HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Industry, Science and Technology

INDU • NUMBER 050 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, March 7, 2017

Chair

Mr. Dan Ruimy

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● (0845)

[*English*]

The Chair (Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.)): Welcome, everybody, to meeting number 50 of the Standing Committee on Industry, Science and Technology, pursuant to the order of reference of Friday, December 9, 2016, Bill C-25, An Act to amend the Canada Business Corporations Act, the Canada Cooperatives Act, the Canada Not-for-profit Corporations Act, and the Competition Act.

Today we are in clause-by-clause and we will be joined by Mark Schaan, director general, marketplace framework policy branch, strategic policy sector, who will offer his expert guidance.

Mr. Mark Schaan (Director General, Marketplace Framework Policy Branch, Strategic Policy Sector, Department of Industry): I will certainly try.

The Chair: I'm going to read out a bit of what's going to happen today on clause-by-clause consideration of a bill in committee.

I'd like to provide members of the committee with a few comments on how committees proceed with the clause-by-clause consideration of a bill.

As the name indicates, this is an examination of all the clauses in the order in which they appear in the bill. I will call each clause successively, and each clause is subject to debate and a vote. If there are amendments to the clause in question, I will recognize the member proposing it, who may explain it. The amendment will then be open for debate. When no further members wish to intervene, the amendment will be voted on.

Amendments will be considered in the order in which they appear in the package each member received from the clerk. If there are amendments that are consequential to each other, they will be voted on together.

In addition, to be properly drafted in a legal sense, amendments must be procedurally admissible. The chair may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill, both of which were adopted by the House when it agreed to the bill at second reading, or if they offend the financial prerogative of the crown.

If you wish to eliminate a clause of the bill altogether, the proper course of action is to vote against that clause when the time comes, not to propose an amendment to delete it.

Since this is the first exercise for many of us in this room, the chair will go slowly to allow all members to follow the proceedings properly. If, during the process, the committee decides not to vote on a clause, that clause can be put aside by the committee so we may revisit it later in the process.

As indicated earlier, the committee will go through the package of amendments in the order in which they appear and vote on them one at a time unless some are consequential and dealt with together. Amendments have been given a number in the top right corner to indicate which party submitted them. There is no need for a seconder to move an amendment. Once moved, you will need unanimous consent to withdraw it.

During debate on an amendment, members are permitted to move subamendments. These subamendments do not require the approval of the mover of the amendment. Only one subamendment may be considered at a time and that subamendment cannot be amended. When a subamendment is moved to an amendment it is voted on first, then another subamendment may be moved in a committee, or the committee may consider the main amendment and vote on it.

Once every clause has been voted on, the committee will vote on the title and the bill itself, and an order to reprint the bill will be required so that the House has a proper copy for use at report stage.

Finally, the committee will have to order the chair to report the bill to the House. That report contains only the text of any adopted amendments as well as an indication of any deleted clauses.

I thank the members for their attention and wish everyone a productive, happy clause-by-clause consideration of Bill C-25.

Thank you.

I would also like to point out that we have Elizabeth May here today.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Yes. I'm here under your instructions and much against my wishes.

The Chair: I was just welcoming you to the committee.

Ms. Elizabeth May: Just to remind you, the committee passed a motion last year that was identical to the one that the Harper cabinet came up with to deny me my rights at report stage and that's why I'm here. The opportunity I have under current procedures would be to put amendments at report stage. That ability has been withdrawn by the individual motions that were passed in every committee.

Thank you, and sorry, Mr. Chair.

● (0850)

The Chair: Thank you.

Okay. We're going to move on.

We are going to start with clause 1.

(Clauses 1 to 6 inclusive agreed to on division)

The Chair: We're now going to our first amendment, PV-1.

Ms. May.

Ms. Elizabeth May: Thank you, Mr. Chair.

Having put on the record my objections to the process, I can proceed right to my amendment. As members may know, these are deemed to have been moved, because I can't move these or vote on them as I'm not a member of the committee.

Going over the evidence, there are a lot of opportunities to really avoid tax evasion schemes and money laundering schemes that were missed in Bill C-25. Relying on the evidence of Publish What You Pay and Transparency International, this amendment, PV-1, moves to increase the level of fine as a sanction in order to encourage them to maintain the records and disclose securities information. The current penalty is too low to do that, in our view.

The Chair: The amendment seeks to amend subsection 20(6) of the Canada Business Corporations Act. The *House of Commons Procedure and Practice*, second edition, states on pages 766 to 767:

> ...an amendment is inadmissible if if proposes to amend a statute that is not before the committee or a section of the parent Act, unless the latter is specifically amended by a clause of the bill.

Since subsection 20(6) of the Canada Business Corporations Act is not being amended by Bill C-25, it is therefore the opinion of the chair that the amendment is inadmissible.

We're going to go to PV-2.

Ms. May.

Ms. Elizabeth May: Mr. Chair, would I be able to anticipate your ruling that this would also be deemed inadmissible?

The Chair: Yes.

Ms. Elizabeth May: Then I would not speak to it at this point.

The Chair: For the record, PV-2 is inadmissible as it amends a section of the act not amended by the bill.

PV-3 is inadmissible, again, as it amends a section of the act not amended by the bill.

Ms. Elizabeth May: Again, the purpose of these three amendments was to improve the bill's efficacy by having higher penalties and sanctions.

The Chair: We are going to move to NDP-1.

Mr. Masse.

Mr. Brian Masse (Windsor West, NDP): The bill here doesn't have the proper oversight necessary. It's similar to the Green amendments, which were looking at the penalties for it. The minister does not have the empowerment necessary to carry through, even on things related to the structure of the bill, making sure that we're getting changes in the corporate boardrooms.

This amendment has an exhaustive organizational chart, so that we can track what is happening with regard to the companies that are under review. Some will be very good for best practices. Others will be required to have something that the minister can look at and review to ensure that they are actually going to have the proper changes necessary.

It will also provide some history with regard to the comply or explain model, if we go to that. There will be some history related to reviewing what did the board consist of in 2017 versus 2020 or later on.

● (0855)

The Chair: Again, this is one that is inadmissible as it amends a section of the act not amended by the bill. It has to be ruled as inadmissible.

We're going to move to NDP-2.

Mr. Brian Masse: Thank you, Mr. Chair.

Again, this is similar in the sense that it would provide accountability to the minister. The fines that we have with regard to this are up to $1 million. This, again, gives the minister some empowerment.

Currently, if we're going to go where the government wants to suggest in terms of a five-year review of the bill, by the time you actually have a new Parliament that would be interested in doing that, it would actually take several years, minimum, to actually go through the bill. You would basically have an ineffective position or program related to fines, penalties, or consequences related to the bill that we currently have right now. It would take several years, if the bill was a priority for a new government, to review it again in the current model.

There will be basically a staying of power after this bill is passed. We know that we only really looked at it twice in 40 years. You will have a continued stay of power related to that for another several years. Again, this is to add some fines and penalties to it.

The Chair: Thank you.

Once again, it is inadmissible as it amends a section of the act not amended by the bill.

Mr. Ben Lobb (Huron—Bruce, CPC): Can I have a bit of clarification here? I probably need some education on this.

Is the idea that we're bound to today that we can only amend the parts of the bill that the minister and his department amended?

The Chair: What's happened is that when this went through the House of Commons only certain portions of the bill were sent for reading. The portions that have been inadmissible are subsection 20 (6), which was not part of the original content that was sent for us to study. Therefore, we cannot amend it.

Mr. Ben Lobb: But it's part of the act.

The Chair: It's not part of what was sent to this committee to study.

We're going to move to NDP-3.

Mr. Masse.

Mr. Brian Masse: I'm going to go ahead with that one. I know it's inadmissible.

The Chair: Again, that one is inadmissible as it amends a section of the act not amended by the bill.

Mr. Ben Lobb: I just would like to point out on the record potentially the flaw here in the overall thing.

We had witnesses who appeared before committee who pointed out recommendations and suggestions. I don't know if it was intentional by the minister or unintentional, or what it was, but he appeared before committee and said how much he had consulted. Ms. May and Mr. Masse both bring amendments to it. They've consulted with people and they likely consulted with the minister or the department and it's a shame now that here we are with some amendments—they may be some good amendments—and they're all inadmissible.

I just put that on the record. I know you said there's nothing we can do about it, and that's fine, but I just put that on the record.

The Chair: Thank you.

Mr. Masse.

Mr. Brian Masse: To that as well, I find it interesting that as we went through the process here, we had testimony continually provided here with no direction related to things that may be admissible or not admissible in the bill. I think having taxpayers pay for witnesses to come here, and then having the evidence not directed towards that, is something that I'm surprised has taken place to the full degree, given the fact that we had so much interest in this bill.

I think it's interesting in terms of overall how flawed and weak the bill is. It's the reason that I think so many people came here to testify about real, significant issues. None of that actually gets done and dealt with in the bill because it's been scoped so much. I noticed it from the get-go, a clear political strategy to, basically almost like an omnibus bill, relate it to women's rights, persons with disabilities, racial minorities, board of governance accountability, tax havens, money laundering, all those things that the government professes to do. All are quite possible in this bill but are now basically ruled out of order. I find it quite ironic given the political mantra coming from the Liberal Party that the issues that they profess to be champions of are out of order.

● (0900)

The Chair: Thank you.

We're going to move to NDP-4.

Mr. Masse.

Mr. Brian Masse: That one we can dispense with easily too. It's the same as the other one. Points have been made on that.

The Chair: Okay. It's inadmissible as it amends a section of the act not amended by the bill.

We have NDP-5.

Mr. Lobb.

Mr. Ben Lobb: Sorry, I have another question.

Obviously, Ms. May or Mr. Masse sent these out and had somebody craft these changes, these amendments. At any time when they were doing these, did they get legal advice from anybody at the Library of Parliament, or whoever, asking why they were even bringing these forward because they would be inadmissible? I'm not being critical. I'm just asking.

Why would we have spent all these resources to perfect these amendments when they're out of order? Again, it's a flaw in the system. If they're out of order, somebody somewhere in the legislative staff should have said they were way out of order. I wonder if they can provide any comments to this, if they were advised at any time about this.

Mr. Brian Masse: I'll respond to that, too, but do you want to go first?

Ms. Elizabeth May: It's up to the chair if I'm allowed to speak.

The Chair: Go ahead.

