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Chair

The Honourable Wayne Easter

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•(1615)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I call the meeting to order.

We will go in camera for the study after a bit. First, we agreed we'd do committee business, dealing with the motion by Mr. Deltell.

Before we get to your motion, Gérard, the analysts from the library have sent out the updated version of the report. I don't think everybody has the new version with them. When we suspend to go to the report, we'll have to get a few copies delivered.

I need a paper copy. That's what happens when you're old-fashioned.

Do you want to go to your motion, Mr. Deltell?

[Translation]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

We are proposing this motion to the Standing Committee on Finance in order to shed light on last week's very surprising events. I am talking about the dramatic increase in the salaries of Bombardier's executives. That world-renowned Canadian company is the pride of millions of Canadians, but millions of Canadians were also outraged to learn last week that the company's executives, despite the support of Canadian and Quebec taxpayers in the billions of dollars, allowed themselves salary increases of 48%.

[English]

As you know, many Canadians were scandalized and outraged by this decision, and I was among them. I felt very sorry, because I'm a huge fan of Bombardier, a historical Bombardier. We are far away from the spirit of the one who created this magnificent business, Joseph-Armand Bombardier, one of the greatest Canadians of all. From coast to coast to coast, people didn't agree with this situation.

Let me quote what I saw a few days ago on Twitter. "As an MP, who strongly supported Bombardier 4 investment/jobs/aerospace, I am deeply disappointed senior execs increased pay 4 themselves!!!"

Mr. Chair, do you know who was talking?

The Chair: Me.

Mr. Gérard Deltell: It was the member of Parliament for Malpeque.

The Chair: That's right.

Mr. Gérard Deltell: I think you know him quite well.

The Chair: I do—

Mr. Ron Liepert: We all do.

The Chair: —and I stand by the tweet.

Mr. Gérard Deltell: I know that. This is why I pay all my respect to you, a member of Parliament since 1993. You have seen so many great things and bad things.

Your quote is quite interesting, because you're a strong supporter of Bombardier but are very disappointed by the actual situation.

[Translation]

Mr. Chair, 93% of Quebeckers cannot be wrong. Since surveys have existed, we have never seen such unanimity of opinion in a given situation. Last Saturday, survey firm Léger published the results of a public survey according to which 93% of Quebeckers were outraged to see that the company's executives had allowed themselves salary increases of 48%. Quebeckers have given the company \$1.3 billion through their provincial government and more than \$2 billion through the Caisse de dépôt et placement du Québec.

Although Canadians have little fiscal flexibility because of the fragile economic and fiscal situation, and they are watching every penny the government spends, they saw the government loan about \$400 million—all taxpayers' money—to Bombardier and learned a few weeks later that the company's executives were giving themselves salary increases. It is time to shed light on that situation.

That is why we thought of giving the Bombardier executives an opportunity to come explain themselves here. Changes were made following that announcement and the backlash in Quebec and across Canada. Chairman of the board, Pierre Beaudoin, who is the grandson of Joseph-Armand Bombardier, decided to simply forego the raise. That was the least that could be done, but he did it. Unfortunately, his five colleagues did not make the same decision. They agreed to have those raises deferred for two years. This situation needs to be considered. Through our motion, we are giving Bombardier's executives a golden opportunity to explain themselves.

•(1620)

[English]

The chairman of Bombardier, Alain Bellemare, said in two interviews he gave that it was a lack of communication, that they did not communicate well.

I do not agree, but that is their point of view. If they recognize that it was a lack of communication, then we offer them the chance to express themselves and communicate with the Canadian people from whom they have borrowed millions of dollars, hundreds of millions of dollars, for this company.

[Translation]

Mr. Chair, we hope that Bombardier will have an opportunity to come testify here through its president, Mr. Bellemare, to explain to Canadians why they decided to increase the executives' salaries by 48%.

