

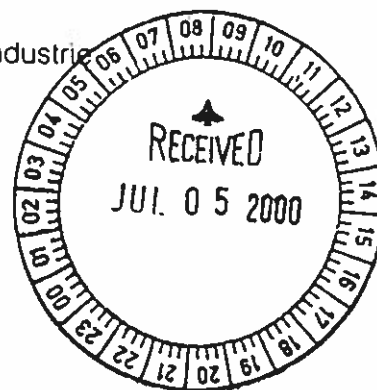


Minister of Industry

Ministre de l'Industrie

Ottawa, Canada K1A 0H5

The Honourable L'honorable
John Manley P.C., M.P. c.p., député



JUN 28 2000

Mr. Bill Braden, M.L.A.
Legislative Assembly
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, Northwest Territories
X1A 2L9

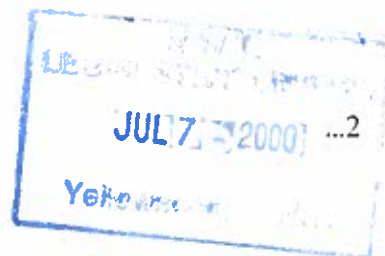
Dear Mr. Braden:

The Honourable Robert Nault has forwarded to me a copy of your letter of March 20, 2000, regarding pensions and severance of former Giant Mine employees. I regret the delay in replying to you.

Unfortunately, some employees of Giant Mine may not receive the full amount of severance and termination pay or pension benefits to which they would otherwise have been entitled. The *Bankruptcy and Insolvency Act* (BIA) provides that claims of up to \$2,000 in unpaid wages against a bankrupt employer are to be paid ahead of the claims of ordinary creditors. However, this provision does not apply to claims for severance or termination pay. The BIA gives no special status to claims of a pension fund for unpaid amounts owing to employee pension plans.

Amendments to the BIA in 1997 provided for a Parliamentary review of the Act in 2002. In preparation for that review, Industry Canada officials will be holding consultations over the next two years on outstanding bankruptcy issues. Issues respecting protection of claims for wages and amounts owing to pension plans will be reviewed thoroughly to determine what changes may be required to achieve a fair and equitable solution.

Canada



Thank you again for bringing this matter to the government's attention.

Yours very truly,

A handwritten signature in black ink, appearing to read "John Manley". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John Manley

c.c. The Honourable Robert Nault, P.C., M.P.