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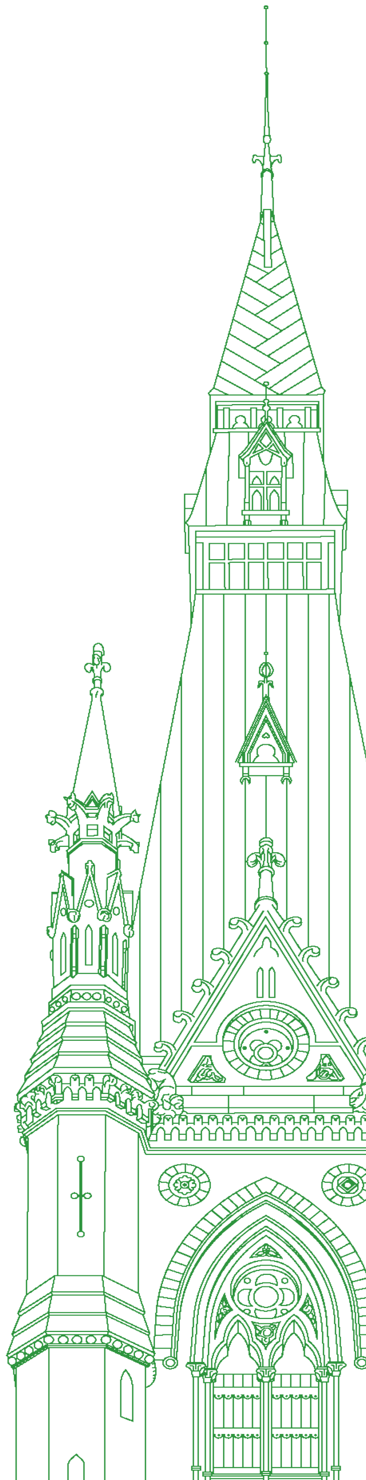

Chair: Mrs. Sherry Romanado

Standing Committee on Industry, Science and Technology

Tuesday, June 1, 2021

● (1105)

[*English*]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): I call this meeting to order. Good morning, everyone.

Welcome to meeting number 42 of the House of Commons Standing Committee on Industry, Science and Technology.

Today's meeting is taking place in a hybrid format pursuant to the House Order of January 25, 2021. The proceedings will be made available via the House of Commons website.

So you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

For this meeting, the first hour will be spent on Bill C-253. Then we will move in camera for the second hour to review a report.

To ensure an orderly meeting, I would like to outline a few rules to follow.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either "Floor", "English" or "French". Please make sure to select your preference now.

This is a reminder that all comments by members and witnesses should be addressed through the chair. Before speaking, please wait until I recognize you by name. When you are not speaking, your microphone should be on mute.

As is my normal practice, I will hold up a yellow card when you have 30 seconds left in your intervention. I will hold up a red card when your time for questions has expired. Please keep your screen in gallery view so that you can see the cards when I hold them up.

Pursuant to the order of reference of Wednesday, May 12, 2021, the committee is meeting to continue its study of Bill C-253, An Act to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act.

I'd like to now welcome our witnesses.

From the Canadian Federation of Pensioners, we have Michael Powell, president. From the Canadian Labour Congress, we have Hassan Yussuff, president, and Chris Roberts, director, social and economic policy. From the National Pensioners Federation, we have Trish McAuliffe, president.

[*Translation*]

We also have two representatives of the United Steelworkers with us: Dominic Lemieux, director of district 5, Quebec, and Nicolas Lapierre, representative, Sept-Îles regional office.

[*English*]

Each witness group will have up to five minutes to present, followed by rounds of questions.

With that, we will start with Mr. Powell.

You have the floor for five minutes.

Mr. Michael Powell (President, Canadian Federation of Pensioners): Good morning.

My name is Mike Powell. I am the president of the Canadian Federation of Pensioners.

CFP's 23 member organizations advocate directly for over 300,000 defined benefit pensioners, and our allies represent millions more. We support Bill C-253 and the extension of superpriority to pension deficits. This is the simplest solution to meaningfully improve pension protection for Canadian seniors.

In our Canadian regulatory environment, the only single place to protect pensions is within insolvency regulations. This committee and Parliament face a decision between the status quo—which leaves seniors' future financial well-being at risk and perpetuates an unfair system designed to exclude seniors from protecting their own financial interests, an unfair system that has been proven to significantly harm older Canadians—and a new future that offers protection to vulnerable seniors.

I'd like to address five concerns that stakeholders in insolvency may raise.

The first is that lending rates would increase for companies with defined-benefit plans, leading to more insolvencies. This argument was central in 2010 when a similar bill, Bill C-501, was debated. In 2011, though, the pension deficit was ruled a deemed trust by the Court of Appeal for Ontario in the Indalex case. A deemed trust is the highest priority in insolvency, above the superpriority envisioned in Bill C-253. This ruling stood for two years before it was overturned.

It is critical to note that there was no fallout from this decision. The wave of insolvencies of companies with DB plans that was predicted did not occur. Borrowers and lenders made accommodations, and business continued.

The second is that there would be fewer restructurings and more liquidations. This is also an old and flawed argument that would get a failing grade in a first-year business policy course. Envision submitting a paper whose key assumption of your argument was, “Given a significant change in a regulatory environment, business management would not change their critical strategic decisions; therefore, I will use past results without adjustment in my future model.” Along with a failing grade, there would likely be a comment that basing your argument on inept company management is not recommended in policy development.

The third concern is that this would discourage new DB plans and lead companies to close existing plans. The harsh reality is that DB plans have been on the decline for many years, despite actions taken by governments to reduce costs for companies.

The fourth is that other creditors would be disadvantaged. This is based on the false notion that stakeholders are treated equally today. The impact of insolvency is much greater on pensioners than on other creditors. Pensioners lose a significant portion of their income for the rest of their lives; other stakeholders only lose a portion of the money owed them at the time of insolvency, not their entire contract, nor do they face future reductions in revenue due to the insolvency of one of their customers.

There's also a difference of control. The other stakeholders at the insolvency table have all negotiated their financial exposure. They've made conscious decisions to address payment terms, prices, interest rates and contract conditions. Government treats seniors as wards of the state. Pensioners have no ability to control, approve or even influence their financial risk in insolvency. Pensioners are not even ensured a seat at the insolvency table.

The fifth is that changes made in the 2019 budget have levelled the playing field. Pension protection in 2019 is the proverbial bailing of the *Titanic* with a teacup. You can measure progress, but it won't change the outcome. We need to ask this: Would the changes in budget 2019 have protected the Sears pensioners? The answer is no.

In summary, government has appointed itself as sole guardian of the vulnerable seniors' future financial well-being. Government legislation precludes pensioners from any form of control or even influence over their pensions in insolvency. Bill C-253 addresses this imbalance.

This committee and Parliament are faced with a decision. You know of the real price paid by seniors left in collateral damage in an insolvency. This is fact. You will hear concerns raised by other stakeholders of theoretical harms. This is speculation. The choice is yours to make. Our 300,000 members strongly urge you to stop treating pensions as piggy banks in insolvency and support Bill C-253.

Thank you.

● (1110)

The Chair: Thank you very much, Mr. Powell.

We will now go to the Canadian Labour Congress.

You have the floor for five minutes.

Mr. Hassan Yussuff (President, Canadian Labour Congress): Thank you, Chair.

First let me thank the committee for the opportunity to present to you today.

