to put on the record exactly what you said. Thank you very much.

The second question deals with your oblique suggestion of RRSPs and a sense of what we should be doing, creating some sort of a provision for a lock-in. Therefore, if I put money in RRSPs, I should, in a sense, be protected so no creditor can come in and take the money away. Your suggestion is perhaps taking it even out of my hands by creating some sort of a mechanism, unless I misunderstood you.

Mr. Klotz: Let me make it a little clearer. We are not suggesting that anyone would buy an RRSP and check a box saying: I have no access to this RRSP. We are not suggesting that anyone would buy that. That would not sell well.

What we are saying is if you go bankrupt and you want to hold on to your existing RRSP, you have to convert it at that moment into, in effect, a pension. It is only at that moment that you have to do so.

Senator Harb: As a lawyer, you know how tricky that would be. If you find yourself in a situation where you have a debtor showing up with $300,000 in his or her RRSPs and you have the creditors on the other side, and the negotiation is taking place knowing full well all you need is one of those creditors to say "no" to an arrangement, then you cannot do the arrangement to reorganize this particular person.

Not the direct pressure, but the undue pressure would mount exponentially on the person who has the RRSP for him not to agree -- although not publicly agree -- to go and cash in his RRSPs.

In essence, what I am submitting to you is that the only way you can achieve what you are trying to achieve is by putting the onus on those who are either doing the reorganizations or in the law itself, where it will prohibit even the mere suggestion of a creditor; that somebody who is a debtor will have to go and cash their RRSPs. That is the only way you can handle what you are trying to achieve, would not you agree?

Mr. Klotz: I think it is a different problem. I recall the exchange, and it must have been between you and the gentleman from the insurance firm raising this issue. We are now discussing proposals. Let me recast it to make sure I understand the question.

I want to make a bankruptcy proposal. I have nothing but a $300,000 exempt RRSP. I make a proposal and I have a big creditor who says: No, we want $150,000. You are going to have to cash your RRSP if you want us to play ball.

I think your suggestion is that we want to stop that kind of pressure. I do not really have a problem with that pressure, because if the person wants to go bankrupt and keep their RRSPs, they can do that. That is a free choice, and I do not believe that choice should be restricted in any way, in the same way that if the debtor has to access a house that the debtor's wife owns, or borrow money from a friend, they should be free to get that money from wherever they want.

There may be some people who want to have a proposal fly and who are prepared to use exempt assets. Most people probably would not, but there are certainly circumstances that I could imagine, and probably some I have been engaged in, where it is rational to use those assets, because otherwise some other transaction will be attacked or the brokerage license will be lost in a bankruptcy. That is just part of the give and take of a proposal negotiation.

Many RRSPs are not exempt now at all, and even if they are exempted, under what is in Bill C-36, they can be cashed at any time for any purpose.

…

Senator Massicotte: If I can jump to student loans then, we heard some comments earlier in your thoughts that you do not like the 10 years; 7 years is better and 5 is better than 7; you talked about 2. Help me a bit on that process. We heard all kinds of testimony saying that within the current provisions you can delay your file, if you have financial problems, for at least 18 months and maybe a lot longer. You also have the argument of duress or cannot do so, and yes the government has the right to say I will apply for that.

Help me a bit. What is the right timetable? I think the starting point should be that we decide in our society we are not going to give free education; and

therefore, people have to raise a bit of money, at least room and board, some tuition fees, and the thinking among most of society today is society is investing in these students. They are subsidizing their education. Therefore, they should not be treated as a normal creditor. There needs to be payback. The payback is so many years ahead. That is why you have the issue of term. The argument could be strongly made to treat them like any normal creditor. Help me with that logic. Why not treat them like a normal creditor? Give me some structure to the thinking of two or four years. Why?

Mr. Klotz: What I can do is offer a series of insights that are not necessarily integrated.

Senator Massicotte: As long as it is coherent.

Mr. Klotz: One of them is that the bankruptcy treatment must, in some sense, coincide with the treatment outside of bankruptcy. We know there is a program for deferral of up to five years. One could rightly say there is no point in wiping out a debt if someone goes bankrupt before the obligation to pay has even come into effect.

I can see the sense of a period that is five years or over, given the rules that are presently available. That observation would start to lose force, however, if it were discovered -- and I think this is the case -- that in many instances that deferral is not available. I am told, and this is purely anecdotal, that the students have to be current to take advantage of the deferral, and all too often, they come into default and are not able to get the deferral.

We are dealing with a group of people whose defining characteristic is they are young. They do not know how to work the system yet. Second, they have not fared well in life, which also suggests they are not expert at working the system. These are people that fall between the cracks. It is unfortunately easy to say, look, there is a five-year deferral here. They can take advantage of it. The problem is that a number of them simply are not able, because of their lack of wherewithal, to take advantage of it. That would suggest the period be lower than the five years.

Senator Massicotte: I gather the need to be current is an administrative policy that someone took, right? That is not the law. The ability to apply for deferral being dependent on the fact that you must be current was decided by someone,

right?

Mr. Klotz: That is the nub of it. This is something that I raised in 1998 when all sorts of promises were made by the student loan people about how their own systems would pick up the slack when discharge is not available for those ten years. Our response was, well, so you say, but how can we rely on that? Where is the regulation? Who is going to look at it? Who is going to be satisfied that, in fact, it does the job that you are asking us to change legislation for?

Here is the problem. They hire outside collection agents who make life a living hell for these poor students, and I know because I hear from them. That is the nature of things. In fact, I have sympathy sometimes for the collection agents. They get paid by the job, by recovery. They have to be miserable to people to make enough money to provide for their own families. It is a cycle. I am not pointing the finger of blame.

They have the collection agencies and the administrative rules which may make very good rules if the captive group is educated or savvy or if they are able to work the system, but these people do not.

We are dealing with a group of people who are young. One of the defining characteristics of youth is the inability to look forward into the future, or looking at the future with rosy glasses rather than the realistic gaze that we oldsters have.

I have reluctantly concluded, and I think the Canadian Bar Association is of the view, that we cannot rely on those administrative measures. It is a fog to some extent. We hear the anecdotes and we see what students sometimes go through. That suggests to us that this administrative system does not fulfill the promised function that the Senate was told about and that we were all told about.

Senator Ringuette: I would like to follow up on the issue of student loan collecting agencies. Most of them do not even identify themselves as collection agencies. They give the impression that they are employees of the government within the student loan program. I have talked to many students who have had very bad experiences regarding what they thought was a government employee but all the time was from one of those agencies eager to collect the fee.

I certainly agree and can concur from my conversations with different students. In no case that I know of would these collection agencies speak of the opportunity of the deferral system available. That is not their job. Their job is to collect. They are paid to collect. We need to highlight that situation.

Mr. Klotz: If I may make one final comment, I have read the testimony of the student loan people. Frankly, I found the testimony convincing and very useful. I do not discount its value. The difficulty is the gap between what is portrayed and the reality. The people that we are concerned about are the people who fall into that gap. They are the people who are the losers of the system. Those are the very people who are often insolvent. They are cast into a netherworld that we want to protect them from, or at least have the ability, if they are deserving, to protect them from.

…

The Chair: I would like to draw these proceedings to an end, in view of the clock … I would like to thank you on behalf of my colleagues very much for your patience tonight under these special circumstances and for your very thoughtful input. If you have any questions, now is the time to ask them. Otherwise, I will call the proceedings terminated.

Mr. Klotz: I would like to thank the honourable senators for listening to us. It was a wonderful opportunity.

The committee adjourned.