In our motion, we also invite the Minister of Innovation, Science and Economic Development. Why? Because he is the one who decided to agree to provide Bombardier with government assistance, after just under a year and a half of discussions with that company. At the outset, Bombardier was asking for a donation from Canadian taxpayers in the amount of \$1.3 billion, which ended up being a loan of \$135 million for the C Series. That is 10 times less than the requested amount, and it is a loan. Yet here we are, very surprised to learn that the Canadian government is prepared to help Bombardier with the Global 7000. To my knowledge, Bombardier never asked for assistance for the Global 7000 project, as it has always talked about the C Series.

I want to remind you that, in March 2016, the director of Bombardier Aerospace said the following in an interview with the *Financial Post*:

[English]

He said that they don't need any more federal money because the Quebec government spends billions of dollars on Bombardier, gives billions of dollars to Bombardier, and the C Series was launched with big contracts from Delta, Lufthansa, Swiss, and all the other great companies.

We are not against the C Series, but we're against raising the salaries of people who were asking to borrow billions of dollars of Canadian money. That is why we are very concerned.

[Translation]

Our motion is one of openness, elaboration and transparency. We are giving the Bombardier executives an opportunity to appear before us and explain why they have done this. They say they have a communication problem? Perfect. We, the Conservatives, are giving them an opportunity to come explain themselves. We are saying the same thing to the minister, as during question period, with only 30 seconds to answer, he does not have the time to get to the bottom of things. So we are offering the minister an opportunity to come explain to us what he discussed with Bombardier. The Canadian government asked Bombardier to commit to not cutting jobs? We know that Bombardier has cut 14,000 jobs over the past few months. By providing this assistance from Canadian taxpayers, did the government ensure the executives would not get colossal raises like the ones they gave themselves? We would like to put the question to the minister.

Clearly, I will not reveal all our questions today, but we feel that we have to get to the bottom of things if Canadians want to have the truth about this unfortunate incident. As parliamentarians, we have a

duty to put questions to parliamentary leaders—in other words, the minister—but also to Bombardier's chief executive.

[English]

The motion is based on transparency, on tax money paid by hard-working Canadians. So much tax money was spent on that. We want to be sure that we spent that money correctly and we want to be sure that we get a great explanation.

Thank you so much.

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

On my list I have, first, Mr. Dusseault, and then Mr. Liepert and Mr. Fergus.

Go ahead, Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Thank you, Mr. Chair.

I will be pretty quick. I just want to say that I support Mr. Deltell's motion. Like most Canadians, I was surprised by the announcement of bonuses for Bombardier's executives.

Yet a few months, if not a few weeks, before receiving government support, those executives were saying that they were in a precarious situation, that they absolutely had to get the government's support to continue with Bombardier's projects, including the C Series. A few weeks later, after begging the government for public money, they give themselves enormous bonuses.

I can understand Canadians' surprise and shock—feelings that are shared by parliamentarians, including the Conservatives and even the Liberals. Our chair also shares that feeling. So it goes without saying that we should take a closer look at the situation, not only with the Bombardier president and chief executive officer, but also with the Minister of Innovation, Science and Economic Development, who has signed or is preparing to sign the loan given to Bombardier.

Light must be shed on the conditions attached to this kind of a loan to ensure that, in the future, situations like this one do not happen again. Taxpayers' money is very precious. It is the duty of parliamentarians to ensure that every dollar is spent wisely and that everything is in place to avoid unfortunate situations, like the one we have recently experienced with Bombardier.

So I support my colleague, and I hope that all the colleagues around the table will also support this motion to shed light on the situation and avoid this happening in the future.

• (1625)

[English]

The Chair: Thank you, Mr. Dusseault.

Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thanks, Mr. Chair.

I'd like to hear from Mr. Fergus. Then I would ask to be put back on the speakers list.

The Chair: Okay.

We'll have Mr. Fergus, and then Mr. Liepert.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you very much, Mr. Chair.