Ms. Elizabeth May: When we work with the legal drafters, they'll advise if they think it's potentially inadmissible, but it's ultimately a decision for the chair.

Mr. Brian Masse: It's the same as well where.... For this bill, the reason I table amendments that continue to be ruled out of order is that this bill is a damned disgrace for what it says it does. When I spend my time here, I think it's important that I'm trying to change things and make them better, whereas this has become real gamesmanship. Quite frankly, here are things that we have control over—immediacy—whether it be increasing the numbers of men and women on corporate boards or in governance. Whereas other models across the world have shown very progressive and very successful ways of doing so, the path this bill is going towards is basically one of shelving it for several years.

In fact, on corporate tax evasion as well, we've seen what's happening with tax havens and the Panama papers. I'll touch on this here, and you'll hear more on that with the bearer shares and so forth. It won't cost Canadians or Parliament money to close these loopholes.

In terms of the leadership we can take with regard to the corporate boardrooms, we've seen and heard testimony from the Fortune 500, for example, where the level of women on boards has actually decreased over the last couple of years, as opposed to increasing. What's happening now is that we have a bill here that's going to go through the facade of arguing those points and taking a pass on anything that's substantial and significant. I don't want to leave any stone unturned here, certainly, because this is how I'm spending my time. I'm trying to improve these things, and my belief is to have them done is a responsible way.

This bill has become an empty shell of maintenance that isn't going to affect the many people that it could. In fact, it leaves the word “gender” right out of it. I think that's interesting in itself. If that doesn't tell you a lot, then what else would? Second, we still have issues. We have so-called champions of race, ethnicity, and inclusion, but I see nothing coming to the table in any amendments so far. I know that we'll have discussion on some of those.

Lastly, and again, we have the issue of bearer shares, which is something that can be changed simply with basically a signature here without costing the taxpayers money and registering all those things.... For those reasons alone, I'm keeping on with my amendments. If they're going to be ruled out of order because we don't want to deal with the significance of this bill and want to parcel it down to being an empty shell, it won't be on my watch that it happens without a voice.

The Chair: Thank you.

Ms. Elizabeth May: What he said.

The Chair: Mr. Dreeshen.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Mr. Chair.

There's a question I have because we are studying new legislation. There are other bills that we'll be taking a look at. Perhaps the legislative clerk could help us in this regard.

Shouldn't we know this as we go through it and are questioning witnesses and so on? If we're under the assumption that the people we bring in and the discussions we have are in some way going to affect the progression of the bill, is there a way for us to get a heads-up on that before we start bringing in people who would have views that have no bearing on what we could deal with? We still have the right to bring them in and to hear what they would have to say, but I'm wondering if the legislative clerk—or whoever it would be—would be able to give us a heads-up in that regard.

The Chair: Before I let the legislative clerk in on this, I will remind everybody of a couple of things. One, we had a briefing done before the bill. That's why we have the analysts do the briefing in advance, so that people can ask those questions.

● (0905)

Monsieur Méla, at our last meeting, also suggested that for anybody who had any questions he was more than willing to sit down one-on-one to review the amendments, the proposed amendments, and how that all worked. Again, this is not something that's taken lightly. This is law. This is the way the system is. This is the House of Commons.

Do you have anything you'd like to add, Monsieur Méla?

Mr. Philippe Méla (Legislative Clerk, House of Commons): I can add a few things, but I don't want to take up too much of your time.

The fact that the bill has been adopted at second reading sets the scope of the bill. If the bill had been sent to committee before second reading, the scope of the bill would have been enlarged, so the possibilities for amendments would have been greater.

Here, we are in a situation where the bill has been voted on at second reading by the whole House. In a sense, the whole House agreed to what can be amended. Therefore, there are ways here and there, but they're very narrow in terms of the parent acts.

In terms of bringing in witnesses, I can't really comment on who you should bring in, but you should keep that in mind. Once the scope of the bill is set, it's difficult to go beyond the scope, because that's one of the rules. You can't go beyond the scope of the bill, unless, of course, it's sent before second reading, whereby it opens up a bit the possibility of amendments.

The Chair: Thank you.

Mr. Lobb.

Mr. Ben Lobb: I have a few questions then, on that.

Ms. May brought up an interesting point. She said she was advised that it's the chair's decision as to whether it's in order or out of order. Is that correct? Is that the chair's decision based on his decision or is that the chair's decision based on advice he has received from somebody?

The Clerk: It's the chair's decision always. The chair represents the Speaker of the House. When the Speaker of the House rules on anything, he receives advice from either one of us as table officers. It goes to the same idea. We give advice. The chair can overrule the advice—

Mr. Ben Lobb: Is it your opinion that the chair could accept all of Ms. May's and Mr. Masse's amendments, since it's his decision?

The Clerk: The committee can also do that. Once the chair has ruled, there is the possibility to appeal the ruling of the chair, and then it becomes a vote of the committee to either adopt or reject the —

Mr. Ben Lobb: Are you saying we would have to challenge the chair on every one of these amendments?

The Clerk: Every one that would be inadmissible, yes. They're not all inadmissible.

Mr. Ben Lobb: Based on the chair's decision...?

The Clerk: That's right.

Mr. Ben Lobb: Okay. If that's the case, then—

The Clerk: May I add something else?

Mr Ben Lobb: Yes.

The Clerk: Let's say the chair rules an amendment inadmissible and the committee decides to overrule the chair. There's always the possibility that a member could raise a point of order in the House at report stage and seek the advice of the Speaker. The Speaker would then turn to the same advice I have given and rule accordingly, depending on how he or she feels.

Mr. Ben Lobb: Okay. Your comment was that after second reading the bill is set in stone. I'm trying to think, in all my time here, how many bills have ever been sent to a committee before second reading. It's probably 0%, or close to 0%, so it does present a certain issue.

The Clerk: Yes.

Mr. Ben Lobb: There is another thing I would like to comment on. I'm not being critical of the chair. Honestly, I'm not. He has to deal with what he has to deal with. However, for all the testimony we have heard over—I don't know how many meetings—six or eight meetings, should we now advise the people appearing before committee that if they're talking about this, that, or the other thing, they may as well not even bother showing up because any of the suggestions they make about the legislation are going to be ruled inadmissible?

It's a good discussion, and if they get off track, it's almost the chair's job, the clerk's job, or the analyst's job to remind everybody, "Hey, you're getting off track. There's no point in even talking about it." It's really just a waste of time in some manner.

Those are just a few points I was going to provide.

The Chair: Okay.

Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): I want to reinforce one point. I have challenged the chair in previous committee business in this Parliament, and one would hope that if your colleagues believe the chair has ruled something inadmissible which is not, the natural alternative would be to go to their peers on the committee, because we are masters of own destinies. The other alternative, as suggested, is to bring it up with the Speaker and to appeal to the Speaker at report stage. There are mechanisms to make sure that these efforts are made.

When we have witnesses come forward, I believe strongly that they should be able to give their opinions. It may not always be directly related to the business before the committee, but as parliamentarians we always benefit from hearing different voices, even if we disagree with them, and even when we agree with them but it's not on the subject at hand.

I appreciate all the contributions today, and I look forward to continuing this.

● (0910)

The Chair: Mr. Lobb.

Mr. Ben Lobb: I thank Mr. Albas for appearing at committee today. I'm glad he's not in our committee all the time, but I do appreciate his comments.

Some hon. members: Oh, oh!

The Chair: All right. Now we're going to move on to NDP-5.

Mr. Brian Masse: I know it's going to be ruled out of scope, but I think you've seen an intent here to give the minister some powers. This is discretionary, by the way. It can be a fine of one dollar, or it can be a fine of up to $1 million. We're trying to give the bill some teeth.

I know that this will be inadmissible. I'm not going to challenge the chair on that, because there has been a repertoire of amendments related to these types of issues.

The Chair: Thank you.

You are correct. That is inadmissible as it amends a section of the act not amended by the bill.

Finally, we have Mr. Masse again, with NDP-6.

Mr. Brian Masse: Thank you, Mr. Chair.

This one is an important one with bearer shares. We heard some testimony on this and we are dealing with some of this in the act, which is important for getting more openness and transparency related to bearer shares.

To remind people, bearer shares are basically like unaccounted-for money in our system that's often been cited for being used for organized crime, money laundering, and so forth. Canada has become known basically as a "snow washing" destination for money laundering. We had great testimony.

The testimony from Claire Woodside summed this up with. She said:

> The elimination of bearer shares has been identified domestically and internationally as a key step in efforts to increase beneficial ownership transparency.
>
> Regrettably, the current drafting of Bill C-25 will not permit the misuse of existing bearer shares; nor will it eliminate the shares, as has been stated within government. The current text of the bill prohibits the issuance of new bearer shares—

That's good. We have that advantage. She continued:

> —and allows for the voluntary conversion of existing bearer shares but does not require that individuals who hold bearer shares register those shares before exercising the rights attached to them.

What it does is allow whoever has them, some of them through the criminal elements and syndicates, to cash in those that are sitting and floating around when they want; as opposed to if you're actually going to use those shares, you have to register them now. It's a way of registering all money so, for example, we don't have free-floating cash in our society that's unaccounted for. If you want to try to exercise the use of those, which were supposedly issued at the time under the law to be used for legal and meaningful purposes, you should have no problem wanting to register those numbers.

I'm sorry, the parliamentary secretary is interrupting, so I'll give him the floor if he likes.

Mr. David Lametti (LaSalle—Émard—Verdun, Lib.): I'm sorry about that. I just said it was before 1975.

Mr. Brian Masse: That's okay. If you wanted to add something, I'm happy to....

This will provide that closure of the loophole, and we did have several testify on it. Canada is one of the last G7 countries to be finishing the deal on this. This is what this amendment does; it simply puts the registration at the forefront of those shares and makes them basically revenue in Canada that is going to be accounted for.

The Chair: Thank you.

Unfortunately, this one is also inadmissible as it amends a section of the act not amended by the bill.

We're going to move on to PV-4.

Ms. May.

Ms. Elizabeth May: PV-4 is in clause 7. Did you want to do clause 6 first?

The Chair: We've done clause 6.

Ms. Elizabeth May: Oh, I'm sorry, I just didn't think you were going to move to clause 7 until you decided if clause 6 was carried.

The Chair: Because they're inadmissible there is no vote on that, unless of course the chair is challenged. Then there would be a vote.