I represent the Canadian Labour Congress, Canada's largest central labour body in the country, and it speaks on national issues on behalf of three million working men and women from coast to coast. The CLC, of course, supports Bill C-253, and I want to thank the members who voted to advance this bill.

For years, the CLC has advocated changing the bankruptcy laws in our country. Workers and pensioners should be first in line, not last, when it comes to paying creditors. Workers pay for their defined benefits, pensions and other post-retirement employment benefits by deferring part of their compensation. Employers have a legal obligation to pay these promised pensions in retirement. It is totally unacceptable that earned benefits are taken away from pensioners, through no fault of their own, at a time in their lives when they are least able to adjust. Pensioners cannot simply go back to work when their pensions are cut. They need the post-retirement drug coverage and benefits that they have earned through working for a lifetime.

This tragedy has gone on too long. It has occurred too often. It cannot go on any longer. It is time to fix this problem.

The insolvency process is rigged against working people. The recent Laurentian University example shows how small unions are isolated and besieged by CCAA proceedings. Workers are threatened with devastating job losses unless they agree to make deep concessions to wages, pensions and benefits.

The CLC believes that public institutions should be excluded altogether from the CCAA and the BIA. The federal insolvency laws are meant for commercial corporate reorganizations. They were never meant to provide cover for provincial governments that refuse to live up to their fiscal obligations and expect workers and pensioners to pay the costs. The CLC would prefer that the claims of workers and pensioners be moved to the front of the line, as Bill C-253 seeks to do.

If there is no consensus to do so, the CLC believes that all parties should consider granting pensioners' and employees' claims the status of “preferred claim”. This would place them immediately behind the secure creditors in priority of claims, but ahead of unsecured creditors. We believe that treating employees' claims as preferred claims will materially improve outcomes for workers and pensioners.

However, getting the data to establish this is not easy. Currently the data is controlled by the big accounting firms—especially Ernst & Young, KPMG, Deloitte and PricewaterhouseCoopers —that act as monitors in CCAA proceedings and trustees in bankruptcies. There is a clear public policy purpose for making this data available for researchers. We are seeking aggregate anonymized data for large business insolvencies in which pension deficits are involved. We are not seeking commercially sensitive data. In our view, the superintendent of bankruptcy should be required to obtain this data from monitors and make it available to researchers.

We also recommend that the federal government conduct a feasibility study to establish a national mandatory pension insurance scheme for Canada. This study should form the basis of discussions with the provinces to establish a national scheme to rescue stranded pensions.

Finally, the government must stop company executives from enriching themselves and shareholders when there is a serious pension deficit.

The 2017 Sears Canada CCAA filing and liquidation was an outrage. Beginning in 2010, Sears paid $1.5 billion to shareholders in dividends and share buybacks. By doing so, Sears paid five and a half times more to its shareholders than it would have cost to entirely erase the deficit in its DB pension plan. Sears' decision in 2013 to pay a $500-million dividend when the pension deficit stood at $313 million would alone have been enough to eliminate the deficit. Instead, Sears Canada pensioners outside of Ontario were forced to accept cuts in benefits. This is a profound injustice. It should never be permitted to happen again.

Thank you very much. I look forward to any questions that committee members may have.

I wish all the best to you.

● (1115)

The Chair: Thank you very much.

We'll go to Ms. McAuliffe in a moment.

We're having difficulty connecting with you, Ms. McAuliffe.

Your headset is not selected; it is actually going through the computer. I'm going to ask IT to reach out to you. They're trying to reach out to you to walk you through how to select it.

We will go to Métallos, and then we'll come back to you.

[*Translation*]

I will therefore give the Steelworkers representatives the floor for five minutes.

Mr. Dominic Lemieux (Director, District 5 - Québec, United Steelworkers): Thank you very much, Madam Chair.

I would like to point out that we represent 225,000 workers all across Canada, of whom 60,000 are in Quebec. Pension plans are a subject of great importance to the Steelworkers.

I would also like to thank all of the parliamentarians we have met in the course of the lobbying activities we took part in before the COVID-19 crisis. We met with over 250 MPs and senators to talk about the problem with pension plans. I would say that we had some very good discussions with all of the parliamentarians we talked to.

The Steelworkers have been hard hit by what happened at Cliffs Mining on the North Shore. As my colleague Mr. Yussuff said, there have also been problems at White Birch Paper, in Quebec City, and at Sears, Nortel, and Stelco, where I once worked. These are a few examples among many.

Unfortunately, in the case of Cliffs Mining, there were consequences for over 1,700 retirees, widows and spouses. This was a major tragedy for us. Unionized and non-unionized workers and retired managers fought a long legal battle. Ultimately, they were able to recover $18 million out of the $28-million deficit in the pension fund. Nonetheless, retirees' pensions were cut by 8.5% and this was catastrophic, particularly for our oldest retirees. Some of them are living on a monthly pension of only $800. It is tough seeing retirees lose a significant portion of their pension when they have no way to make up their losses. These are people aged 80 and over, including widows, who cannot return to the labour market. It has truly been a disaster. Throughout this time, Cliffs in the United States continued to rake in tens of millions of dollars in profit.

As I said earlier, we lobbied. Throughout that process, we listened. Initially, we were seeking to be put ahead of the banks in the ranking of creditors. We then understood that this might interfere with companies' economic recovery, since the banks would be more hesitant about financing their recovery. We therefore changed our position somewhat: we are prepared to be ranked just ahead of municipalities and school boards. This means that we will not be jeopardizing companies' recovery.

It must be understood that this affects 1.2 million Canadians. The Steelworkers believe that it is the role of government, the role of all of you, to protect all middle-class Canadians. Retirees who have defined benefit pension plans are all members of the middle class. The 2019 budget introduced by the Liberals spoke expressly about a desire to protect pension plans. In fact, at the Liberal Party of Canada convention held in Halifax in 2018, the party reiterated its intention to protect pension plans, most of which have no protection. It is important to pool the risk to which these retirees are exposed and not leave them on their own.

The COVID-19 crisis came with enormous volatility in the markets. Some businesses will have trouble surviving when the Canadian government assistance programs end. We therefore believe that this is the ideal time to legislate protection for pension plans. The time is right and I think there is a degree of openness on the part of all parties to the idea of legislating protection for pension plans that we have rarely seen. This is the third draft of a bill of this nature in the last five years. We have been trying to protect pension plans for 17 years, so we must not fail to take this opportunity while the time is right.

I want to tell you that we need you. This is important. There is a consensus on this issue. Surveys show that 75% of Canadians support the idea of finding a mechanism to protect pension plans.

When a disaster happens, we often say that we have to learn from it in order to avoid repeating it. When an accident happens, for example, we say we are going to make every effort to avoid it happening again. Retirees have endured multiple disasters. I think it is time to find a way to make these disasters stop.

● (1120)

Thank you, Madam Chair.

The Chair: Thank you very much, Mr. Lemieux.

[*English*]

We'll now go to Ms. McAuliffe. You have five minutes.

Ms. Trish McAuliffe (President, National Pensioners Federation): Greetings, and thank you for this opportunity to present to the INDU committee review on Bill C-253.

My name is Trish McAuliffe, and I'm president of the National Pensioners Federation, representing nearly one million members across Canada for over 75 years—not me in particular, but we have been around for 75 years.

We have a strong advocacy group on pension protection. Today, we're here to support Bill C-253, and respectfully, I would like to support your committee with our posed question of “Why now?” after nearly two decades of seeing similar bills being presented in the House of Commons to no avail.

