



Ottawa, February 13th 2018

The Right Honourable Justin Trudeau
House of Commons
Ottawa, Ontario
Canada
K1A 0A6

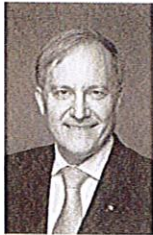
Constituency Office

110-888 Carnarvon Street
New Westminster, BC
V3M 0C6
Phone: 604.775.5707
Fax: 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

House of Commons

Room 629-C, Centre Block
Ottawa, ON K1A 0A6
Phone: 613.992.4214
Fax: 613.947.9500
peter.julian@parl.gc.ca



Peter Julian
MP / Député
New Westminster-Burnaby

Bureau de circonscription

110-888, rue Carnarvon
New Westminster (C.B.)
V3M 0C6
Tél. : 604.775.5707
Télééc. : 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

Chambre des communes

Édifice du centre, Pièce 629-C
Ottawa (ON) K1A 0A6
Tél. : 613.992.4214
Télééc. : 613.947.9500
peter.julian@parl.gc.ca

Hon Bill Morneau
Minister of Finance
House of Commons
Ottawa, ON

Dear Prime Minister Trudeau and Minister Morneau,

Everywhere we go in Canada, we meet Canadians who are stretched to the limit. Families who are saddled with unstable work, struggling to make ends meet. They're being told the economy is working but they're not feeling the benefits.

This government has made much of its commitment to fighting inequality but Canadians have seen too little impact in their lives. Inequality continues to worsen, impeding our overall economic prospects and corroding the confidence Canadians have in the direction of our country.

Quite simply, far too many Canadians feel the economy is not working for them. What they see instead is a set of rules stacked against them, designed to further enrich the few at the expense of the many.

Last month Oxfam released a report calculating that eight super-wealthy businesses own as much as half the world's population. Here at home, the wealth of Canada's two richest billionaire businessmen equals that of 11 million Canadians. Over four million Canadians live in homes that struggle to put food on the table, including 1.15 million children. This is unacceptable. In the history of our country, the gap between the super wealthy and the rest of us has never been wider.

This stark - and worsening - inequality is not inevitable. It is a direct result of policy decisions made by governments, including your own. Our economy desperately needs measures which focus on providing some relief to those struggling rather than giving more breaks to the wealthy. At the outset of this New Year, we made some [concrete recommendations](#) regarding measures your government can put in place to close personal tax loopholes that exclusively benefit the wealthiest in society. By closing the CEO stock option loophole, and increasing the inclusion rate on capital gains for the super-rich, we can recover some \$3.5 billion in annual. Money that should rightly be invested in the social programs that we all rely on.

In addition to closing these loopholes, it's time for your government to get serious about tackling the tax havens used by wealthy Canadians and corporate Canada to avoid paying their fair share of taxes.



Constituency Office

110-888 Carnarvon Street
New Westminster, BC
V3M 0C6
Phone: 604.775.5707
Fax: 604.775.5743
peter.julian.c1@parl.gc.ca

www.peterjulian.net

House of Commons

Room 629-C, Centre Block
Ottawa, ON K1A 0A6
Phone: 613.992.4214
Fax: 613.947.9500
peter.julian@parl.gc.ca



Peter Julian
MP / Député
New Westminster-Burnaby

Bureau de circonscription

110-888, rue Carnarvon
New Westminster (C.B.)
V3M 0C6
Tél. : 604.775.5707
Télééc. : 604.775.5743
peter.julian.c1@parl.gc.ca

www.peterjulian.net

Chambre des communes

Édifice du centre, Pièce 629-C
Ottawa (ON) K1A 0A6
Tél. : 613.992.4214
Télééc. : 613.947.9500
peter.julian@parl.gc.ca

The last Liberal budget allocated more money to the Canada Revenue Agency over five years to help with investigations into the use of tax havens. While this is an improvement over Conservative cuts to the agency, your government's funding of the agency is far behind that of other countries. As an example, since the Panama Papers, revenue agencies around the world have managed to recover more than half a billion USD from scammers identified in the leaked papers. Spain, alone, has already recovered 122 million US dollars.

To regain this tax revenue owed to Canadians, there are effective measures that your government must take immediately. You can start by including in your 2018 budget some basic rules covering offshore subsidiaries that limit the use of 'shell companies' set up solely to avoiding paying tax. Our colleague, Murray Rankin, has tabled a private member's bill that would require that companies prove the economic reason for their offshore transactions before they benefit from a tax break on them. This is a straightforward measure that many western countries have already adopted.

There are also agreements that should be reviewed. Let's start with Canada's 92 international tax treaties with countries such as Barbados, Jamaica and Malta that allow companies to declare profits in tax haven countries and then bring that money back to Canada, tax free. That's just not fair. Finally, the sweet heart deals given to tax evaders by the government when they get caught must come to an end. These deals do nothing to stop the abuse of our system and offend the vast majority of Canadians.

There is no doubt that tax havens damage our ability to pay for public programs. The question is how much. Following the release of the Paradise Papers some observers place the lost annual revenue to be between \$10 billion and \$15 billion. Meanwhile, the Conference Board of Canada says the gap between the government's total potential tax revenue and what it actually manages to collect every year could be as high as \$47 billion.

