



TEAMSTERS CANADA RAIL CONFERENCE DIVISION 320



Social and Communications Office
20358-118th Ave.
Maple Ridge, B.C.
V2X 2M4
www.tcrc320.org

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Subject: CEO Pay Out of Control

Dear Brothers and Sisters,

Appended is an interesting story on CEO wages versus the working class wages in Canada from the Retail, Wholesale and Department Store Union (RWDSU-UFCW) website.

In Solidarity,

Murray Douglas
TCRC Div 320
604-312-1074
S&C Officer

Report Shows CEO Pay Out of Control in Canada (2/19/10)

A report released last month by the Canadian Centre for Policy Alternatives sheds light on the phenomenon of skyrocketing CEO pay that has continued throughout the recession. According to the report, "A Soft Landing: Recession and Canada's 100 Highest Paid CEOs," pay for top Canadian executives continues to dwarf the pay for average workers, while outpacing inflation by an astounding 70 percent between 1998 and 2008. Canadians earning the average income lost 6 percent to inflation over that same period.

The report shows that by the afternoon of January 4, Canada's top executives had already earned as much as an average Canadian earner will make over the course of the entire year: around \$42,000. By December 31, the top executives will average \$7,200,884 in pay, getting a shocking 174 times the amount earned by the average-earning Canadian worker. In 1998, top

executives had to make do with “only” 104 times the pay of the average Canadian worker. The top earning Canadian CEO, Thomas Glocer of Thompson Reuters Corp., received \$36,595,233 in 2008.

“With the wage gap expanding to such an outrageous degree, it is no surprise how out of touch executives have become with their employees,” RWDSU Northern Joint Council President Derik McArthur said.

The Union Difference in Canada

One of the only forces capable of raising the wages of the average Canadian earner and closing the pay gap is labor unions.

In Canada, the average full-time worker earns \$20.29 an hour when they belong to a union, versus \$17.22 for non-union workers. The union difference is even starker for part-timers, who earn \$17.31 when they have a union and only \$10.60 without them.

Union workers also have stronger benefits and smaller gender wage gaps. Union contracts make it harder for employers to arbitrarily lay off workers or cut full-time jobs in the name of profits.

“Corporate excess is out of control in North America, and Canada is no exception,” McArthur said. “This report shows how out of proportion executive pay has become, and why workers in Canada need unions more than ever to help fight corporate greed and level the playing field for the people who have helped build these corporations into what they are.”

[Read the CCPA Report on CEO Pay in Canada](#)