What is different now is our emerging seniors demographic and the 4.2 million retired seniors who rely on defined benefit pension plans.

DB plans are known to be an essential part of Canada’s three economic pillars of our retirement system. We must safeguard all of this, and it will be at no cost to the government, as proposed here in Bill C-253.

Further, it is a COVID crisis response, and for years to come. It is true that the government has provided financial backups for seniors with increases in OAS and GIS funding, recognizing that it is important for every senior to live and retire in dignity at all costs. The best and most efficient way to provide a secure and predictable income for all Canadian workers is, in fact, by having protected defined benefit pension plans and a healthy CPP. Otherwise, government-funded backstops and hard times would only continue to mount.

Again, I know we are all here because we understand this and we want to ensure that all Canadians have a secure retirement income.

Noticeably, the Conservative Party of the past voted down similar bills, yet the new leader, the Honourable Erin O'Toole, has pledged his support towards building better relationships with unions and workers. Here, Bill C-253 could be the start of that opportunity.

Let me further emphasize that defined benefit pension plans are the most efficient way to use current earnings to fund retirement. Worker-organized workplaces, such as unions and associations, have proven track records of working with employers to ensure that defined benefit pension plans are sustainable. Sustainable plans are in workers' best interests as well. Pension plan members pay a significant portion of the cost of their pensions, and these plans are a part of the negotiated total compensation package—a contract, if you will, that your investment will be there for you at the end of your work life, guaranteed. In this context, a “defined benefit” means that the pension promises that an employer makes to a worker become legally binding obligations on the employer. We would argue that it's a deemed trust. Why should that change in priority at any time, and why are retirees not at the table or, at the very least, consulted?

The Canadian economic landscape of the past two decades has offered up many reasons for financial crisis for big business. I experienced this fright myself in 2008, just shy of my own retirement. Workers associations and unions came to the table to negotiate with their employers and the government in the 2008 bailouts to find viable solutions ahead of bankruptcy. Workers and retirees gave concessions, and today those corporations thrive. Workers and retirees have never recovered, nor are they expected to. Is that fair?

Ultimately, banks thrive. Why do we fixate on the lenders and their actors when we've seen, for the past 20 years and more, that it's the retirees, the workers, their families and the community that bear the heavy burden from such sudden bankruptcies?

No sector is untouched by the harms of the CCAA and the BIA. Today, Laurentian University is the first Ontario university to declare insolvency and enter CCAA proceedings, the first line of defence under financial distress. These are public sector workers, and undoubtedly they'll be followed by P3 workplaces as we promote them.

History has shown us that sharpshooter insolvency lawyers have made quarter-century careers of abusing bankruptcy and insolvency legislation to disassemble companies and sell them off for pennies on the dollar. They regularly gut workers' pensions, tear up their contracts and enrich their clients at the expense of employees who were never in positions of power. It's their job, and they're well compensated for it. What's more, they've been destroying the lives of employees and families for the 20 years while we have watched governments debate this devil of a detail.

● (1125)

Madame Gill reminded you of the social toll of bankruptcies. Well, here's a life lesson: Don't expect a different result when you keep on doing the same harm. Try something different.

As coalition advocates for pension security, we have provided many solutions with credible submissions with no cost to government. I ask this question: What have opponents of Bill C-253 or the past likes of it provided?

The Chair: Ms. McAuliffe, you're over time. Could you please wrap up?

Ms. Trish McAuliffe: Yes.

This is an election year. The democratic solution is this: The governments we elect are beholden to serving the electorate, and that's us. Make this a reality and support Bill C-253.

Thank you.

The Chair: Thank you very much.

With that, we'll start our round of questions. Our first six-minute round goes to MP Poilievre.

Hon. Pierre Poilievre (Carleton, CPC): Thank you. Anybody can answer this question.

In the case of a bankruptcy in which there's a pension shortfall, pensioners currently are on scale with a whole series of other creditors that stand to lose in the event of that bankruptcy. For example, in Ottawa we had the massive bankruptcy of Nortel. Not only were pensioners, whose pension fund had dropped in value, in trouble, but so were a lot of little contractors, tiny businesses that went over to that big old building just off Highway 417 and did plumbing work and electrical work and fixed the windows and did the painting and maintaining. They were all contractors who hadn't been paid. Those people as well were left holding the bag.

If this bill were to pass, would they move further down the pecking order for claims on payment from the liquidation of the bankrupt company's assets?

Mr. Yussuff, I see you putting your hand up.

● (1130)

Mr. Hassan Yussuff: Yes, Mr. Poilievre. I think it's critical to put this in some context.

The key, in terms of our argument, is that the promise that employers made to workers on deferred wages and benefits is supposed to be accounted for, obviously, in their books. Of course, what we see time and time again is that employers have not made the contribution or have allowed their pension fund to not meet the obligation.

When they get into bankruptcy, we're told the secure creditors—the banks and others—have to get ahead of workers. We think that's fundamentally wrong. In regard to the situation you're describing about local contractors, they will be in the line; the question is what priority they might be. Of course, they might be in back of workers.

Our argument is that workers should be the first in line, and then we'll work our way through who else should be there once workers' pension and benefits are taken care of—

Hon. Pierre Poilievre: Thank you. I'm sorry, but we're just very short on time.

Right now, as I understand the rules, the issue is not that the company contribution to the pension is not being fulfilled; it's that the pension benefit, the defined benefit, is not being upheld. Under the law right now, unpaid wages, severances and pension contributions are at the front of the bus, but what is not is the guarantee that the pension will deliver the defined benefit it promised.

That's really what we're debating: It's whether a pension should be made actuarially sound to deliver the benefit to the worker that is promised. For that to move forward in the priority, then other things will have to move down by definition, or else we wouldn't be here. I'd be curious about some of the other very sympathetic people who are not bankers and who are obviously going to lose in the case of a bankruptcy as well.

I'll move on to my next question now, and someone can feel free to jump onto the previous one if they like.

If a company, let us say, wants to hire 200 people but needs to open a factory to do it, they go to get a loan because they don't have the money. If this bill we're debating is in place and the lender says, “Sure, we'll give you the loan, but we need collateral,” and the company says, “Well, we can't offer you any collateral because all the collateral is first and foremost committed under this law,” then the factory doesn't open.

How would you ensure that this bill will allow businesses to continue to offer collateral that would not be superseded by law?

Mr. Powell, would you comment?

Mr. Michael Powell: Part of it goes to the.... If pensions were granted superpriority, the companies would make different decisions about their pensions. It would become a real obligation. Everybody knows today that if you file for insolvency, your pension obligation disappears like a wisp of smoke. This would make it a real event.

The concept of a new company—

Hon. Pierre Poilievre: Mr. Powell, that is actually a persuasive argument. That's why I supported the bill to come to committee, and it's one of the reasons I am inclined to support the bill, in general, because you make a great point.

I am curious, though. How does collateral work, really specifically? I come to you for a loan and I have a pension fund for my employees. You say you need collateral to lend me the money to open a factory, so I can hire more employees. I am going to say, “Well, I can't, because the law requires all my collateral to be committed to the pension.”

Tell me: How can we resolve that with this bill?

Mr. Michael Powell: I guess the answer to that is history. The Indalex case in Ontario found that the pension was actually a deemed trust, a much higher priority than superpriority, and there was no wave of insolvencies. The lenders and borrowers worked it out.