● (0915)

Ms. Elizabeth May: All right.

The Chair: We have completed NDP-6.

(On clause 7)

Ms. Elizabeth May: In clause 7 then, this is related to the last NDP motion. It deals with the problem of bearer shares. It's clear that Bill C-25 occupies itself with the subject of bearer shares in dealing with new ones, but it doesn't deal with existing ones. In trying to fit this amendment into the substance and shape of the bill as it now is, I've added a subsection, which you'll find fits in after proposed subsection 29.1(2) on line 32.

It's in the proposed section that deals with bearer shares, so I believe it will not be inadmissible. We certainly tried to make it fit within the clauses of the bill that are currently being considered, and I'll just read the operative words, because there's a lot of language in conversion privilege, option or right, etc. The goal here is this language: anything in bearer form issued before the coming into force of this section may not be exercised until it has been replaced in accordance with proposed subsection 29.1(2).

I think it's really clear from a lot of the evidence that this committee has heard that bearer shares are a problem. Bill C-25 realizes they are a problem, but it leaves the barn door wide open. As Brian Masse has already pointed out, Claire Woodside's evidence was very persuasive, from Publish What You Pay Canada.

Just to quote her, and this relates directly to this amendment, “This change will ensure that criminals are prevented from using existing bearer shares for nefarious purposes.”

I really hope the committee will approve my amendment PV-4.

The Chair: Thank you.

It is admissible. It is open for debate. I will point out that if amendment PV-4 is adopted, amendment NDP-7 cannot be moved as they are identical. If amendment PV-4 is defeated, so is amendment NDP-7 for the same reason. We are open for debate.

Mr. Masse.

Mr. Brian Masse: I'm glad this amendment is coming forth, and I don't really care what party it comes from. I'm not surprised as it's part of an accountability theme we have seen here early on, and it's one of those to which there should be no objection, hopefully. Essentially we're arguing for cash to be registered, so to speak.

We've all seen the movies where they go into banks, get the bonds, and steal all that stuff, and then they have them to cash in somewhere else. This is where we can eliminate the use of bearer shares without infringing on the people who have that capital by simply having them have it registered. That's the thing. When they go to cash them in, when they go to use them, then it simply becomes registered money in our actual system. It's as simple as that, so it doesn't infringe on those who have them in any way. Who it would infringe upon is maybe somebody who wants to use them for illicit purposes or for questionable practices. That's who it's going to infringe upon. It's those players directly.

I like this amendment. In fact, it's better than my amendment. How's that? I will be supporting this amendment.

Ms. Elizabeth May: Thank you.

The Chair: Thank you.

Mr. Baylis.

Mr. Frank Baylis (Pierrefonds—Dollard, Lib.): This is something on which I asked our witnesses an awful lot of questions. I also took the time to meet with Mr. Schaan to try to determine how to address this issue.

I was led to believe that this clause as it stands does not actually address the issue. It's technical, and I'd ask if maybe Mr. Schaan could explain that.

Mr. Mark Schaan: Sure. This is a long-standing issue as to the degree to which the Canada Business Corporations Act outlaws bearer shares or not. We have had discussions with both Publish What You Pay Canada and Transparency International, the global anti-corruption coalition, as part of our FATF review.

It is the long-standing view of both us and independent legal opinion externally and within the justice department that bearer shares have, in fact, been illegal in Canada under the CBCA since its inception in 1975. Subsection 24(1) of part V of the act says, “Shares of a corporation shall be in registered form and shall be without nominal or par value.”

That has always been the case since 1975, so in our view, bearer shares have always been inadmissible and non-permissible under the act.

What we are changing in Bill C-25 is we are adding a new section under section 29, which is “options”, whereby an individual may hold an option for conversion to a share and that share must be in registered form as per subsection 24(1). What we are changing in proposed section 29.1 is to say you can't issue any more options that are in bearer form, and if someone shows up with one, you have to convert it to a registered share.

What it is right now is an option. Our view is that this would complicate matters because it actually requires the registration of the option as opposed to the registration of the share, so under subsection 24(1) our view is that what we want to register is the share. For the option, we are doing what we believe the act has the power to do, which is to bind corporations to do two things: one, no further options in bearer form, and, two, if anyone shows up with one, you have to convert it.

● (0920)

Mr. Brian Masse: This doesn't take care of the older stuff.

I have just a question further to that. What about shares prior to 1975?

Mr. Mark Schaan: On shares prior to 1975, can I defer to my colleague? This is Coleen Kirby.

Ms. Coleen Kirby (Manager, Policy Section, Corporations Canada, Department of Industry): I'm the policy director at Corporations Canada.

Prior to 1975 shares were issued under the Canada Corporations Act. They were a different form in that shares were issued according to par or par bought value shares. Generally, again, the act was silent with respect to bearer form. The intent always, as part of the transition from the old act to the current Canada Business Corporations Act, was to get rid of shares in par value. The concept of all shares having to be in registered form was consulted on. It was part of the original Dickerson report. It was part of two bills through Parliament. Nobody ever had any comment or objection that I've been able to find about the fact that shares would be in bearer form.

Our disagreement with the FATF has always been that we say shares have to be in registered form. They look at another provision that says securities can be in bearer form, securities involve shares. Our argument is the specific overrides the general. Their argument is that they don't agree with us. That's why we've been in the FATF last two reports and if you look at what the witnesses picked up, they were quoting the FATF report. They weren't quoting what we had always argued with them.

The Chair: Ms. May.

Ms. Elizabeth May: Could I be permitted to ask a question? If the position of the department is that bearer shares have always been illegal, what is the purpose of proposed subsection 29.1(2) for the holder of a bearer form that was issued before the coming into force of this section?

Mr. Mark Schaan: It's the option. In section 29, it doesn't concern the share; it concerns options and rights and transferable rights. These are transferable rights that exist in option form. They're not yet shares. Once they're shares, in order to conform with the act, they must be in registered form.

Ms. Elizabeth May: However, you would agree that there is a difference of opinion about how one interprets the previous act, and you're attempting through this to codify it more clearly that bearer shares are not allowed and must be registered.

Mr. Mark Schaan: We sought, as I said, both independent legal opinion and the opinion of the justice department. Their view, both the independent legal opinion and ours, is that bearer shares are illegal in this country and that what we are closing is the remaining loophole, which is simply related to the transfer of options.

Ms. Elizabeth May: Your opinion is that there's no risk of existing options that are not registered.

Mr. Mark Schaan: Yes. Our view is that options now must be converted into a share of registered form by a corporation when presented by the holder.

Ms. Elizabeth May: Anyone who has already received such an option and has bearer shares....

Mr. Mark Schaan: They can't have a bearer share. They can only hold a bearer option, because bearer shares don't exist in that all shares must be in registered form.

Ms. Coleen Kirby An option is not a share and has no rights until it's converted.

Ms. Elizabeth May: I understand that. I'm not 100% persuaded that there isn't still a risk if there are bearer shares out there, before the coming into force of this act, that should be registered.

Mr. Mark Schaan: Our view would be that subsection 24(1) requires that all shares be in registered form.

The Chair: Thank you.

Mr. Masse.

Mr. Brian Masse: Your approach versus the difference that's taking place here is well known, but what have other countries done? Has that been consistent with what you're advocating for here?

Mr. Mark Schaan: Everyone's corporate law is very different, so it's very difficult to be able to map. People have come at bearer shares in different ways. The consistent approach is to require that shares be in registered form, which we believe our act does.

Mr. Brian Masse: You believe your act does.

Mr. Mark Schaan: Our act does.

Mr. Brian Masse: There we go; that's better.

I still think there are some loopholes here, but I do appreciate the counsel.

● (0925)

The Chair: Mr. Baylis.

Mr. Frank Baylis: I'd like to address Mr. Masse's and Ms. May's concern, just to explain the situation. I believe it would have been better to have something written in another section that's not open, but unfortunately that's not doable. Maybe we could take away any ambiguity whatsoever; however, that's not doable.

The Chair: Seeing no further debate, shall amendment PV-4 carry?

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: That means automatically amendment NDP-7 is also defeated.

(Clause 7 agreed to on division)

(Clause 8 agreed to on division)

The Chair: Now we will go to new clause 8.1, amendment NDP-8.

Mr. Masse.

Mr. Brian Masse: I suspect your ruling on this will be that it's not in scope and is therefore out of order.

The Chair: That would be correct.

Mr. Brian Masse: Then we'll continue on from there.

(Clauses 9 to 11 inclusive agreed to on division)

The Chair: Now we'll go to new clause 11.1, amendment NDP-9.

Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair.

I suspect this is going to be ruled out of order and not in scope. However, I think it is important to consider. If the chair would hopefully look at this as a potential...it goes with regard to the annual meetings of the shareholders and what constitutes the makeup of a corporation, whether female or male. It requires a 70% mix within a five-year period.

By the way, Mr. Chair, we did receive excellent support from legal on this to make sure this was in order. It's something that deals potentially with some charter issues and so forth. At the end of the day, it is compliant with all those things.

Basically it calls for us to have a minimum of 30% women on a board of directors, which I think is very modest, to say the least, in a country that's split around 50%. That's basically the minimum of where progressive countries are going. It's important to note the slide that has taken place in Canada for women on boards of directors. This would prescribe some flexibility. Again, with the penalties removed from this bill, it was only going to provide advice to the minister. It's not going to make significant threats to the corporations, but it's going to be a powerful statement of what we expect.

I would hope that we would consider this. It's obvious that corporate Canada is not compliant with the rest of the population with regard to gender equality. We've heard through testimony, as well, about the difficulty that Canada has. We have others who have moved to a quota system. We heard testimony that maybe a hybrid system—and this is what this is—is something we could look at and have very good results with. Some have moved towards that.

This is again a modest step forward to guaranteeing at least some focus and lens on the issue of gender equality in the boardrooms, and hopefully breaking some ground here with expectations.

With that, I propose the motion to amend.

The Chair: That motion is open for debate.

Mr. Longfield.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair.

We talked about the quotas and targets, and I remember there was a pivot point for me when we were talking about the difference between things being in the regulations versus in the legislation. I was won over, I would say, that the comply or explain section would make people show they were trying to approach diversity, gender diversity, and other diversity as well.

I see this as something that should be in the regulations. That's something the government said they were committed to doing, and hopefully after royal assent we would see that moving forward into the regulations section.

