**Canadian Labour Congress says corporations hoarding cash, paying fat compensation to CEOs**

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**OTTAWA** – [A research study by the Canadian Labour Congress](http://www.canadianlabour.ca/news-room/publications/what-did-corporate-tax-cuts-deliver-2013) shows that CEOs in Canada could be dancing in their suites to celebrate Corporate Tax Freedom Day on January 30. Their companies will by then have paid their share of taxes to all levels of government for the entire year.

**“Corporate income taxes amounted to only 8.3% of all government revenues in 2011, down from 8.8% in 2010 and from an average of 11% in the 1960s and 70s,” says CLC Secretary-Treasurer Hassan Yussuff. “In return for tax breaks companies are supposed to be investing their windfall to create good jobs in Canada but instead they are hoarding cash and paying fat compensation to their CEOs.”**

**The CLC study shows that between 2001 and 2011 the total cash reserves of Canada’s largest non-financial private corporations grew from $187 billion to $575 billion. Between 2010 and 2011, there was an astounding one-year increase of $72 billion. This is a figure equal to more than double the entire $33.4 billion federal deficit for 2010-11.**

Yussuff says, “Bank of Canada Governor Mark Carney has called these corporate cash reserves dead money and he says that private companies should invest and put it to work. Even federal Finance Minister Jim Flaherty is frustrated with the situation and has called upon private corporations to invest in Canada.”

The top 10 corporate hoarders alone have accumulated $27.7 billion in extra short- and long-term cash assets between 2001 and 2011. Those companies include: Teck Resources Limited, Bombardier Inc., Suncor Energy Inc., George Weston Limited, Barrick Gold Corporation and Research In Motion. CEOs from the top 10 cash hoarding companies are among the highest paid in the country.

**Corporate tax giveaways have cost the federal government billions of dollars in foregone revenues, Yussuff says. To pay for its tax breaks, Ottawa has borrowed billions and driven up the national debt. Now, the government has chosen to make massive cuts to public services that are essential to Canadians in order to pay the bill for its tax giveaways.**

“Ottawa should target corporate tax credits to companies that actually do invest in machinery and increased productivity in Canada,” Yussuff adds. “The government should also be investing in public infrastructure including transit, literacy, workplace training and child care. These are good ways to prepare for the economy of tomorrow and to stimulate Canada’s economic growth and development.”