The other thing to keep in mind is that when you look at this issue at large, DB pensions are fading. They are disappearing. A lot of that, I believe, is because of demographics. People don't expect to work for a company for 34 years like I did. It's not a way to attract talent. A pension doesn't attract talent, because the people coming into the workforce don't see any value in it.

● (1135)

Hon. Pierre Poilievre: Listen, I think you make some good points. Some businesses say they are worried they won't be able to raise money in the market if they wrap up because their pensions are not properly funded. Well, my view is that if you're a CEO and you are not properly funding your pension, you should be getting a tongue-lashing from the market.

The Chair: Thank you very much, MP Poilievre.

We'll now go to MP Lambropoulos for six minutes.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair. I'd like to thank all of our witnesses for being here with us today.

I was also going to go along the lines of what Mr. Poilievre was asking with regard to creditors and lenders. I imagine that if the act were to change, it would be across the board, and all companies would have to do this. I guess the way we look at lending would also change, and people would have no choice. However, it could still have implications and risks for our economy.

Can any of you give us any information about what other countries do as it stands right now, and how would this make Canada different from other countries? How would it either put us at an advantage or a disadvantage worldwide?

Mr. Powell, would you comment?

Mr. Michael Powell: No other country has the same legislative environment as Canada. Does any country have our exact solution? Probably not.

If you look at the United States, for example, you see that it has a pension benefit guaranty corporation. That's a national entity that guarantees pensions. The last time I checked, a couple of years ago, if your pension failed when you were 65, you would be guaranteed a pension of up to $60,000 a year, and it goes up every year.

The United States can do that because it has a national pension regime. The United States has also given that corporation the power to go in and compel companies to put more into their pensions and to compel companies to change their investment risk portfolio. These are enormous powers.

Would something like that be good for Canada? Probably, but I'm not sure how you would get around the jurisdictional problems, in that we have 11 different pension jurisdictions in Canada. If we could solve that, it would be a great way to go, but again, our environment is quite different from other environments around the world.

Ms. Emmanuella Lambropoulos: Thank you. I appreciate what I was able to hear. Unfortunately, my Internet bugged, and I missed half of it. I can watch this again later.

[*Translation*]

Mr. Lapierre, do you want to add something?

[*English*]

Madam Chair, I can't hear anything. I'm not sure if it's my Internet or what's going on.

The Chair: We can hear you.

MP Lambropoulos, are you asking Mr. Lapierre if he would like to contribute to the question?

Ms. Emmanuella Lambropoulos: Yes, I saw his hand up.

[*Translation*]

The Chair: Mr. Lapierre, can you hear us?

Mr. Nicolas Lapierre (Representative, Regional Office - Sept-Iles, United Steelworkers): Yes, I hear you very clearly.

The Chair: Right.

You have the floor, Mr. Lapierre.

Mr. Nicolas Lapierre: Thank you very much, Madam Chair.

Thank you also to the committee members.

I would simply like to add one point. The reason why the previous bills were not accepted by the various parties is that pension plans were treated as claims that took priority over banks, which made it difficult for companies to get back on their feet.

I participated in the lobbying in 2018-19. As my colleague Mr. Lemieux said, we met with 250 MPs and senators and the fact that pension plans were ranked ahead of banks was a concern.

Under Bill C-253, pension plans would not be ranked ahead of banks, but would be ranked ahead of school boards and municipal taxes. We believe that this would allow for a balance to be struck between employees' rights, pension plans, and the need to keep companies operating.

In the very concrete case of Cliffs Mining on the North Shore in eastern Quebec, among the creditors, the City of Sept-Îles ranked before the pension plans. This meant that the city received $10 million in unpaid taxes, the equivalent of the shortfall in the pension plans. This very concrete case shows that if pension plans had ranked before municipalities and school boards, the retirees' pensions could have been secured.

Of course, passage of Bill C-253 by parliamentarians would not guarantee that the money would always be available, since every case is different. However, it would give us an additional chance, since pension plans would go up in the ranking of creditors. It would be a good compromise in order to balance the economy, workers' rights and retirees' rights.

To some extent, this bill reflects the lobbying we did with you. It also reflects your concerns. It is more flexible, but it would be a giant step forward for pension plans, which would be ranked ahead of municipalities and school boards. It is therefore important to see this bill as a way of providing the necessary balance that you, our parliamentarians, expressed a desire to see during our lobbying efforts.

● (1140)

Ms. Emmanuella Lambropoulos: Thank you very much. Personally, I am entirely in agreement with that recommendation.

[*English*]

Mr. Roberts, would you like to add as well? I see your hand up.

Mr. Chris Roberts (Director, Social and Economic Policy, Canadian Labour Congress): I was simply going to try to respond to what I understood to be your question, which is how Canada's insolvency process compares to other jurisdictions in the way it treats workers and pensioners.

I would say, “Poorly.”

The insolvency process in northern and western Europe, I think, produces far better outcomes for workers and pensioners for a whole series of reasons, in part because there are more mechanisms to prevent companies from entering bankruptcy and insolvency liquidation with pension deficits that result in workers and pensioners being harmed. As Mike alluded to, there are pension protection funds in the U.K. and other places as well to catch plan members.

Really, Canada treats the most vulnerable the poorest, I would say.

Ms. Emmanuella Lambropoulos: That's all for you guys.

[*Translation*]

The Chair: Thank you very much.

Mr. Lemire now has the floor for six minutes.

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Madam Chair.

I particularly liked what Mr. Lapierre had to say.

I have a question for either of the Steelworkers representatives.

In concrete terms, what will the repercussions of Bill C-253 be for the government and taxpayers? What financial impact may it have on balanced budgets?

Mr. Dominic Lemieux: Thank you, Mr. Lemire.

I think there will be no impact on Canadian taxpayers. Bill C-253 would be zero cost to the government, since we are not asking that pension plans be financed.

As my colleague Nicolas Lapierre said, this bill will even help companies to recover. When a business is in financial trouble, then, of course, the employees' representatives are concerned. We have to remember that the company needs the banks' money in order to restructure.

That said, Bill C-253 is zero cost to Canadian taxpayers and the Government of Canada. That is why we are saying that it is a good compromise: while it is not perfect for anyone, it would be a giant step forward. I think we can set politics aside and work together to protect Canadian retirees, particularly during a pandemic, and help them to maintain a decent lifestyle.

Mr. Sébastien Lemire: So this bill would have no repercussions for the government.

Would it have repercussions for workers? We are talking about 1.2 million Canadians. What would the repercussions of the bill be for workers?

Mr. Dominic Lemieux: Workers, that is one thing. Take me, for example. I am 43 years old and I work for the United Steelworkers. If the union declared bankruptcy tomorrow morning, a portion of the pension benefits I would be paid later would be reduced. However, at 43, I would be able to find a new job, to cut back a bit on my expenses, and to change my lifestyle.

For pensioners who are 75, 80 or 85 years old however, it is truly a disaster. When the North Shore was hit, pensioners had to decide to stop taking their prescription drugs, because they could no longer afford them: they had to choose between grocery shopping and buying medicine.

This bill would offer pensioners some security. They are already worried because of the pandemic. In addition, people who have worked for a company for 30 years and have been retired for 20 years are worried about what might happen if the company's financial situation goes bad. A bill like this would offer some security for seniors, who are often among the most vulnerable in our society.

Mr. Sébastien Lemire: I completely agree with you. Thank you for your work on this.