● (0930)

The Chair: Mr. Masse.

Mr. Brian Masse: I appreciate that at least there's a conversation happening here with regard to it.

The reason I don't think it belongs in the regulation, to be quite frank, is that Parliament should be making a statement on this. We shouldn't be leaving it to the regulators. I appreciate the logic that Mr. Longfield has applied here, and that is a reasonable approach for many things. However, I think here is where we need to take a stand, and Parliament needs to be the voice. If we are not doing it, then I'm afraid the regulatory body, or a minister that administers a regulatory aspect, doesn't get the parliamentary oversight that is necessary. If, say, a government changes and the regulations don't have to come to committee or Parliament, they could easily be altered at that time. It leaves a gaping hole for that possibility.

I had hoped we were beyond that, but I suppose the evidence is there in our society. Women still make around 70% of what men do in a job that's doing the same thing. Women are under-represented in many aspects of the employment field. Politically, we have a problem with this.

We have a Prime Minister who is a self-declared feminist and who now has policy. This is ironic, in the sense that the minister, once again, is looking at a review that's seven or eight years out the window. If it's a priority for the government, this is a statement that Parliament can make about balance.

I would hope that this could get passed, because then at least we're making a statement that is quite clear. That gives the minister a little more power when we have comply or explain come forward later. I think the value here is for Parliament to make a statement. Again, the penalty to this is nothing more than the minister reviewing what's annually submitted to him or her.

Lastly, the regulatory aspect for this could be included, but again, that's a voice without Parliament.

The Chair: Thank you.

Mr. Dreeshen.

Mr. Earl Dreeshen: Thank you, Mr. Chair.

Lloyd had mentioned leaving this to regulation and seeing where it's going to go. We do have one of the clauses talking about a fine not to exceed $10 million based on how the vote went in a director's meeting.

Perhaps Mr. Schaan could fill us in a little bit on, if that was to go into regulation versus being in the legislation, how that would be affected, and what his views are on the specific clauses from his perspective as far as the acts are concerned.

Mr. Mark Schaan: The specifics in NDP-9...?

Mr. Earl Dreeshen: Yes.

Mr. Mark Schaan: This essentially institutes hard gender quotas, if I'm reading this correctly, which would apply to all corporations, small and large, distributing and non-distributing.

I won't speak to the politics of it. I would simply say that the proposed approach is to require gender and diversity reporting through the regulations but no quotas in a comply or explain model to facilitate the conversation between shareholders and their companies.

The view from our perspective is that the regulations allow for flexibility for evolving language and evolving considerations in a modern marketplace, and the choice of non-quotas was an explicit one.

Mr. Earl Dreeshen: Thank you.

The Chair: Seeing no further debate—

Mr. Masse.

Mr. Brian Masse: Just really quickly, what we're talking about here, just so people are clear, is the minister having the authority, if they don't meet the quotas, to actually do nothing, or if they want, to fine a penalty of a dollar. There is nothing in here that would make a small corporation, under comply or explain, or under this model.... They still have the opportunity to appeal to the minister about that, so it's at the statement level. This is five years from now, too, so it's over five years there will be a chance to do that. Many not-for-profit boards already meet these requirements. In fact, they sometimes exceed it.

That's all we're talking about here, a potential element for the minister to have a little bit of influence and use his discretion about that influence to improve the gender element, and it works both ways. Just so you know, the legislation works 70:30 both ways for male and female.

We had some very good work from the legislative branch to help us make sure we weren't interfering with other things, so this cuts both ways, and I think that's reasonable. Again, it doesn't fine everybody outright for doing that. What this does is give the minister some powers if he has an egregious situation, which I don't think they want to go through, but it will create awareness.

Thank you, Mr. Chair.

● (0935)

The Chair: Thank you.

Mr. Albas.

Mr. Dan Albas: Thank you, Mr. Chair.

I have a question for Mr. Schaan. Again, I wasn't here for the actual study of the bill so I want to take what Mr. Masse's saying and weigh it appropriately.

In regard to the bill, the application is for Canadian corporations. As you said, they may be large or small. Does this apply to provincially regulated? This would only be for those that apply for that designation.

Mr. Mark Schaan: The distinction is that, in Bill C-25 as it's currently set up, distributing corporations, those trading shares to the public, would be required to disclose prescribed information related to gender and diversity to their shareholders on an annual basis. The act does not apply to non-distributing corporations.

The distinction here would be that this would apply to all CBCA corporations, distributing and non-distributing, as opposed to prescribed information through the regulations, and would require a direct submission to the minister with respect to the gender makeup of 70:30.

Mr. Dan Albas: Does the act currently have provisions, as Mr. Masse says, where current corporations have to appeal to the minister for some variance? Is there anything in the act right now that is similar that we can juxtapose?

One of the things you always worry about is that this is a big country. If there is a case where an individual corporation has a situation to apply to a minister for remediation of that situation, it may be difficult depending on how established the criteria is and how responsive the minister of the day is.

Mr. Mark Schaan: Currently in the act, the exemptions by and large for particular sets of the legislative requirements are to the director of Corporations Canada, and they are via a form. For instance, when we get to the notice and access provisions, right now there's an exemption for notice and access for corporations to be able to exempt themselves, but they do it through the director of Corporations Canada. I'm not aware of a provision right now that allows people to appeal directly to the minister for failure to comply.

Mr. Dan Albas: Could I ask Mr. Masse a question?

The Chair: Go ahead.

Mr. Dan Albas: With this, you're specifically requesting that this would go to the minister and not to the....

I wanted to see because it does seem to be an established mechanism, for dealing with paperwork and whatnot, that they don't appeal to a minister of the crown versus a department. Is there a specific reason in your motion why you chose to go that route?

Mr. Brian Masse: It's a levy of fines, and then, second, in our proposed subsection 102.1(2), “A corporation that, without reasonable cause, fails to comply with subsection (1) is guilty of an offence”. It's without reasonable cause, so we've built exemptions in there.

Mr. Dan Albas: If someone is facing fines and there's a reason, they're forced to go to the minister rather than being dealt with by what some might say is non-political, non-partisan staff. I'm just asking the question of why you chose the minister.

Mr. Brian Masse: I believe that the minister in this situation.... There needs to be some government oversight from Parliament and again, it's about gender inclusion. I think a statement is—

Mr. Dan Albas: You can hold the minister to account.

Mr. Brian Masse: Yes.

Mr. Dan Albas: Okay. That's fair.

Thank you.

The Chair: Thank you.

Seeing no further debate, shall NDP-9 be adopted?

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 12 agreed to)

(On clause 13)

The Chair: We'll move to clause 13 and NDP-10.

Mr. Masse.

Mr. Brian Masse: This is out of the scope, I believe.

The Chair: Yes, it is.

Mr. Brian Masse: It's a separate vote for shareholders, so I'm going to quickly make a point with regard to making sure there's no intimidation and there's proper due diligence. I'll leave it at that.

The Chair: Okay.

You are correct. It's inadmissible as the amendment goes beyond the scope of the bill.

We're going to move to Liberal-1.

Mr. Sheehan.

● (0940)

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you.

Clause 13 sets out the requirements for majority voting in uncontested elections. This clause, as it is written, can apply to the person who is nominated as a director to be excluded from the appointment. The amendment makes it clear that only a person who is nominated as a director in an uncontested election, but fails to be elected due to a lack of majority support, is prohibited from the appointment, except in the prescribed circumstances.

I can continue, but it's pretty much housekeeping.

The Chair: Is there any debate?

(Amendment agreed to [See *Minutes of Proceedings*])

The Chair: Mr. Masse, we now have NDP-11.

Mr. Brian Masse: This is consistent with some of the advocacy we received regarding turnovers of boards and basically piercing the establishment of some of the long-standing boards that haven't had a changeover or haven't had a thorough review about how to include gender, diversity, and all of those things. We're suggesting that no director shall hold office for more than six consecutive years. The important thing is the "consecutive years", so it doesn't mean that a director on a board can't come back. They usually have two-year terms, so we're looking at three general cycles of two years. Then, if they do want to come back, that is a possibility in the organization for the board.

One of the things we've heard a great deal of testimony about is the lack of opportunities. You have people from either established families or established connections who end up being on the board. Nepotism, quite frankly, is even part of the board culture, whereas there are supposedly many opportunities for those outside of the traditional realm. We saw that laid out in the evidence from Montreal, for example, that was put in front of us. I believe that racial minorities made up something like 1% or 2% of boards in Montreal. I also come at this from the point of persons with disabilities, who have a hard time. When you look at persons with disabilities in general, there is a 50% unemployment rate among those who are looking for jobs. That's not counting all the people who have missed out on those regular jobs, let alone those who are trying to get into boards and so forth. The turnover aspect here will bring some awareness. It will also provide a more open democratic board selection process and voting for shareholders that will provide an opportunity for other people to get into the system.

I'll leave it at that.

I think once again we're looking at a culture that needs to be broken. This is one of the ways in which you can do so that is not egregious. It also provides opportunity and lessens the excuse necessary on comply or explain. With comply or explain, one of the various things you can probably do is to go to the minister and say that these are existing board members who have stayed on continually and there has been no opportunity for renewal or change.

This will actually provide that window so the minister under comply or explain can say, "Well, listen, you actually had a turnover of four, five, or six spots, whatever it might be, in the last year. Why are you coming out with the same type of people with no improvement of gender or diversity?" That provides an opportunity for there to be some more analysis. Again, I believe a political statement is necessary, as part of this bill, in good bound principles. This is one of those ones that could provide an opportunity without it being egregious.

To conclude I will say again that it doesn't bar a person from ever being part of that board again. It just provides a pause for the board members and the people to think about their terms.

The Chair: Thank you.

This amendment is up for debate.

We have Mr. Arya followed by Mr. Longfield.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Mr. Chair.

I'm concerned that this amendment doesn't distinguish between the distributing companies and the privately held companies. A lot of start-up companies, especially in the technology sector, take quite a long time. With the company I was in, it took almost eight or nine years before it came to a stable stage. The input from the members of the board is very critical. That is one reason why I'm not for this amendment.

The second thing is that my understanding is also that most of the major distributing companies do rotate their directors.

● (0945)

The Chair: Mr. Longfield.

Mr. Lloyd Longfield: Thank you.

