

Corporate Welfare



by Kevin Gaudet

Your CTF continues to oppose governments giving away your tax dollars to failing businesses through corporate welfare schemes.

Big Auto bailout

Our research revealed that in the last five years alone, the Big 3 auto firms – Ford, GM and Chrysler – received \$782-million of taxpayer money from the Ontario and federal governments through grants and loans. Yet, despite these handouts, they came back for more.

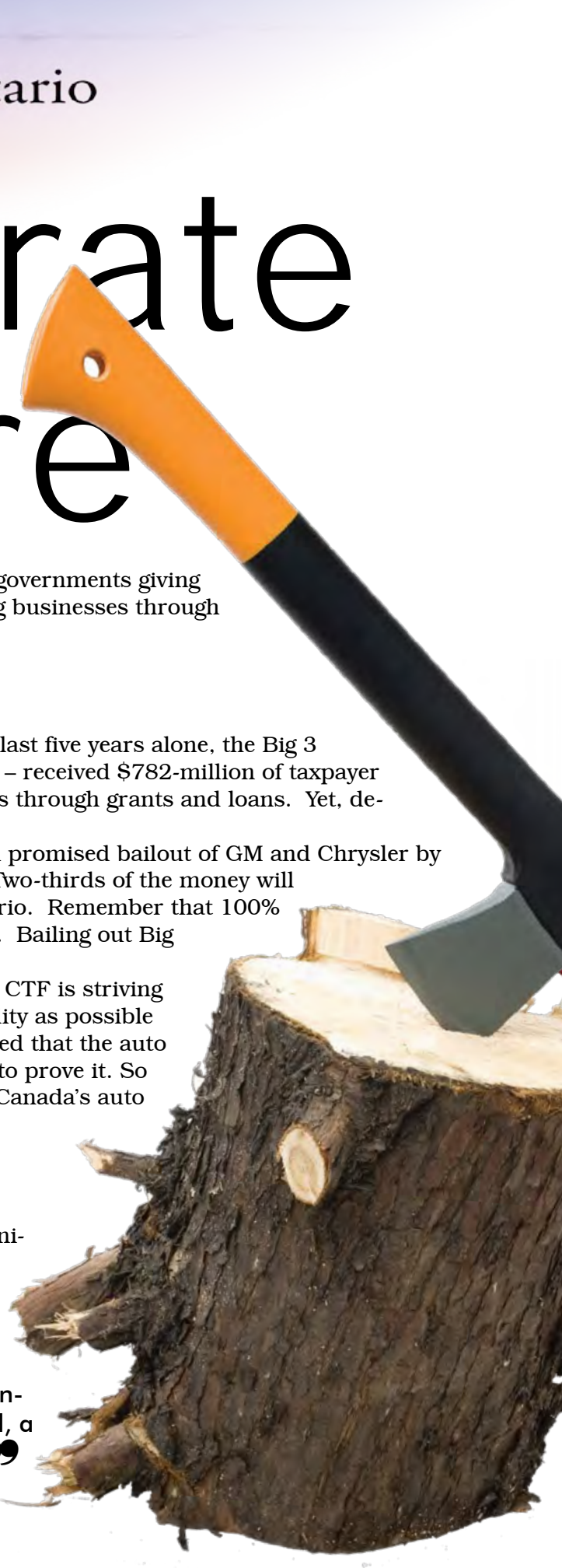
We have led the charge opposing the \$4-billion promised bailout of GM and Chrysler by Premier McGuinty and Prime Minister Harper. Two-thirds of the money will be provided by Ottawa, and one third from Ontario. Remember that 100% of this money is taxed from hard-earned income. Bailing out Big Auto is throwing good money after bad.

Now that this money has been promised, your CTF is striving to ensure as much transparency and accountability as possible when it is spent. The United States has demanded that the auto companies explain where the money will go and to prove it. So far no such reassurances have been required of Canada's auto companies.

Forestry handouts

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CTF through Access to Information reveal that as of summer 2008, 17 companies had access to over \$82-million in grants and loan guarantees.

Your CTF has highlighted Fibratech in the past, since it received \$2.4-million just before the last provincial election. The day after the ballots were cast, Fibratech closed shop and declared bankruptcy.

It took grants and loans from municipal and the federal governments as well. ■

Handouts to the forestry industry 2006-08			
Company	Date Offer Made	Amount (\$)	
		Grant	Loan Guarantee
Grant Forest Products	May-06	2,000,000	
Abitibi Consolidated	Aug-06	22,500,000	
Columbia Forest Products	Aug-06	600,000	
Flakeboard	Aug-06	1,650,000	
Norampac	Aug-06	6,000,000	
Bowater Canadian Forest Products	Sep-06	1,369,300	
Tembec	Sep-06		8,000,000
Tembec	Sep-06	3,358,500	
Barden River Truss	Mar-07	280,000	
Long Lake Forest Products	Apr-07	600,000	
Olav Haavaldsrud Timber	Apr-07	700,000	5,000,000
Terrace Bay Pulp	Apr-07	4,880,000	5,120,000
Black Loon Millworks	Jun-07	430,380	
ATC Panels	Aug-07	1,591,000	
Rosko Forestry	Aug-07	290,000	1,150,000
Thunder Bay Fine Papers	Sep-07	1,500,000	12,700,000
Niska North	Jan-08	320,770	
Fibratech Manufacturing	Aug-08		2,400,000

Provincial Budget

With a seemingly endless list of corporate welfare recipients in Ontario, it is little surprise that the McGuinty government is driving the province back into deficit. Despite increased taxes, new user fees and charges, and creating a health tax that generates \$2.7-billion per year, Premier McGuinty anticipates red ink for many years to come.

Your CTF was invited to present to Ontario's Standing Committee on Finance. We recommended a balanced budget through spending restraint. An obvious place to cut would be corporate welfare, an annu-

al \$950-million expense. Balanced budget legislation would also be a positive step forward.

We also continued our calls for broad-based tax relief, starting with elimination of the health tax. Premier McGuinty promised not to bring in this tax in the first place, but he can still do the right thing by getting rid of it. Your CTF won a long fight to eliminate the health tax in Alberta, and we will continue to press for a similar victory in Ontario. ■