I would now like to talk to you about the deadline. This is June 1, and counting today, there are 17 sitting days left before the summer vacation. So we have very little time left. It is urgent that we finish our examination of this bill in committee so it can be sent back to the House. With the rather persistent rumours of an election being called this summer, we are hoping to be able to act in time.

How do the Steelworkers see the urgency of sending this bill back to the House so that it does not die on the Order Paper? That would be a shame, given all the progress we have made and the consensus there seems to be around the table today.

● (1145)

Mr. Dominic Lemieux: I am happy to see this consensus. I also think the time is right. Everyone has softened their position a bit. I am pleased to see that Mr. Poilievre seems to support the bill. I think that parliamentarians, together, can set politics aside to move forward on this issue once and for all before the next election is called.

My opinion is that the urgency is combined with this being the right time, and we must not get caught up in minor details. We have to move forward so we can offer our pensioners some security.

Mr. Sébastien Lemire: Some companies have availed themselves of the Canada emergency wage subsidy during the pandemic. This is a sort of artificial support that could postpone the timing of a bankruptcy in some cases. I am afraid that in the fall, when the various subsidy programs end, we are going to see a number of bankruptcies.

Are you afraid of this? If we do not pass Bill C-253 before the fall, what might the repercussions be for workers and pensioners?

Mr. Dominic Lemieux: We have to acknowledge that the government has done a remarkable job to support the Canadian economy, particularly with the CERB and the Canada emergency wage subsidy. But all good things come to an end. I believe that when these assistance measures end, Canadian businesses are going to seek the protection of the Companies' Creditors Arrangement Act and ask the banks for help to restructure. In that case, I believe that this bill will motivate the banks to invest in those businesses' economic recovery, since their investments in those businesses will be protected in the event of bankruptcy.

So we will be killing two birds with one stone. First, the bill will offer greater security for workers and Canadian businesses. Second, it will offer greater security for our retirees who are living on their pensions and have no way to make up losses.

Mr. Sébastien Lemire: Madam Chair, without making an official motion, I would ask that you consider the possibility of starting the clause by clause examination of the bill as quickly as possible.

My last question is for Mr. Lapierre.

Could you tell us about the human experience of the Cliffs employees and retirees? Could you tell us about what they have been through?

Mr. Nicolas Lapierre: In the Cliffs Mining case, at first, the employees, the retirees, were to have their pensions reduced by about 21%. We succeeded in recovering a few million dollars, but ultimately it was still short almost 9%.

As my colleague Mr. Lemieux said, retirees came to my office to tell me they were no longer able to buy medicine. Given that they had lost $400 or $500 a month, if they wanted to buy groceries, they could no longer buy medicine. It also has to be noted that they had lost their prescription drug insurance.

As parliamentarians, you have an opportunity to take a giant step forward to prevent all these human tragedies. We have found a fair and necessary balance; it is a matter of compromising. Everyone should approach this question with all possible goodwill and diligence so that we have...

The Chair: I am sorry to interrupt you, Mr. Lapierre, but we have gone well beyond the time allocated to Mr. Lemire. We have to move on to the next member.

Mr. Sébastien Lemire: Thank you.

[*English*]

The Chair: Our next round of questions goes to MP Duvall.

Welcome to INDU. You have the floor for six minutes.

Mr. Scott Duvall (Hamilton Mountain, NDP): Thank you very much.

Welcome, everybody, and thank you for attending on this important issue.

Coming from my background, I have actually lived the experience of going through a bankruptcy at Stelco and the first CCAA, and I can tell you that it is disastrous. It's disastrous for the working people and it's disastrous for the retirees. All I saw during that time of two and a half years of CCAA protection was lawyers who made millions of dollars and executives who got rich on bonus payments, and it all came at a cost to the workers and the retirees.

As for what they did, the very first thing was that they wiped out all the retirees' health benefits. Then they suspended all the payments from the actual pension plan. Also, if they do liquidate, people get hit again. As well, all the termination severance pay for the people who are laid off is wiped out, and then they have to go and collect pennies. It is disastrous, and I believe it's unfair.

This question is for anybody who wants to answer. During a bankruptcy under the current legislation, are workers and retirees at a significant disadvantage when the company deals with creditors such as large financial institutions?

Anybody can respond.

● (1150)

The Chair: Mr. Yussuff, go ahead.

Mr. Hassan Yussuff: First of all, of course, I think workers are at a disadvantage compared to the banks. The law clearly requires that banks be at the head of the line with regard to how the assets are going to be divided. Fundamentally, they have always been the benefactors of a company that's in bankruptcy.

Over the decades that we've been arguing about this and debating this—it has been decades—in almost every Parliament that I can remember over the last 22 years, there have been some initiatives to change the bankruptcy law in this country to make it somewhat fairer for working families and for workers who are dealing with bankruptcy with regard to their pensions. Despite that, of course, we haven't made any significant progress in moving workers' priority. There have been some changes to the legislation to deal with some of the challenges, but the fundamental question is why workers have been put at the back of the line when it comes to dividing the bankrupt assets of the company and to not paying into the assets of the pension plan.

I think this Parliament has a unique opportunity. Clearly, the opposition has put forth the bill, and I think it is critical for Parliament to consider it, recognizing the inequality between workers and banks in the current legislation. Banks are always going to be the priority—

Mr. Scott Duvall: Thanks, Mr. Yussuff. I want to ask another couple of questions, because what you're saying is what I'm verifying from the other parties from talking to them, especially after the Sears bankruptcy: It was that something had to be done.

Yes, there were legislative changes in 2019, but it was just a bunch of makeup. It didn't do anything to secure and safeguard pensions. I think all parties agree that we need to do something.

Maybe I can ask you this, Mr. Roberts: What is the best way to address the unfunded liability or the solvency deficit of pension plans without affecting the ability of companies to raise capital? What is your suggestion?

Mr. Chris Roberts: There are a number of ways to do it. Remember that wage claims—unpaid wages—were initially debated in the same fashion. Should they be granted a superpriority and placed ahead of secured creditors, or should there be a fund set up to ensure that workers would be made whole and the government would be able to subrogate those rights and pursue those claims in insolvency?

That's what we did when we set up the wage earner protection program in 2005. We could do the same with the pension deficit. We could establish a national mandatory pension insurance so that there's no conflict for secured creditors, but pensioners and workers are made whole in terms of their pension entitlements through an insurance scheme.

The other way to do it, though, is to examine the priority of claims under the Bankruptcy and Insolvency Act and see what material difference might have been made if the pension deficit had been, as the Syndicat des Métallos has said, immediately behind the secured creditors but ahead of other unsecured creditors—essentially, a preferred claim. My guess is that there would be a material and significant improvement in the payouts to pensioners and plan members. The problem is that we don't have the data.

Mr. Scott Duvall: Thank you.

What I found, if I'm hearing correctly—and I'll likely ask Mr. Lemieux—is they're willing to compromise a little bit about where the pecking order would be, because these are deferred wages. We have to remember that these are actually deferred wages, and I hope we can all agree to that.

I just want to confirm that what you're talking about is keeping the big banks ahead of the actual workers' pension plan.

● (1155)

[*Translation*]

Mr. Dominic Lemieux: Thank you for the question, Mr. Duvall.

We are both former Stelco employees. I know the bill is not perfect, but there is a sense of urgency during this pandemic. We have to take the opportunity offered by the present circumstances. We must not get bogged down in minor details. This is not a perfect bill, but we have to seize the opportunity, during a pandemic, to boost pensioners' ranking among creditors. Certainly, in an ideal world, we would prefer to see pension plans be placed ahead of banks, but in the present circumstances, I think the bill has to be passed as it stands and we have to accept that pension plans will come after the banks.