Thanks for the explanation of what you're working on there. I was trying to think of what the advantage would be. Similar to Mr. Arya, I was thinking of start-ups, and sometimes it takes more than six years to get up to speed. I was also thinking of larger companies in which the founder stays on as a member of the board of directors. I was thinking that getting more diversity in representation on the board could be achieved by expanding the board. That would be another approach to take.

As far as nailing a company down goes, I think there could be some unintended consequences. You could actually hurt a company by telling it that it had to get rid of the senior person on the board after six years.

The Chair: Mr. Masse.

Mr. Brian Masse: Those are good observations, but you have to remember, at the end of the day, we're comply or explain. All those things can be done and will be done when they approach the minister, or the representative of the minister, for that comply or explain: "Well, we just got a start-up company going. We have only four members on the board. We're continuous." Mr. Arya's situation there is taken care of in the comply or explain: "We'll explain. We're a start-up company, so we're not going to transition the board."

If a start-up is at eight years, there are already six years guaranteed, and the pause isn't even identified there. The pause could be simply a day or two, if they really want to. Again, they'll have to explain it if there are questions, but there will be that opportunity.

It's the same with regard to larger boards. What would be probably more dangerous to a board in many respects would be to actually have to increase the board size. That may not be an operational thing they want, to try to be representative of the public, as opposed to.... Again, those who are championing the comply or explain model will have that full opportunity to do so.

It would make sense if there wasn't the comply or explain aspect of it. But now that we're moving heavily into comply or explain, there's every out possible in this bill. Again, it provides a minister with at least.... We've seen some companies that really do not represent much of Canada. We have this problem. It won't go away in Montreal. It won't go away in Toronto, and all those places, without some leadership.

This gives that opportunity. It doesn't mandate them. They're not going to be shoving people out the door with no consequential analysis. It also gives the minister.... Once again, the whole right is comply or explain. That's the whole mantra of why to go to that model: "Okay, we're not meeting what the government sees as our general society, but we're going to explain it. We're going to explain it to our people who have our shares. We're going to explain it to the public that buy our products. We have legitimate reasons why we want to do this, not just because we're protecting an old boys' network or system that nobody wants to have."

Again, I think for the merits alone, it's a good back-stop to give the minister a little bit of punch.

The Chair: Mr. Baylis.

Mr. Frank Baylis: I have a question.

Does this apply to private companies as well as public companies, distributing companies?

Mr. Brian Masse: It applies to—

Mr. Frank Baylis: Take my personal example. I ran a company my mom started—my mom, me, and one other person. Three of us are shareholders and directors. After six years, do I have to kick myself off the board of directors?

Mr. Brian Masse: No.

Mr. Frank Baylis: If I own the company, and that—

Mr. Brian Masse: No, you have to explain. It's comply or explain.

Mr. David Lametti: [*Inaudible—Editor*]

Mr. Frank Baylis: I just want to understand.

Mr. Brian Masse: Is the parliamentary secretary allowed to intervene during these sessions? I'm just wondering, because I think he should clearly have the floor.

The Chair: Let's keep it through the chair, please.

Mr. Brian Masse: If you want the floor, just ask the—

The Chair: Mr. Masse, thank you. I will rule.

Mr. Baylis, it's still your floor.

Mr. Frank Baylis: I just want to understand that. Even if it's comply or explain.... The vast majority of companies are similar to these small companies, where the owners run them and are the directors. To be fair to the company, the last thing I need is another letter I have to write to explain that, guess what, there are only three of us who own the company, and we're also the directors of the company. Theoretically, the owners hire the directors, who hire the managers. I was the owner, I was a director, and I was the manager. The idea that I'm going to put someone in between and say, "Can I get a job? If not, can you hire me, the director? By the way, if not then I'm going to change you, because I'm also the shareholder." It makes no sense.

I disagree with it fundamentally. It's just going to add a tremendous amount of work for 95% of the companies in Canada, which are small to medium-sized enterprises that are owner operated.

● (0950)

The Chair: Thank you.

Mr. Lametti, did you have something...?

Mr. David Lametti: I was just saying this is legislation; it's not comply or explain. This is a fixed rule.

The Chair: Thank you.

Mr. Masse.

Mr. Brian Masse: First of all, it's a rather interesting process that we've now embarked on with the parliamentary secretary's inclusion with regard to committee work. It's an inclusion element that came about that clearly undermines Parliament and its independence. That's clear. It's kind of creepy to have them hanging around committee all the time, and then on top of that to be an influence on debate. That's another thing. It just undermines the entire parliamentary independence that is the institution of committees. It's a sad moment, I think. At least we're doing it through microphone, as opposed to non-microphone interventions by the parliamentary secretary.

I would say to Mr. Baylis, congratulations. Under your model, you actually exceeded the Canadian corporations' representation with women on your board of directors.

Mr. Frank Baylis: I'll let my mom know.

The Chair: Shall amendment NDP-11 carry?

(Amendment negatived)

(Clause 13 as amended agreed to)

The Chair: We move now to new clause 13.1 and amendment Liberal-2.

Mr. Sheehan.

Mr. Terry Sheehan: As with the first one I introduced, the second one is also housekeeping. It just better aligns the French and the English text.

The Chair: As a point of note, if amendment Liberal-2 is adopted, so are amendments Liberal-3 and Liberal-4, since they are consequential.

Mr. Terry Sheehan: Yes.

The Chair: Is there any debate on amendment Liberal-2?

Mr. Earl Dreeshen: Could you explain the rationale for amendment Liberal-3? You've made a ruling that it is consequential. Could you explain why amendments Liberal-3 and Liberal-4 would then be consequential?

The Chair: Mr. Sheehan.

Mr. Terry Sheehan: Amendment Liberal-3 would ensure that the regulatory authority granted was broad enough to allow the regulation to facilitate corporations pursuing the notice and access system for a number of additional forms of proxy circulars without requiring an exemption from the director of Corporations Canada.

The other two are changing a lot of the text to line up the English and French. I can pull out examples of words, such as "*envoyer*", that are not present in the English text. It lines all of them up together.

Mr. Earl Dreeshen: Far be it from me to speak about whether or not the English and French line up. My point was simply that, in amendment Liberal-2, we were simply taking one small part and suggesting that this version be changed. I wanted to be assured that this was tied into what is all in the English text that is there for amendment Liberal-3, and whether or not that follows through properly.

Mr. Terry Sheehan: Okay.

The Chair: Mr. Masse.

Mr. Brian Masse: Can we ask Mr. Schaan? I want to make sure those do line up accordingly.

Mr. Mark Schaan: The main change here is—

Mr. Brian Masse: There are a lot of changes in the other ones, but this one was smaller.

Mr. Mark Schaan: Amendments Liberal-3, Liberal-4, and Liberal-2 all speak to the same concept of notice and access, which was the intent of the bill. That's to avoid having people make an annual declaration to the director of Corporations Canada for an exception to pursue the notice and access system of sending out one. The problem is that the word "*envoyer*" appears a couple of times in the act. For internal consistency, our justice drafter said that if you change it in amendment Liberal-2, and you don't change it in amendments Liberal-3 and Liberal-4, the bill will be internally inconsistent and you'll have left in the word "*envoyer*", which denotes "sent", even though what we really meant was "made available". Hence, amendments Liberal-2, Liberal-3, and Liberal-4 are all being consistent.

● (0955)

Mr. Brian Masse: Thank you.

(Amendments agreed to [See *Minutes of Proceedings*])

The Chair: On amendment NDP-12, we'll have Mr. Masse.

Mr. Brian Masse: I believe that's going to be inadmissible.

The Chair: Yes, NDP-12 is inadmissible, since it concerns a section of the act not amended by the bill.

(Clause 14 to 16 inclusive agreed to)

(On clause 17)

The Chair: As a consequence of amendment Liberal-2 having been agreed to, amendment Liberal-3 is adopted.

(Clause 17 as amended agreed to)

The Chair: We have no amendments to clauses 18 to 23. Can we do them as a block or would you like to do them individually?

Mr. Brian Masse: A block is fine.

(Clauses 18 to 23 inclusive agreed to on division)

The Chair: Next we have new clause 23.1 in amendment Liberal-4, which was adopted.

(On clause 24)

The Chair: Now we're on clause 24, and amendment PV-5.

Ms. May.

Ms. Elizabeth May: Thank you, Mr. Chair.

We've certainly had some conversations on the question of diversity, the failure to actually define "diversity" being a concern of some of the witnesses, particularly the Canadian Bar Association. Rather than go back to the definition section, and in order to be admissible in this section, I am proposing to amend, on page 9, the proposed subsection 172.1(1) from lines 5 to 7, which refer to information respecting diversity. What my amendment does is make suggestions that will be useful, such as "—including in regard to gender, disability, race, ethnicity, Aboriginal or Indigenous heritage, sexual orientation, and gender identity or expression—among the directors", and so on. It's a suggestive, useful, and robust definition of what diversity means.

I think it is absolutely friendly to the intent of the act, and it is in keeping with recommendations that the committee heard from many witnesses. It's certainly, I think, the direction that the government says it wants to go. I hope that my amendment PV-5 will be acceptable to the voting members of this committee.

The Chair: Thank you.

Before we move on with that one, there is just a point to note. PV-5, NDP-13, and CPC-1 are all on the same lines. If PV-5 is adopted, NDP-13 and CPC-1 cannot be moved as they amend the same lines. Please bear that in mind.

Mr. Lobb, you have the floor.

Mr. Ben Lobb: Great, and it's to that point. I'm just curious if Ms. May or Mr. Masse, or any other member of the committee, has a preference of the three or has any thoughts on the three or on which one is the best one. Obviously, I think CPC-1 is probably the best one, but I'm open to suggestions just to see if we can find some common ground on which of the three may be the best.

I'm assuming we can amend these if there is a suggestion along the way, but I agree that something like this should be included. It's in the spirit of the change to the act here. I'm open to hearing what anybody has to say.

● (1000)

The Chair: We'll have Mr. Longfield, and then Mr. Masse.

Mr. Lloyd Longfield: I think Mr. Lobb actually makes a good point. The fact that we have three different definitions on the floor shows why we don't want to have it in the act, but have it in the regulations. As the minister said when he was here, diversity of thought is the most important part of the legislation and the rest of it can be covered under regulations.

The Chair: Mr. Masse.

