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BOMBARDIER INC.

EXECUTIVE COMPENSATION

Statement by:

The Honourable Diane Bellemare

Wednesday, April 5, 2017

THE SENATE

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[Translation]

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EXECUTIVE COMPENSATION

Hon. Diane Bellemare (Legislative Deputy to the Government Representative in the Senate): Honourable senators, I rise today both as a senator and a Quebecer to add my voice to that of my fellow Quebecers who are outraged over the nearly 50 per cent salary increase for Bombardier's senior executives.

Colleagues, this public sentiment comes as no surprise when we see such a jewel of Quebec industry grant a pay increase of about \$32.6 million to six of its senior executives despite the fact that the company is having financial difficulties, that it cut 14,500 jobs in Quebec and around the world, and that it got envelopes of \$1.3 billion from the Government of Quebec and roughly \$2 billion from the Caisse de dépôt et placement, as well as a \$372.5-million loan from the federal government.

On Thursday, March 30, the Premier of Quebec acknowledged that the message that Bombardier was sending might be shocking, while the executive director of the Institute for Governance, Michel Nadeau, described Bombardier's decision as "indefensible."

On Sunday, April 2, several hundred Quebecers demonstrated in front of Bombardier's head office in Montreal, in a rally that included public figures from all parties and covered the full spectrum of the province, from Éric Duhaime from FM93 to Manon Massé from Québec solidaire.

A Léger-TVA *Nouvelles-Le Journal de Montréal* survey published on Saturday, April 1, revealed a rare consensus among Quebecers: 93 per cent of those surveyed disagreed with the decision made by Bombardier's board of directors.

These reactions prompted the company to defer handing over half of the compensation in the form of stock options to 2020 rather than 2019.

Nevertheless, Bombardier CEO Alain Bellemare said, and I quote:

Compensation has to be competitive globally, not locally.

I would add that, if it's not, the entire province of Quebec could lose out in terms of jobs and revenue.

That said, it is obvious that corporate executives are handsomely paid. Economic journalist Gérard Fillion pointed out that the average compensation of the 100 highest-paid CEOs in Canada is 193 times higher than the average salary, which means that the gap between executive incomes and middle-class incomes continues to widen.

Honourable senators, we have to listen to what the people are saying. If we want to keep corporations in Canada, they have to offer competitive compensation packages to their executives, but that compensation still has to be socially acceptable.

The Senate is in a good position to examine the compensation of senior executives in publicly traded companies. That is why I will soon be moving a motion that I hope will enable us to undertake a rational and constructive debate on this issue.