The Chair: Thank you very much.

[*English*]

I have something to ask the committee.

As you know, it takes about five to 10 minutes to switch over to an in camera meeting, and we have a hard stop at 1 p.m. today. Is it the will of committee to try to get the first four slots of round two in and then go in camera for the report, or would you like to stop here? Could you give me a sense of where you're at?

Seeing no comments, I'm assuming we will stop now and thank our witnesses for being with us today.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): I'm sorry, Madam Chair, I would like to go to the next round if it's possible. It's going to take 10 minutes, maybe.

The Chair: The next round will take 15 minutes, and then it will be an additional 10 minutes to go in camera.

Mr. Bernard Généreux: I'd like that.

The Chair: Is it the will of the committee to continue? I see agreement.

Okay, perfect. We will start our second round of five minutes.

[*Translation*]

Mr. Généreux, you have the floor for five minutes.

Mr. Bernard Généreux: You understood why I wanted the committee to proceed with the second round, Madam Chair.

I am going to play devil's advocate. I support the bill, but I want it to move forward for the right reasons.

Mr. Lemieux, you just said that the bill is not perfect. For it to achieve perfection in your eyes, would retirees have had to be ranked before the banks? That is my first question.

Moving on to my second question.

I have been a mayor in the past. Earlier, you mentioned the City of Baie-Comeau or the City of Sept-Îles, I don't remember. You said that a company owed $10 million to that city and that it had been paid before the pensioners. As a creditor, that city is acting as the representative of all of its residents. In a city like Sept-Îles or Baie-Comeau, $10 million in unpaid taxes represents considerable lost earnings. Are you saying that this is less important than the pensioners' money?

I am trying to understand what might have been included in the bill to mitigate the repercussions on both sides. Clearly, even if the pensioners receive 100% of their money, they are still city taxpayers, and if the city has $10 million in lost earnings, the pensioners' municipal taxes are inevitably going to go up.

Mr. Nicolas Lapierre: Thank you very much, Mr. Généreux.

To answer your first question, I would say yes, the bill would have been perfect if it had ranked pension plans before the banks. However, that is not what we are asking for, because we understand the need to achieve a satisfactory compromise.

More concretely, in the case of Sept-Îles, for example, yes, there would have been an impact on taxpayers, inevitably. However, there is a very important difference to note: the City of Sept-Îles, unlike the company, cannot declare bankruptcy. The city would have had to pool the losses and spread them over 20 or even 30 years. A retiree aged 75 or 80 who is all alone and has to choose between paying for groceries and meeting other essential needs cannot pool the risks and spread the losses out over time, since they may have only five or ten years to live. That is the difference.

Certainly, a bankruptcy is not perfect for anyone.

Mr. Bernard Généreux: I agree with you.

Mr. Nicolas Lapierre: However, in that case, it is an acceptable compromise, in that the cities can pool the losses and spread them over time.

Mr. Bernard Généreux: I understand. I wanted to hear you say it. As I said at the outset, I am playing devil's advocate.

As an entrepreneur, I tell myself that if I had a pension fund at my company, it would be essential to capitalize it. An employer that makes a commitment has to make sure that it pays its full contribution.

As my colleague said earlier, in a bankruptcy, the entrepreneur starts by stopping investing in the pension plan. The funds are eroded bit by bit, and ultimately there is nothing left.

Although creditors would like to recover all their money in a bankruptcy, that probably does not happen often.

● (1200)

Mr. Nicolas Lapierre: You are entirely correct.

This bill is not intended to guarantee that creditors will recover all their money. Its objective is to give retirees a better chance to recover the most money, given that they will be ranked higher in the order of priority among creditors. This is not a guarantee, however, because each situation turns on its facts. It may vary from one situation to another, depending on the value of the assets and the size of the deficit in the pension plan.

The Sept-Îles case offers a very concrete example of how, if pension plans had been ranked above municipalities, the company pension plan could have been 100% replenished.

Mr. Bernard Généreux: Mr. Lemieux, when I asked what would have made the bill achieve perfection, Mr. Lapierre said that you would actually have liked to see pension plans rank ahead of the banks. They would potentially be second in line. But what about subcontractors?

As my colleague correctly noted, some subcontractors also have employees. Sometimes those employees are unionized, sometimes they are not. When a subcontractor suffers a loss after a company goes bankrupt, it has no protection. The financial losses suffered will probably have repercussions for all employees of the subcontractor in question, whether unionized or not.

In the case of companies like Stelco, where you worked, there are often millions of dollars at stake for subcontractors. Those companies signed huge contracts with subcontractors and there are large sums of money at stake.

Do you think this bill can provide a solution, or is this impossible?

Mr. Dominic Lemieux: I will talk about priority rather than a solution. Do we prefer to prioritize the most vulnerable people in our society, like seniors who have worked for 30 or 40 or 50 years, or workers my age, who may still be able to find another job and continue to live decently? Personally, I think we have to prioritize the most vulnerable people, and they are pensioners.

The Chair: Thank you very much.

[*English*]

Our next round of questions goes to MP Ehsassi. You have five minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you, Madam Chair. Allow me to start by thanking all the witnesses for their incredibly helpful testimonies today.

Now, if I could start off with Mr. Yussuff.... Is Mr. Yussuff still with us? I don't see him on the screen.

Mr. Chris Roberts: No, he's had to depart.

Mr. Ali Ehsassi: Okay, then I will open it up to any of the witnesses.

One of the issues that we have heard about is obviously pension deficits and shortfalls, which should be of concern to every Canadian. In Mr. Yussuff's testimony, he did allude to the fact that after the Sears bankruptcy proceedings, employees who were in Ontario received better treatment than employees across the country in other provinces.

Could any of the witnesses could tell me, out of all the provincial schemes that we have—the one that readily comes to mind is the Ontario Pension Benefits Guarantee Fund—which one of the provinces has a better plan for making sure that these guarantees are there in the event of bankruptcy proceedings?

Mr. Chris Roberts: There's only one province, one jurisdiction, in Canada that has mandatory pension insurance for private sector DB plans, and that is Ontario, with the PBGF. Otherwise, some countries have similar arrangements. Mr. Powell mentioned the United States and the PBGC. The United Kingdom has a pension protection fund as well.

The differences within Canada when there's insolvency of this sort are very clear: Pension plan members who happen to reside in Ontario have their benefits protected up to $1,500, while those members of the same plan who happen to reside outside of Ontario take the full brunt of the pension terms.

Mr. Ali Ehsassi: Thank you, Mr. Roberts.

We have heard in testimony today that perhaps the federal government can assume a leadership role in encouraging provinces to set up these guarantees. Does anyone have any suggestions as to the best means to encourage other provinces to do so?

[*Translation*]

Mr. Dominic Lemieux: I have a suggestion to make. Given that the United Steelworkers is a member of the Canadian Labour Congress, I can answer that question.

Yes, the provinces can do things. In Quebec, for example, we have the Supplemental Pension Plans Act, which requires that companies fund their pension plans better. I am going to draw a somewhat caricatured comparison with credit cards. It is as if a credit card issuer allowed companies, in the past, to repay only the minimum required amount, and then they found themselves in trouble ten or 15 or 20 years later. Now, the companies are being made to pay 95% of their pension plans.