I will explain something to you. It is rare for this table to be unanimous. We all happen to be proud of Bombardier's success. We all agree that Bombardier is a flagship of Canada's and Quebec's aerospace industry. As a Quebecker, born in Montreal, I was really proud to see how Bombardier has flown—no pun intended—in the aerospace industry. That company has manufactured extraordinary products. I have always been proud of Bombardier.

I know that my colleagues from Quebec, and surely from around the country, were proud to help out Bombardier when it sought the federal government's support to invest in its projects and thereby ensure to be able to compete with Europe and the United States. We are proud of our Bombardier.

However, I must say that, like many people, I was disappointed, frustrated and even angered by what I heard. After we came to Bombardier's assistance, with a significant loan of \$372 million, its board of directors made a very unfortunate decision, to say the least.

Mr. Chair, I must tell you that I have been happily married for 25 years. A lesson I have learned for having a good marriage—

Mr. Gérard Deltell: You have to communicate.

Mr. Greg Fergus: —is that decisions are not made on a whim. Decisions have to be made with a clear mind.

I read Mr. Deltell's motion with a clear mind. I understand that people are angry, but at some point, we have to ask ourselves if this is the best use of the committee's time. I came to the conclusion that it is not.

It is clear that we have all the information we need on Mr. Dusseault's concerns regarding the loans. That is part of a Canadian government's program that is very well known, a program that has existed for a long time. I could say that this program includes the same conditions as those set by the previous government. One example is a \$350-million contribution by the previous government to Bombardier, subject to the same conditions.

For that reason, I believe that adopting this motion would undermine our plan to continue to study the budget and the housing market. I am also wondering where it would end. There are many companies. Will we make every company that makes unfortunate and harmful decisions appear before us? I don't think so. I think that we have to make decisions with a cool head, and that is why I will vote against Mr. Deltell's motion.

•(1630)

[*English*]

The Chair: Thank you, Mr. Fergus.

Mr. Liepert.

Mr. Ron Liepert: I had hoped I wouldn't have to speak, because I thought Mr. Fergus would at the very least suggest that we not bring the minister before the committee but bring the Bombardier folks

before the committee, and that he might propose an amendment to our motion.

I can understand why the government members may not want to have the minister appear before the committee. I now understand why almost every Albertan I spoke to last week on constituency break was absolutely outraged at what had happened. They weren't just mad at Bombardier. They were mad at the government for letting this happen.

This is a great opportunity for members of this committee to put the Bombardier folks on the seat and prove to Canadians that it isn't the government they should be mad at. At least prove it to Albertans. I can't speak for anyone outside Alberta, but I can speak for Albertans, and I can say, Mr. Chair, that these members will wear this. They will wear it in Alberta, and I believe they will wear it elsewhere in Canada.

This is the only method we have as parliamentarians to have the Bombardier folks explain why they did what they did. There is no other method. The committee method is the only way we can ensure that we have witnesses before this committee. For this particular member to say we are too busy is absolutely unbelievable, Mr. Chair.

I listen to the ministers in question period when they're asked about this particular situation. I think I heard even the Prime Minister say, "Well, they dealt with it; they're not taking the full raise." Mr. Chair, that is like saying you doubled your salary and then decided that you're only going to increase your salary by 50%, so it's all right.

It is not all right, Mr. Chair. For this committee not to approve this motion.... Frankly, Mr. Chair, with your experience and your comments made publicly, I suggest that if your colleagues on this committee vote down this opportunity to have Bombardier come before this committee to explain themselves, you should think about taking your juniors out behind the shed when we're finished and give them a little talking-to about politics, because they obviously don't understand politics and you do, Mr. Chair.

With that, Mr. Chairman, I can only say that I am deeply disappointed and I can understand why Albertans are mad as hell at Bombardier and mad as hell at this government.

•(1635)

The Chair: Thank you, Mr. Liepert.

Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

Thank you to my colleagues Mr. Fergus, Mr. Deltell, Mr. Liepert, and Mr. Dusseault for their prior comments.

I've worked for almost 25 years for major corporations, both domestically and internationally, where decisions were made that impacted the day-to-day lives of families, the day-to-day lives of individuals, where things happened, and you looked at that and said, "We need corporate responsibility."