Mr. Brian Masse: Yes, I'm open to changing it. I think it's important, again, for Parliament to make a statement. The reason it actually doesn't include [*Technical difficulty—Editor*] because you're supposed to provide some examples. That's actually the point that Mr. Longfield is making there, that it can be that. What you do is outline some of the major ones that you do want in the definition, so it really doesn't exclude anybody. What it does is provide some type of guidance for it.

It's a matter of honing these down. I think they're all good motions in many respects, and I think we need to get there first before we have the arguments against and for.

We do have Ms. May's amendment on the floor right now. If there are any amendments to it, we could move those at this point in time, and then go from there. I'm open to that. I think there is a reason there are three amendments from three different parties. It's because it's important that this statement comes from Parliament. What's in that actual statement is just the expression. It's not exclusive to anything past that in terms of the regulations, to be very clear about that.

The Chair: Thank you.

Mr. Arya.

Mr. Chandra Arya: Thank you, Mr. Chair.

As you may recall, I was quite insistent that direction be given on the word "diversity" as used in the bill. Many witnesses also mentioned the importance of the government showing some direction and one of the witnesses did mention that, if not in the legislation, at least in the regulations, the government has to come out and show direction to the corporate sector.

The government has assured me that it is going to come out and put proper words in the regulations to explain that diversity beyond gender shall include the designated groups under the Employment Equity Act, such as indigenous people, visible minorities, people with disabilities, etc. I'm quite happy that the government is recognizing this fact and making changes to include them in the regulations. That is good for me.

The Chair: Thank you.

I'm just trying to get some clarification because we have three amendments. We have one on the floor, but we could go off in many different directions, so we want to make sure we try to keep this thing tight.

The option is that we can amend PV-5 or we could vote it down, then move to the next one, NDP-13, which we can amend or vote down, and then we can go to CPC-1 and amend it or vote it down. That's kind of where we stand.

Ms. May, go ahead.

Ms. Elizabeth May: Thank you.

I appreciate the chance to take the floor again, Mr. Chair, since I'm not a member of the committee but have to bring my amendments here.

First of all, I don't agree that it's more appropriate to put a definition of diversity in the regulations. I think it should be part of the bill. The language that's used in all three of the proposed amendments—but mine is the one on the floor right now—is inclusive, "including". It's not prescriptive. The use of the word "including" is to have an indicative list to turn the minds of people looking at diversity to what we have in mind.

In looking at the three, the only words found in the NDP and Conservative motions that aren't in mine are age, which is in both the NDP and the Conservative motion, and the Conservative motion includes religion and socioeconomic status. I would certainly regard it—although I'm not the mover of this, it's deemed moved—as friendly to insert the words "age", "religion", and "socioeconomic status" into PV-5 to have one diversity definition that's inclusive of what all parties have put forward here.

My difficulty is that I'm not allowed to move a friendly amendment to my own amendment, but as long as none of.... The language that is more explicit in mine than in anyone else's amendment is related to sexual orientation, and gender identity or expression. Those are very important and subtle concepts that I would want to ensure weren't lost, but I have absolutely no objection to including age, religion, and socioeconomic status in this indicative list of diversity elements.

● (1005)

The Chair: Thank you.

Mr. Lobb.

Mr. Ben Lobb: Maybe Mr. Schaan or our legislative clerk could provide some clarification just on some of the comments the Liberals made. This is "including but not limited to". Is that the correct interpretation of this?

Mr. Mark Schaan: You can read this in two different ways. Right now the way the act reads is that, "The directors of a prescribed corporation shall place before the shareholders, at every annual meeting, the prescribed information respecting diversity".

While this is not an exhaustive list, “including in regard to” would require the corporation at minimum to provide information related to every single one of these categories to their shareholders. The degree to which they would do that would be prescribed in the regulations, so we have to think through the degree to which forms or other mechanisms on the proxy circular could do in that in such a manner because for each one of these.... For right now, the prescribed information actually forms a security commission box on the proxy circular, so you would need to get access to the proxy for every single one of these categories. As it stands right now, the bill does that through the regulations, not through the act.

I don't know if that answers your question.

Mr. Ben Lobb: I would ask Ms. May if that was her intention with this change. Did she want it that rigid or a little more lenient with her wording?

Ms. Elizabeth May: I don't think that's rigid. I think when you turn your mind to these.... If you have a board of directors, it's very straightforward to say we have no one representing an indigenous background, no one who speaks to a diversity of sexual orientation, or you do. It's not complicated. Boards of directors don't number in the thousands, and it's easy to put that information forward in a prescribed form to put it before the shareholders.

Mr. Ben Lobb: I have another question, then.

The Liberals are saying they don't want this in the act, but they want to put it in regulation. Would the regulations have basically the same wording? How is this different, then, in the regulation?

Mr. Mark Schaan: The regulations provide guidance on what might be included in a diversity policy. Currently, the prescribed information in the draft regulations relates to the securities commission's definitions of gender makeup for boards and senior management, as well as gender policy.

Diversity beyond gender is a policy where the draft regulations have a guidance that says the diversity policy could include the employment equity groups. It wouldn't require prescribed information on each of those categories as per the current draft report.

Mr. Ben Lobb: My final question, then, is for the Liberals.

They talked about the regulations. In an act of good faith, do they want to present what their regulations are going to look like?

We're leaving it up to political staff members and public servants, which is fine. They have a function as well. I'm not going to say every witness came to the committee and talked about this, but certainly, the vast majority did. I'm not so sure why parliamentarians, who are paid to come here and do this job, would want to give carte blanche to somebody else, and leave maybe the most significant or symbolic part to people we're not even going to have a chance to question or talk to, or vet what they're going to do. It'll come into force and there won't be much of a say.

I don't know if anybody else has a comment on that, but I wonder if the Liberals have an idea of what their regulation is going to look like. Maybe if it looks great, we can bypass these three and carry right on. I wonder if any of them would like to comment.

The Chair: Mr. Masse, you're next, but where we stand right now, we have three motions. We're working on the first one. As Ms. May cannot amend a motion, because she's not part of the committee, is there someone who would like to propose a subamendment to the motion? That's where we are right now, just to keep everybody in the loop.

Mr. Masse.

Mr. Brian Masse: Our motion is quite similar to this. There's a definite opportunity here to deal with an issue that's evolving. *The Globe and Mail* has a report on no simple fix to racial bias in the sharing economy, and it starts with this:

> One of the underlying flaws of any workplace is the assumption that the cream rises to the top, meaning that the best people get promoted and are given opportunities to shine.
>
> While it’s tempting to be lulled into believing in a meritocracy, years of research on women and minorities in the work force demonstrate this is rarely the case. Fortunately, in most corporate settings, protocols exist to try to weed out discriminatory practices.

But they don't always take place. What I see here is an opportunity for us to enhance the bill a bit. Leaving it to regulation is an abdication of responsibility to a bureaucracy. I strongly believe that if we're going to have what this bill states, taking a pass on all that to regulations is the easiest thing you can do as a member of Parliament up here. That is by far the easiest thing you could ever do in these halls. If there are some gaps in the proposed Green amendment, then let's have those amendments from the government to fix this and to make a statement.

I'm willing, with my motion as well, to have this passed under another party's name to get this done, which is so serious a situation in showing some leadership. We have the Conservatives as well. There's a parliamentary interest here that goes beyond particular colours. If there are holes in this legislation, then let's have amendments from the government side on those. If there is diversity, a specific suggestion to improve this, then we're all ears to hear that.

I think it comes to a fundamental of whether you want to be a member of Parliament who's inclusive of legislation and getting things done, or whether you want to abdicate responsibility and not be one who spends your time up here doing anything, just leaving it for a bureaucratic ship that's on a drift somewhere else with this policy. I believe it's too important to not want to deal with diversity.

We heard the witnesses and how passionate they were. I think they would be shocked that we would have them come forth and talk and then just basically say, “You know what? We'll just leave it to those other guys behind the curtain. They can take care of that. It's too complicated for us. It's too challenging for us to deal with the issue of diversity and making sure that Parliament makes a forced statement on this. This is how important it is for us.”

Given what's taken place in our aboriginal culture and how it has consumed this Parliament, given that we have a so-called feminist Prime Minister, and given that now we have a lot of tensions in our communities and our society related to what's taking place, even in the United States, I think this is the perfect opportunity for us, as the Canadian Parliament, to say that we want to help and be part of and inclusive of that leadership.

Leadership is putting yourself forward even though it could be a little awkward at times. It's about a standard of principle that we would show. That's as opposed to basically saying—and everybody knows the game up here—"Send it to regulation. You know what? You don't like it, so they can deal with it."

By the way, it sends a strong statement in the review of this legislation that this body here, who did the first significant review, took a pass on this. When we get a chance to review it, which will probably be about seven to eight years minimum from this point in time, it will be remembered as, "Oh yeah, apparently everything was good back then on this issue and they decided we could let that hang on for another seven or eight years. We don't have to bother dealing with it because somebody behind the curtain is going to deal with it and it's not going to be the name on the lawn sign."

● (1010)

The Chair: Thank you.

Mr. Baylis.

Mr. Frank Baylis: I have a very strong fundamental concern about all three of these when they start listing them, and I'll explain why.

Again, I come from the corporate world. I would have a problem sitting down with anyone I wanted to take on and directly saying, "Look, before I take you on, you need to tell me your sexual orientation. You need to disclose to me if you're a homosexual, what it is." That person could say to me, "That's none of your goddamn business." Then I would say to that person, "Before I take you on, I need to know what your religion is." That's another point here. "I'm not going to take you on unless you meet certain religious concerns." They could say to me again, "That's none of your damn business." Then I say, "Okay, hang on then. Let me know if you have some form of disability. I need to know that because I have to disclose what your disability is." Again, that person may say to me, and they would be right to say to me, "None of your damn business."

I can go on and on: "I want to know what your official language is"; "I don't want to tell you what my official language is because I consider myself to be completely bilingual"; "I'm sorry, you have to pick one"; "No, I refuse to"; "Okay, then I can't hire you."

I understand one angle of looking at this, but let's talk in the real world. In the real world, if we're trying to put in diversity, we can ask for it. If someone is willing to disclose it and we can work towards it, I'm not against the spirit of this. However, thinking that we can ram something through into a law like this and we can then start demanding that people tell us all types of private information is absolutely wrong.

I am completely against all three of these.

● (1015)

The Chair: Ms. May.