There are a lot of other things that the provinces can do. However, we need to seize the opportunity that is presented today. You, our parliamentarians, have the opportunity to provide security for 1.2 million Canadian pensioners. I would note that 76% of the population agrees that a way must be found to protect pension plans. The COVID-19 situation calls for us, as a society...

● (1205)

[*English*]

Mr. Ali Ehsassi: Mr. Lemieux, I agree with you, but I think a big part of the problem is that various provinces have different plans.

Does anyone have any suggestions as to how we can ensure that the other provinces have a scheme similar to the guarantee scheme in Ontario?

[*Translation*]

Mr. Dominic Lemieux: We believe that the solution is not necessarily to have a system like the one in Ontario. Rather, legislation that requires employers to fund their pension funds should be passed.

Earlier, the example of Sears was cited. The shareholders were paid $500 million, while the pension fund had a deficit of over $300 million. So if the provincial law had required that Sears fund the pension fund, the retirees would have been hit a lot less hard.

So rather than create a fund, I think we would strike a better balance by requiring companies to fund their pension funds.

[*English*]

Mr. Ali Ehsassi: Absolutely.

Thank you, Mr. Lemieux.

Mr. Powell, would you comment?

Mr. Michael Powell: The one thing is that there are limits to what you can do within the provinces because of the jurisdictional issues. Basically, a pension can be registered in one province or federally, and the business can be regulated somewhere else. What you're talking about crosses those two forms of legislation. That means you have to have a national program, because coordinating all that across all the jurisdictions is impossible, in my view.

Mr. Ali Ehsassi: Thank you.

The Chair: Thank you very much.

We'll now go to MP Lemire for two and a half minutes.

[*Translation*]

Mr. Sébastien Lemire: Thank you, Madam Chair.

I would like to highlight Mr. Lemieux's comment about the importance of prioritizing retirees who do not have the ability to make up their losses in this debate.

I would also like to ask him a question.

Mr. Lemieux, you have seen what is in Bill C-253, which the committee will have to consider clause by clause. Are there points in the bill to which you would propose concrete changes, or would you strongly suggest that we adopt it as it stands?

Mr. Dominic Lemieux: Thank you for the question.

I would say that this is not the time to niggle or fret over minor problems; it is time to move forward. The bill is not perfect, but I think we have momentum and we have a duty, as a society, to proceed quickly and protect the most vulnerable people in our society, who have no other resources to be able to get their heads above water.

As I said earlier, often, when a tragedy or an accident happens, like a plane crash, everyone says this must never happen again. Today, you have the power to say that the tragedies our Canadian pensioners go through must stop. We have to seize the opportunity and move forward.

To answer your question, I would say that we are satisfied with the bill as it stands. My life consists of negotiating collective agreements, and I have never negotiated a collective agreement that was perfect for the workers I represented. We have to find satisfactory compromises, and the same is true today. We are satisfied with what Bill C-253 is proposing.

Mr. Sébastien Lemire: Thank you.

Consequently, Madam Chair, I would like to move a motion, because I have the sincere impression that we have gone all around the question and there is a consensus. I would propose that we move directly to clause-by-clause consideration of the bill.

If you find that my motion is in order, Madam Chair, I would like to put it to my colleagues.

The Chair: Give me a minute, I am going to check with the clerk whether it is in order, given that we have already discussed this motion at the last meeting.

You motion is in order, Mr. Lemire. Do you wish to move it?

● (1210)

Mr. Sébastien Lemire: Yes.

The Chair: Is it possible to repeat your motion?

Mr. Sébastien Lemire: Of course. In light of the testimony we have heard today, I move that we proceed immediately to clause-by-clause consideration of the bill.

[*English*]

The Chair: We have a motion on the floor to move immediately to clause-by-clause consideration of this bill. I'm opening the floor to debate. If you'd like to speak on it, please raise your hand.

I see MP Poilievre has his hand up. Go ahead, MP Poilievre.

Hon. Pierre Poilievre: I just wanted to know who remains on the witness list for this study.

The Chair: I will turn to the clerk. We have a couple of invitations already sent out. I will turn it to the clerk to clarify.

The Clerk of the Committee (Mr. Michael MacPherson): Yes, sorry. Give me one second here.

We have the Canadian Bankers Association appearing this Thursday. Sorry; you'll have to bear with me one moment as I try to get the....

We have an attorney, Mark Zigler, of Koskie Minsky. He's a partner. We also have Cody Cooper, the president and chair of Chrysler Canada Retirees Organization, as well as Robert Thornton, who is with the Insolvency Institute of Canada. We have those four witness groups.

The Chair: Mike, do we also have any others already invited for the subsequent week?

The Clerk: Yes.

The Chair: Could you please provide the names to the committee so that MP Poilievre is aware of exactly who is still outstanding among those who have been invited to come?

The Clerk: We've sent out some invitations. We haven't actually booked anyone for June 8, but we have sent out some invitations. We normally don't discuss who's been invited and hasn't actually confirmed their appearance yet.

The Chair: Okay. Thank you.

Go ahead, Mr. Poilievre.

Hon. Pierre Poilievre: Can you tell us, though, who they are?

The Clerk: The practice is not to discuss.... These people may have just received the invitation. Normally, the practice is not to discuss who has been invited before we receive a response from them.

Hon. Pierre Poilievre: I don't see why we can't break with that practice. It doesn't sound like a particularly sacrosanct practice. I don't see what harm is going to be done by making known who has been invited.

The Chair: The practice of—

Hon. Pierre Poilievre: It does matter, because we're trying to decide whether or not we're going to hear from them. That's what this motion really determines. If we go straight to clause-by-clause consideration, we're not going to hear from these people who are invited. We have to know who they are. If they're people who don't really have much to contribute to this debate, then that's one thing, but if you tell me that there are a bunch of people who are going to be intimately impacted by the proposal, then that changes how we vote. It is material. We need to know.

The Chair: MP Poilievre, normally the standard is that we usually don't discuss witnesses in public. It's up to the committee. If we'd like, we can always move in camera and continue the conversation. It's up to the committee.

Hon. Pierre Poilievre: Sure, let's do that.

The Chair: We have MP Jaczek, and then we will go in camera. One moment.

MP Jaczek, go ahead.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you, Madam Chair.

We heard from the clerk about the witnesses scheduled for Thursday. I would be extremely interested in hearing from them. I think it's always important to get a balanced view in what we hear. I feel it's important that we continue the discussion.

Thank you, Madam Chair.

● (1215)

The Chair: Okay.

We can't go in camera until we deal with the motion before us with respect to moving directly to clause-by-clause consideration. Is there any other debate on the motion before us to move immediately to clause-by-clause consideration?

I don't know if you have your hand up again, Mr. Poilievre, or if you just didn't remove it.

Hon. Pierre Poilievre: Sorry. I was wondering why my shoulder was getting so tired. It's because I forgot to put my hand down.

The Chair: Is there any further debate on the motion before us to move to clause-by-clause consideration immediately? If so, please raise your hand.

Okay, with that, I will move to a vote.

I'll turn it over—

Hon. Pierre Poilievre: I'm sorry; I have a point of order.

I understood that we were going to go in camera to find out about the witnesses.

The Chair: I got clarity from the clerk that we can't actually go in camera until we finish with the motion before us, unfortunately. My apologies for the confusion.

Hon. Pierre Poilievre: To be clear, we're being asked to vote on whether or not we're going to hear witnesses whose identities we don't even know about.