I was very proud of our Prime Minister when he went over to Hamburg, Germany, and he gave a discussion and a speech on corporate responsibility and ensuring that the middle class gets ahead, ensuring that the middle class has good jobs, good wages, and good benefits. I'm proud of a government that continues to work on that track. I look at the investment that we are making in Canadians from coast to coast to coast in many industries, including automotive—Ford. The Conservative government invested in GM and what was Daimler Chrysler at the time, and you now have FCA.

Mr. Ron Liepert: It wasn't for their salaries.

Mr. Francesco Sorbara: This investment is a repayable loan, and in 2008, the Conservative government also made a similar loan to Bombardier. This loan has requirements to be invested in research and development.

We want a strong aerospace sector in Canada. We know the quality of jobs that the aerospace sector provides across the entire supply chain for folks living in Quebec, for folks living in Ontario, and we understand the importance of this sector. We need a thriving aerospace sector, which it is. The C Series plane is a gem. It is a wonderfully built plane. Bombardier has come a long way. I'm proud to have a Canadian company that is a flag-bearer. I, much like my colleagues and other folks here, want to ensure that corporate responsibility is of paramount concern.

Am I disappointed when I look at the decisions of some CEOs? You bet. I believe that all CEOs have a responsibility to all their stakeholders, including their shareholders, employers, employees, and in some circumstances, their partnerships with government.

But this motion that was put forward by Mr. Deltell, in my view, is honestly something that I look at and say, there are requirements on this repayable loan. It will be repaid over a certain period of time. The monies on this loan are not going to pay bonuses, so let's get that fact straight.

Am I disappointed with the actions? Yes. Do I want to see governance and transparency? Yes. But to utilize the precious time of this committee in a political witch hunt is not a valued use of time. Again, we are investing in corporations and with corporations across Canada from coast to coast to coast, to secure and generate those middle-class jobs. We've done that with Bombardier. I want to see them successful. I want to see them employing Canadians, but I also want to see them doing the right thing when it comes to corporate responsibility, transparency, and governance.

Thank you, Mr. Chair.

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

Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

I certainly appreciate Mr. Deltell's motion and the opportunity for us to discuss this publicly. Like Mr. Sorbara, I want to see corporate responsibility, but further than that I actually want to see responsible government.

Responsible government depends on the grassroots, individual Canadians who elect members of Parliament to be powerful, to come here, and to hold the government to account regardless of their party.

If you're not formally in government, as in the cabinet, you have a responsibility to hold your government to account.

The best way to do that, I would suggest to my honourable members across the way, is to have a motion like this supported, and the reason being is that there's anger, as Mr. Fergus has said. Yes, there is, Mr. Chair, in my riding especially.

People don't like the idea that government money, which is their money, their tax dollars, is going to supply programming that will then offset executive compensation. They don't like it when governments are unaccountable and simply say, "We're disappointed but it's a free market. We don't bear any responsibility," when it just isn't so. We want to see transparency.

Have the minister come in here and explain how the program works. Have the minister explain why there weren't accountability functions—like what happened with Air Canada under Minister Flaherty—with specific language around executive compensation to make sure that when government, again, taxpayer money goes to a private corporation, there are protections to make sure that it doesn't go to ends that do not serve the public, but only the private, in this case, those executives.

I do realize that some members have reservations about this. I'm not going to lecture on what the politics are. They know very well. I just would say that it is our job as members of Parliament to hold the government to account.

This is a government program, and just like we had concerns on this committee on tax expenditures and whether they were effective or not.... We even have a Prime Minister who says he didn't feel that the tax credit they cancelled in this year's budget was effective. Maybe we need to put on the table that this particular program, the way this government is running the contracts and not including those accounting provisions, is also faulty and is also not effective.

Again, I would just reinforce the point that this is what we are sent here to do. It's what my constituents want. It sounds like it's what many of our constituents want.