Ms. Elizabeth May: Mr. Baylis, there's nothing in this that requires anyone to divulge anything about their identity they don't wish to divulge. Diversity respects those elements of our society. For a person who is potentially gay or lesbian, and they are out and they are describing where they stand and who they are, that reflects diversity. You're not required to inquire of people if they are clear in their statement of who they are. They, then, represent the diversity.

Let's face it. We live in a patriarchy. This Prime Minister did a wonderful thing by having gender parity in cabinet. The first prime minister that I knew of to do that was Gro Harlem Brundtland in Norway, and that was in the 1980s. After she did that, Norway passed a law that corporate boards had to be 50% women, and now they are.

This legislation, with this amendment, doesn't even require that a gender quota be met, or a gender target be met. It merely says, when looking at diversity, you look at issues like disability, gender, race, ethnicity, indigenous heritage.

There was no clearer evidence to me that we lived in a patriarchy than when the news media and pundits got busy on Justin Trudeau's 50%-women cabinet. For the first time, I heard media people wonder whether these people were qualified to be cabinet ministers. I never heard anyone wonder whether the men who were appointed to cabinet were qualified. It was a brand new concept, women being appointed to cabinet. Could they possibly be qualified? I won't bother mentioning previous male cabinet ministers one might have pondered about.

I would really urge my Liberal friends to take this step. This is a very modest step in describing what diversity means, so that corporate boards will have consideration of this and think, "Wow. That would be a great person to promote to senior management. That would improve where we stand in our representation of women, people of colour, LGBTQ, and trans." This is an important step, please.

The Chair: Mr. Dreeshen.

Mr. Earl Dreeshen: Just to sum up the points, and again, we do have three amendments that are very closely aligned. When I look at Mr. Masse's, the NDP one, we haven't included aboriginal and indigenous heritage and so on, so maybe that could go in. I'm not sure which one we should specifically focus on amending.

I would suggest, hearing what the Liberals are saying at this particular point in time, that even though there was great discussion when the witnesses were here about how adamant they were that things like this should be put into legislation, it doesn't seem like we have a fourth amendment coming from the Liberals to suggest that we are going to talk about diversity.

I believe that the Conservative one is a little bit more inclusive in that regard, but to say which one it is, and whether they're going to vote all three down, or whichever one, I'm not sure.

I think we should probably move on and make some decisions on it. I know Ms. May can't put amendments, and I don't know whether it's appropriate for other political parties to be making amendments on her behalf. I would either amend the NDP amendment or choose to amend the Conservative one.

The Chair: As I stated before, Ms. May cannot amend her own amendment. Is there someone who would like to propose a subamendment to Ms. May's amendment?

If not, then we should move on.

Mr. Lobb.

Mr. Ben Lobb: I'm not sure we have to move on. I'd be more than willing to put forward a subamendment to Ms. May's amendment. However, I go back to my original point.

But before I make my original point, I want to point out two things. If you went back to March 2015 when the Conservatives were in government, would you ever imagine the Liberals would be talking the way they are today? It would be absolutely unfathomable. That is the first point. It's a little hypocritical, I believe.

The second point is to Frank's point. Lloyd said they're going to put the wording in the regulation, so the regulation's coming anyway. Frank and Lloyd probably need to have a meeting after this meeting to discuss this.

These are not your entry-level employees you're asking this question to or you're reporting or you're recording. These are senior, experienced people who are public in many ways in their communities and on the Canadian business scene. They're strong, they're confident, and they want to disclose what they're going to disclose. They're going to be proud when they disclose it at that time. This isn't some 25-year-old who's just setting out in the world. This is a senior person with thick skin who has gone through many bumps along the way.

I want to make that distinction, but I'll be quite honest that I don't know how anybody on this committee at this point could vote on this without knowing what the regulation is. That's my own opinion. It's an abdication of duty and I feel it's an important point. If we can't see this regulation that everybody keeps.... I'm assuming there must be a regulation bubbling around somewhere in the halls of the department. A sign of good faith would be to show us this, and if it seems legitimate, maybe we could bypass all this. But to do it in good faith at 10:25 just to speed things along, I think we'd be letting down a lot of people in this country who feel very passionately about this. I think at one time the Liberal Party probably was passionate about this too.

If the Liberals don't have the regulation here today, if it's possible to park this amendment and keep going or suspend the meeting until Thursday, or whenever we're going to discuss this bill again, and have the regulation tabled so we can discuss it and go through it.... I can't imagine anybody on this committee wanting to proceed with this bill until we know what the regulation is going to be.

I'm open to suggestions. If it has to be in camera, I'm willing to look at it in camera. Whatever it may be, I'm open to that, but I would think until we see that I don't know why we would continue.

● (1020)

The Chair: Are you proposing the motion? I'm not quite sure right now—

Mr. Ben Lobb: Mr. Chair, I don't need to discuss a motion because we're talking about Ms. May's amendment to the bill.

I'm asking for further information before we vote on her amendment. That's totally in order. The Liberals have indicated that their preference is regulation, which is fine. That's part of our debate that we're having in the committee. It would be more than useful and helpful to see that regulation before we take our vote. All I'm asking for is further information.

The Chair: Again, we have Ms. May's motion on the floor. That's what we are dealing with. If you are suggesting that we break or we suspend the meeting for another time, that's up to you to decide if you want to put a motion through for that.

Mr. Ben Lobb: I'm sorry, Mr. Chair. Are you talking about her motion or her amendment?

The Chair: Yes, we have a motion right now on the floor from Ms. May. That's what we're trying to deal—

Mr. Ben Lobb: A motion to amend...a subamendment?

The Chair: No. Right now all we have on the motion is PV-5. If there is no further debate on PV-5—

Mr. Ben Lobb: I'd like to know what the motion is.

The Chair: It's PV-5.

Mr. Ben Lobb: That's the amendment.

The Chair: Yes. That's the amendment we're talking about.

Mr. Ben Lobb: Okay. Correct.

I am unaware of any motion to make a subamendment.

The Chair: As Ms. May cannot propose a subamendment, I asked if somebody would like to put something forward. That's up to them.

Mr. Ben Lobb: With all due—

The Chair: You mentioned that we should break until Thursday. If you're proposing a motion to do that, then you should put that on the floor. Right now we're dealing with Ms. May's amendment.

Mr. Ben Lobb: I understand that, with all due respect, Chair.

What I was saying was that I would appreciate it if one of the Liberal members over there—our parliamentary secretary's here today, and that's fine—could provide us with an indication of whether they would be willing, in an act of good faith, to put forward their proposed regulation to remedy our question here.

Ms. May's amendment is in order. There's no motion to adjourn. There's no motion for anything. There's no subamendment. We're just talking about her....

There was a discussion about what a potential amendment would look like, or what a subamendment would look like, but we haven't done that step yet. We're simply asking for information on whether or not somebody over there would be prepared to show us a regulation. That's all.

● (1025)

The Chair: We are still debating PV-5. The floor is open.

Mr. Masse, you have the floor next.

Mr. Brian Masse: Thank you.

I appreciate the interventions. I just want to be clear that Mr. Lobb makes a lot of good points, but I would not want to go in camera for any of this. I come from a municipal background, where there was very little in camera business. I think the intent is the co-operative one, to try to find a solution to this very significant problem. I appreciate the sentiment that's expressed there.

I think there are a couple of things here. I'm okay with the motion as it is. It covers off the majority there. I think there are some Conservative subamendments that could be considered, but generally speaking this actually is a good, prescribed way of approaching this. Some of the Ontario human rights definitions are in there. It provides some informational gathering, which I think is important, and a statement from Parliament.

That's critical, because if nobody over there can even explain what the regulation is, how can you be critical of this amendment? I really don't understand that logic. I don't understand the logic of, "Okay, we have a better way, and it's a regulation. By the way, we don't even know what the regulation is." I mean, really, for an issue like diversity and all this, is that the best we can expect? Again, this is about proper processes. We're going to turn that over to the bill, if the Liberals have their way, and they have about seven years to deal with this. Hopefully we'll get some Liberals who will want to identify what exactly is in the regulation that they have. That would be helpful to hear today. It would show that they're prepared and they're willing to come to this committee with a suggestion.

If you're going to be critical about what we have here, then please, list it out. Provide a copy for all of us. It should be in the official languages. Why not? If you're coming here to rely upon something else that's not here, and you're critical of what's being presented, maybe there's a solution. We could deal with this in another meeting.

I think one of the worst things that's held us back on many of the problems we've had is that basically people are not being open enough to take them on and leaving it to others. That's often been the case. It's fine to have symbolism in things, but action is required on issues of gender and racism and ethnic discrimination. I deal with it every single day on our border, and have for the last 20 years of my life as an elected official.

These are things where you need to step forward with leadership. I would hope that on this one right here, if you have some more add to it, then please add a subamendment to it. If you have what the regulations are and it covers things off, please explain to me what those regulations are and share them with the Canadian public.

It would be surprising...because this was left open in the bill for us to be able to do that. Think about all the things that the minister has shut down for us with regard to this bill. They shut the door on so many different things, but this was left open by the minister. The minister has invited us here at the table and he's invited us in the House of Commons. If he actually has suggestions and amendments from committee members, he's willing to hear them. He wants to have them.

Is the only one being amended the one I caught him on in the House of Commons, the mere fact that it didn't have a review of the bill? In the original proposal, they needed an amendment on this bill. With so many different things involved and how important it is, they actually forgot to include a general oversight in five years. One of the fundamental things a bill requires is oversight.

If that's the case, and the minister really was sincere about including us in this and actually including suggestions, here's one. Was he was making it up and just playing us along, or was he really serious about it? If he was serious about it and this was left open for us to deal with, let's deal with it.

I'm surprised that the Liberals really haven't come here with a proposal on this. Seeing that there are three parties with this type of amendment, or similar to it, I would have expected to hear, "Hey, these guys are interested in this. Maybe we could do something about it." But apparently not. Maybe it was just a ruse by the minister when he came and provided his testimony.

I'll leave it at that, but I certainly think there was no doubt at all. They were very clear about limiting the scope of this bill. With a majority government moving this through, I can only believe one of two things in this discussion, either the minister wanted us to have it or he made a mistake.

● (1030)

The Chair: Thank you.

Mr. Arya.

Mr. Chandra Arya: Mr. Chair, I would like to ask Mr. Schaan how the regulations get formulated and what process is involved in that.