The Chair: If it's the will of the committee, we can ask the clerk to give us that information. Is it the will of the committee?

It is.

Okay, Mike, go ahead.

The Clerk: We just have two outstanding witnesses that have been invited for next Tuesday. We have the Association canadienne des retraités and we also have the Canadian Union of Public Employees.

The Chair: Now we are aware of what is still outstanding. We have witnesses scheduled for Thursday of this week and for Tuesday of next week. The plan was to do clause-by-clause study next Thursday.

Is there any further debate on the motion to move immediately to clause-by-clause consideration? If so, please raise your hand.

Hon. Pierre Poilievre: I propose a friendly amendment. I propose that we hear from the witnesses who are outstanding and then go to clause-by-clause consideration.

The Chair: There's no such thing as a friendly amendment, but we have the amendment before us to have the outstanding witnesses for Thursday—

Hon. Pierre Poilievre: Are you saying I'm not friendly, Madam Chair?

The Chair: You're sometimes overly friendly.

With that, we have some folks scheduled for Thursday and next Tuesday. If there's any debate on the amendment to the motion....

I'm just trying to figure out the wording, because the motion that was put forward is that we immediately go to clause-by-clause study. I'm not sure if there is a possibility of amending it. It says to go immediately to clause-by-clause study. I'm going to turn to the clerk for a second to see if he can clarify that.

The Clerk: In this case, with the way the motion is structured, it would just be a reversal of the intent of the motion. The proper form would just be to vote against the motion.

The Chair: Thank you. I'm not sure if that's clear.

I see MP Erskine-Smith has his hand up. Go ahead, MP Erskine-Smith.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): There are two things.

First, I'm not sure everyone by the name of Carney would find you so friendly, Pierre.

Second, on the purpose of the motion, wouldn't it be possible simply to amend it? It's also possible for us to add witnesses in the future. Couldn't we simply say that we will hear from these two additional witnesses and then move immediately to clause-by-clause study? That would be consistent with the existing timeline and would then formalize the existing timeline, perhaps excessively in some ways.

We could vote it down and proceed as is, but if people just want the comfort that we're only going to hear from two additional witnesses, I'm fine with that too. It really makes no difference to me. As it stands, we have two additional witnesses and then we're moving to clause-by-clause study.

The Chair: As the clerk explained, MP Erskine-Smith, we cannot amend the motion as it is structured. If we want to, we would vote on it, and if the motion is defeated, then perhaps we could have a further plan—

Hon. Pierre Poilievre: I have a point of order, Madam Chair.

I didn't hear the clerk say that we couldn't amend it at all. I think he said that my particular amendment was out of order, but I didn't hear him say that there are....

I've never heard of a motion that can't be amended at all. The only motion that can't be amended at all is the motion to challenge the chair, which we're not proposing. I don't know how we can just dismiss every single amendment as out of order.

The Chair: It is amendable, but not the original motion as it is structured and not in the way you proposed. They were in conflict. His recommendation was that if we like, we could vote on the original motion, and then, if you wish, we could propose a work plan.

Right now, we have scheduled witnesses on Thursday and witnesses outstanding for Tuesday. My thoughts were that on Thursday of next week, we would do clause-by-clause consideration. The motion before us right now is to move immediately to clause-by-clause consideration. I need to know what the will of the committee is with respect to that motion. I wanted you to see where we're at in terms of the plan.

Is there further debate on the motion?

Go ahead, MP Erskine-Smith.

● (1220)

Mr. Nathaniel Erskine-Smith: With the two witnesses you listed, are we set to hear from department officials as well? That would obviously expand the witness list.

The Chair: There are more than two witnesses. There are two witnesses outstanding to respond to the invitation for next Tuesday, but there are witnesses who are confirmed for this Thursday, just so we're clear. I'll ask the clerk if he can confirm. I think we have ISED officials coming for clause-by-clause study, but I'll double-check with the clerk.

The Clerk: Yes. Right now I've given the department a heads-up that they may be required for clause-by-clause, and I was waiting to see what the will of the committee was and if they wanted to invite them for that.

The Chair: Again—

Hon. Pierre Poilievre: We should have the industry officials here for that, just to offer their expertise.

The Chair: Is there any further debate on the original motion to move immediately to clause-by-clause study?

Seeing no further debate, I will ask the clerk for a recorded division.

(Motion negatived: nays 9; yeas 2 [*See Minutes of Proceedings*])

[*Translation*]

The Chair: Mr. Lemire, there are 43 seconds left in your speaking time.

Mr. Sébastien Lemire: I would like to thank my colleagues for this exercise in democracy.

I think I will yield the floor to Mr. Duvall.

Actually, I am going to ask Mr. Lemieux, instead, whether he wants to comment on what he has just heard.

Mr. Dominic Lemieux: The bill seemed to be on the right track, but I think the discussions are going to continue. There are a lot of things I am having trouble understanding; it is what I call “proceduritis”, in my own jargon.

Nonetheless, let us keep moving forward. I ask that all parliamentarians think of our retirees, the most vulnerable people in our society, our seniors. Let us move forward, please, to get this bill passed before the election.

Thank you.

Mr. Sébastien Lemire: Thank you very much.

[*English*]

The Chair: We'll now go to the last round.

Mr. Duvall, you have two and a half minutes.

Mr. Scott Duvall: Thank you.

One of the things that Mr. Yussuff said—and I feel it's outrageous that this could actually happen—is that when Sears paid $500 million to dividends in 2013, they still had a $313-million pension deficit. How can we prevent companies from doing this in the future? They're the ones that plan going into CCAA. How do we stop this paying of dividends when there is a huge debt in the pension fund?

Maybe Mr. Lemieux wants to answer.

[*Translation*]

Mr. Dominic Lemieux: This amounts to taking money out of our pensioners' pockets and redistributing it to shareholders, who are well off, for the most part.

I would come back to my initial proposal. First, Bill C-253 has to be passed. In addition, the provinces have to ensure that pension funds are 100% funded. It is indecent for a company to give money to its shareholders when it is not paying its contribution to the pension fund. That is the same thing as me, as a head of household who is about to retire, being in debt and my credit cards being maxed out, but deciding to head south for two weeks. It would make no sense to leave my children like that, in a vulnerable position. Well, that is exactly what we allow, in Canada: taking money from pensioners' pockets, from the most vulnerable people, and distributing it to company shareholders.

● (1225)

[*English*]

Mr. Scott Duvall: This is a quick one to whoever wants to answer.

Because of the time limits, I agree that we have to move on this issue as fast as possible before the House rises. Do you believe that the pandemic is causing this bill to be needed more urgently now than ever? Why?

The Chair: Answer very quickly, because you're over time. Would one person like to answer?

Mr. Roberts, go ahead.

Mr. Chris Roberts: Sure. Maybe I can take a quick stab at that.

There's no question that a lot of distressed companies have been kept afloat through emergency financial assistance from the government over the course of the pandemic. A lot of business supports have been extended through this year, but the question is what happens when some of those supports are withdrawn. I think markets are wondering whether there's going to be a wave of insolvencies later on or whether we're going to see continued ad hoc means to keep these firms afloat.

The Chair: Thank you very much.

With that, I will thank our witnesses for being here today.

[*Translation*]

Thank you for your testimony and the time you have spent with us today.

[*English*]

What we will do is suspend. I will ask the members of the INDU committee to disconnect from this Zoom and connect to the in camera Zoom for the next portion of the meeting.

[*Proceedings continue in camera*]