Going back to anger, no one is suggesting that we don't discuss it. In fact, we're actually talking about an orderly process set out by over 100 years—150 years soon—of parliamentary procedure to deal with the issues of the day. The great thing is that Canada is still standing, and I would say it's partly because our system does develop democratic, transparent means for us to deliberate issues of confidence in the government.

If members on the other side want to vote against increasing responsible government, transparency, and being able to look at their constituents and say, "You know what? There were some valid points. Let's take a look at it. Let's argue on the merits".... Rather than arguing about the motion, Mr. Chair, we could argue when we actually get the facts from the relevant authorities and hold them to account.

As Mr. Deltell has said, perhaps Bombardier has not communicated. This would give them an opportunity to communicate. Perhaps the government might want to reconsider how it approaches not just this particular funding, but how it does this in the future. I would imagine that the taxpayer would benefit from that. I think our parliamentary system would benefit from that. It would show that the system works.

Last, Mr. Chair, we could again all go home and tell people that we came here to do our jobs, and we did that.

Anyway, it's something that a tweet cannot capture. It's something that a short speech cannot capture. I think our parliamentary report would be at least a substantial addition to the national conversation.

•(1640)

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

I thank everyone for keeping the politics to a great degree out of this discussion.

Mr. Grewal is next, and then I hope we will go to the vote.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair.

I want to thank all my colleagues for speaking on this motion. We rarely agree in committee, but I think we can agree that Bombardier was very much tone-deaf when it came to making this decision on executive compensation.

In my short 17 months as a member of Parliament, I've learned a lot. I've engaged with a lot of different stakeholders. Coming as a corporate lawyer, I was always against corporate bailouts. When it happened in 2008, I couldn't really get myself to believe in why the government was stepping in and bailing out those automakers, but if you take a step back and you look at the real-life impact on Canadian families of these policy decisions....

My family has always been in the taxi business. When Uber came in, I realized on a daily basis the impact of that, similar to that of a steel plant closing in Hamilton, as a lot of members of my community drive taxis. They saw their wages drop overnight by 50% or 60%. There was a real-life impact of trying to pay your mortgage payment, trying to pay your heating costs, trying to put food on the table and send your kids to university. Then I think about the 4,000 jobs that we're saving with this investment at Bombardier and the 1,300 more that we're creating, and the reasonable conditions under which this loan was given to this company.

Was it unfortunate? Are we disappointed with the company's lack of appreciation and the tone-deafness of this decision? Absolutely, I think we can all agree on that. I think the overall commitment of this government...and not just the Liberal government this time. Previous Conservative and Liberal governments supported the aerospace sector because it's an important sector in this country and it supports a lot of good Canadian jobs. I think that's something we should all be proud of.

Those are just my thoughts on this motion.

It's something that we can become uber-partisan about. We can play a lot of political games. Both parties are experts at that. There's no shortage of that in this room. Let's take a moment to put ourselves in the shoes of the families that we're going to be able to support through this investment that we're creating, those 4,000 jobs that we're maintaining and those 1,300 that we're going to be able to create.

Thank you, Mr. Chair.

•(1645)

The Chair: Thank you.

The final remarks will be from Mr. Deltell.

Mr. Gérard Deltell: As final remarks, I just want to emphasize that the motion was not talking about Bombardier or the C series or investment. It was talking about remuneration granted to executives at Bombardier. We all agree that it's the worst remuneration granted to executives we have ever seen. We all agree that Bombardier is a great Canadian business. We all agree that C series aircraft should fly all around the world.

However, we have a duty as members of Parliament to ask questions of people who decide to loan hundreds of millions of dollars of Canadians' money to a business and to ask questions to this business that made such a tragic decision, the ugliest decision we have seen in many years.

Thank you.

The Chair: The motion is on the floor, and I expect there would be a call for a recorded vote.

(Motion negatived: nays 5; yeas 4)

The Chair: We will suspend for a few minutes to go in camera to deal with the recommendations of the housing report.

[Proceedings continue in camera]

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