Mr. Mark Schaan: The regulation-making process follows the legislative authority of Parliament. Once an act has given regulation-making authority to the minister, the royal assent on the bill is then prescribed to justice drafters, who then work through the regulation-making process. The regulation-making process normally, then, has justice drafters draft the regulations as per the instructions. Those are then made public through the *Canada Gazette* part I process for public comment. Those comments are then received and incorporated. The *Canada Gazette* part II process happens for final publication, and then it goes through the Governor in Council process for approval as regulations.

The standard process would be that regulations can't be formally drafted in advance of the royal assent of the bill, because the minister doesn't yet have regulation-making authority.

In this particular case, the intent of prescribed information on diversity, there has been some guidance given in terms of what that would look like, notably following through on the securities commission's current guidelines with respect to form 58-101F, which sets out the gender makeup of boards and senior management; and then a further requirement of a diversity policy where the intent would be to indicate that if a corporation has adopted a written policy related to diversity other than gender, which may include the employment equity groups amongst the directors and members of senior management, to disclose that to their shareholders.

Mr. Chandra Arya: The employment equity groups include indigenous people, visible minorities, and people with disabilities. Is that correct?

Mr. Mark Schaan: That's correct.

Mr. Chandra Arya: Okay.

The Chair: Mr. Lobb.

Mr. Ben Lobb: With all due respect to Mr. Schaan, I hear what you're saying, and members of Parliament who have been here for a while understand the gazetting process and how long it takes, and all this and that, and the regimen that goes through that.

To be quite honest, though, it was the department and the minister who presented the changes to the act to the House of Commons. We had a vote on it, and now it's here. I'm not saying it's disingenuous, but it's not realistic to say he can't do anything or he can't think about anything until he gets the bill back from Parliament. It's obvious. We just heard from Mr. Longfield that it will be dealt with through a regulation, so obviously somebody somewhere has thought of this, crafted this, and considered what would be legally acceptable and what wouldn't be legally acceptable.

I understand Mr. Arya's question, and it's a fair question. Everybody understands the process with regulations. However, it doesn't mean that we have to vote on this amendment right now. It doesn't mean that we can't ask the minister to present his thoughts on this. We have three parliamentary secretaries here to speak on his behalf, who would be able to talk to us. That's why I said, if it's so sensitive or the government is so concerned that what they've put forward in a regulation is going to be unacceptable to Canadians, well, okay, that's probably a concern.

We could discuss this in camera if you want to have a frank discussion—not yourself, but somebody from the minister's office, the minister, deputy minister, or whomever. A parliamentary secretary would be fine.

It's just that this issue, to me, has come back time and time again with witness after witness. I'm not saying this was the only voting issue for a lot of people who felt like voting for the Liberals in the 2015 election, but this very amendment that the three parties have brought forward here, I think most members, or most Canadians who voted for the Liberals in the last election, would have figured would be 1 or 1(a) in their thoughts for every single bill they bring forward to the House of Commons.

To see the elected members opposite remain virtually silent on this issue and defer it to someone who we'll never know, to craft something that we'll never get a real opportunity to change, to me, is unacceptable. I would suspect that if this doesn't get dealt with today —and we're still talking about it—there will start to be a lot of people wanting to sit in on this committee, even if it's at 8:45 in the morning, to understand why Liberal members of Parliament were elected and now are abdicating one of the things that I think most people who voted for them thought they would deal with. A lot of people are going to want to see this thing take place live and in action. We might end up having 200 or 300 people here by our third meeting on this very amendment.

I, completely in good faith, would love to discuss this further to hear what they have to say. I'm prepared to park this bill until the minister has had time to discuss with his people around him what he's thinking about, or what they are thinking about, and hear about this further.

Thank you.

● (1035)

The Chair: Just to be clear, we are where we are. We're not bringing more witnesses back. We're not bringing more people back to speak to it. We're at debate stage. We've had witnesses. We're on amendments. There have been comments from both sides, but this is where we are. At some point we will be voting on the amendments.

Mr. Ben Lobb: With all due respect, Mr. Chair, we have Mr. Schaan here, we have our legislative clerk here, we have two analysts here, and we have our clerk here. Their roles are to provide us with information and clarification on the amendments and the clauses, and they've done a wonderful job today.

However, this is one issue where I don't know that they can provide us with further information, because I don't think they can read the minister's mind or the deputy minister's mind. Maybe the parliamentary secretaries have that ability, but they haven't presented anything in the last half an hour, or even commented on their ability to present something.

I get your point. We're here and we're debating the amendment. We're all clear on that. However, they have the opportunity—before we vote on any one of these three amendments—to present us with the proposed regulation, a draft regulation. They have the ability to tell us, "Look, we can't do it today. We'll go back and we'll see. We'll come back to you on Thursday or Wednesday or what have you and let you know." We haven't heard any of this.

I think there are probably at least two members on this committee who really aren't prepared to move forward until we hear something or see something that would indicate to us that we can vote on this or dispose of this in good faith.

I appreciate your points though, Mr. Chair, with all due respect.

The Chair: Thank you.

Mr. Dreeshen.

Mr. Earl Dreeshen: I'm taking a look at the time that we have left for trying to work our way through this, and we're talking about amendments that might be required. I'm curious whether perhaps Ms. May might consider removing this amendment, so that we could then address something that we would talk about another day. I have some thoughts on how we could incorporate the language that we have, but I'd be willing to talk to and speak to amendments for Mr. Masse that would include all of the things that we have in the three.

I think if this drags on to another day and so on, it might be more convenient and easier for us to deal with bringing the three together. We could do that through Mr. Masse's amendment and then perhaps make things run a little smoother.

The Chair: As per my original instructions, she wouldn't be able to remove it. There would have to be unanimous consent to remove that.

Mr. Earl Dreeshen: I'm asking whether or not she would be amenable to that.

The Chair: We can certainly put that to....

Mr. Masse is next.

Mr. Brian Masse: I'm fine with the Green Party amendment, to be clear. We're on that, and if we want to amend that, I'm open to amendments. I think it encompasses....

I go back to what has really happened out there. Frank talked about the real world. Let's talk about the real world and diversity in Montreal right now. Visible minority individuals made up 20% of greater Montreal's total population in 2015—those are the latest numbers available—but accounted for only 4.8% of the leadership positions. That's for all positions of leadership, from the political through to the entire realm and through the corporate sector. The corporate sector had the lowest representation at 1.7%.

Visible minorities made up 20%-plus of the population in 2015, yet had less than 2% representation on corporate boards. That's an abomination. That's a serious structural problem that's going on and it needs some adjustment. It needs some leadership. It needs some new ingenuity to get somewhere. That's where this goes. It doesn't pass this to regulations. It says from Parliament that we care about this issue, that we think it's important and we're going to do it.

The fact of the matter is that you have the same situation happening in Toronto, where diversity on corporate boards and private boards is taking a plunge in many respects. It's the same with regard to our country in many respects. This information comes from the Diversity Institute. You can take a look at it. It's available for everybody.

We know that we have significant racial and ethnic problems in terms of representation on corporate boards. Yes, corporations will sell their goods and their products to anybody. They don't check that at the counter when people go through and purchase the stuff, but the fact of the matter is that they are not, on the boards, representing all people. Again, that's why for some of these things that we're compiling here, we tried to address them in previous amendments. Whether those amendments were on the six years, where you have at least a moment, a breath of recess, to make sure of whether you're going to change that board of directors or not, or at least bring in somebody new, or whether you have the minister get them to explain a bit more appropriately....

This is a complete abdication of responsibility, knowing the obvious facts in front of us that have been presented not only here but on the streets of our communities. The fact of the matter is that we have a chance here to actually do something about this.

I'm surprised. I guess the biggest joke is going to be “How many Liberals does it take to stand up for diversity or for gender rights?” Well, it's not going to be nine, because we have nine here. It's going to be 10 at least—

● (1040)

The Chair: Keep decorum, please, and no name-calling. We don't need to go down that road.

Mr. Brian Masse: Okay. I apologize if I've offended anybody, Mr. Chair. I guess I wanted to explain why I'm passionate about this.

At any rate, it is something that we actually control. We have a sense right now, a moment, to pass legislation that includes this element, which is the appropriate vehicle to do so. It has left open that opportunity in terms of what's been presented. A lot of things have been closed to us. That's why I've being going through some of the amendments that I had previously. They have had some problems, which the chair has overruled, so I've let them go on that. But on this one I'm not letting go, in the sense that I believe this is one of the reasons why I'm here in Parliament.

I have a son and daughter of mixed race and they see it themselves, through their lives. We still haven't gotten past this. It's still an issue. I've grown up with it. It's going to be my 20th wedding anniversary tomorrow, and I remember the days of holding hands with my spouse and having people stare at us. That's a modest issue in terms of the discrimination that's faced out there. It doesn't count —

Ms. Elizabeth May: It's just because you're so handsome.

Mr. Brian Masse: Thank you.

Some hon. members: Oh, oh!

Mr. Brian Masse: I don't get that often.

Mr. Frank Baylis: I'll vote on that.

Some hon. members: Oh, oh!

The Chair: All right, all right. We're running out of time.

Mr. Brian Masse: I didn't want to try to make this personal. I guess my view in terms of how I represent things is that if you are not doing anything and you're passive-aggressive in regard to something, it's worse than actually being aggressive, because then we don't know the enemy in front of us. The enemy could be beside you by not taking action and not doing the things that we have within our capability. That can make a difference.

This will lead the minister to have a statement capability in this, to say that we will not leave this to regulations, that we will not leave this, that we're going to get this. In this day and age, Parliament is going to say, “You know what? We can't figure out what diversity, racial inclusion, and gender inclusion really mean, so we're going to put an ad in the paper, seek people's opinions on it, and then come forward and tell us what that means.” That's what we're really doing here.

I see the hand of the chair, so I....

The Chair: We're actually out of time.

Certainly, we're going to have this debate continue. As chair, I will remind everybody that our debate needs to be relevant and non-repetitive. We can't keep saying that on the other side they're not listening. You said it once. You said it twice. You said it three times. That I will rule on, because that's enough with that. If you have new information, if you have new debate—

Mr. Brian Masse: Fair enough.

The Chair: —then, please, bring it forward.

Mr. Ben Lobb: I disagree with that, but that's the way—

The Chair: That's okay. You can disagree with me.

Thank you very much for the progress we have made today. I'm looking forward to Thursday.

The meeting is adjourned.