The programs that could be funded by that lost revenue would make a significant difference in Canadians' quality of life. We should start by looking at the astronomical costs of prescription drugs.

Canadians pay some of the highest prices among wealthy western nations for pharmaceuticals to treat common ailments. According to a study published in the Canadian Medical Association Journal, the annual per capita expenditures for common drugs in Canada are 39% higher than in Germany, 49% more than in the United Kingdom, and 85% higher than they are in New Zealand. And drug costs are set to increase even more this year.

Part of the reason our costs are so high is that Canada is the only country in the world with a public healthcare system that does not also have accompanying public pharmacare coverage.

To save money, some Canadians have taken to cutting their pills in half, risking their own health in the process. But it doesn't have to be this way.

In Budget 2018, the income from closing tax loopholes for the super-rich and cracking down on tax havens should be dedicated as necessary for the



Constituency Office

110-888 Carnarvon Street
New Westminster, BC
V3M 0C6
Phone: 604.775.5707
Fax: 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

House of Commons

Room 629-C, Centre Block
Ottawa, ON K1A 0A6
Phone: 613.992.4214
Fax: 613.947.9500
peter.julian@parl.gc.ca



Peter Julian

MP / Député
New Westminster-Burnaby

Bureau de circonscription

110-888, rue Carnarvon
New Westminster (C.B.)
V3M 0C6
Tél. : 604.775.5707
Télééc. : 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

Chambre des communes

Édifice du centre, Pièce 629-C
Ottawa (ON) K1A 0A6
Tél. : 613.992.4214
Télééc. : 613.947.9500
peter.julian@parl.gc.ca

implementation of a universal pharmacare program.

By directing funding from tax loopholes and tax avoiders towards a universal pharmacare program in the upcoming budget, the government would be taking an important step in combating growing inequality in Canada.

Last year, the Parliamentary Budget Office published a report showing that such a pharmacare program would save Canadians \$4.2 billion dollars every year. And it would go a long way to making life more affordable for those struggling with the crippling costs of drugs they rely on.

One of the most talked about issues of inequality that we hear about in every region of the country is that housing is simply unaffordable. Prices have exploded, new affordable housing stock is non-existent and the situation is even worse for the most vulnerable. Seniors, young people and new Canadian communities are at the forefront of the housing crisis.

Your government may have announced an affordable housing strategy, but you don't seem to understand the urgency of the matter, given that 90% of the funding you announced will only come after the 2019 election. In a crisis, waiting is not an option. Utilizing the measures proposed, we urge you bring that funding forward by increasing housing spending in Budget 2018 to \$1.58 billion, an amount not reached until 2021 under your current plan.

There is no greater case of inequality in Canada than the relative living and funding conditions faced by First Nation communities. And there is perhaps no worse example of that inequality than the 134 boil water advisories still in effect on First Nations reserves. We simply cannot accept the current situation where a young person can't turn on the tap and get clean water, or where a mother bathing her child is a dangerous scenario.

The Parliamentary Budget Office released a report in December showing that the government's allotted amount for ending boil water advisories is between 30% to 50% below what is required. Let's use Budget 2018 to eliminate that funding gap and finally do away with these despicable advisories once and for all.

An additional step that your government can – and should – take in this budget to address the inequality faced by Canada's Indigenous population is to forgive outstanding treaty negotiations debt and implement non-repayable contribution funding for First Nations' participation in future negotiations. This would be an important step towards reconciliation and provide greater autonomy for First Nations.

Finally, nine years after Nortel filed for bankruptcy and left pensioners in the lurch, Sears Canada filed for bankruptcy, terminated 15,000 employees, cancelled payments for workers' pensions, all while giving their executives \$6.5 million dollars in bonuses.

Last month, when asked about the corporate greed that puts creditors over workers, Prime Minister Trudeau said the workers can fall back on Employment Insurance and the Canadian Pension Plan. Sadly, his answer shows that your government does not get what workers are going through or the real life difficulties of the current economy.



Constituency Office

110-888 Carnarvon Street
New Westminster, BC
V3M 0C6
Phone: 604.775.5707
Fax: 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

House of Commons

Room 629-C, Centre Block
Ottawa, ON K1A 0A6
Phone: 613.992.4214
Fax: 613.947.9500
peter.julian@parl.gc.ca



Peter Julian
MP / Député
New Westminster-Burnaby

Bureau de circonscription

110-888, rue Carnarvon
New Westminster (C.B.)
V3M 0C6
Tél. : 604.775.5707
Télééc. : 604.775.5743
peter.julian.cl@parl.gc.ca

www.peterjulian.net

Chambre des communes

Édifice du centre, Pièce 629-C
Ottawa (ON) K1A 0A6
Tél. : 613.992.4214
Télééc. : 613.947.9500
peter.julian@parl.gc.ca

Budget 2018 offers an important opportunity to finally put an end to pension theft. As you know, our colleague Scott Duvall has put forward a common sense proposal that you could include in the budget. Those relatively simple amendments to the Companies' Creditors Arrangement Act and Bankruptcy and Insolvency Act would ensure the workers' pensions, along with any severance packages, are paid out ahead of wealthy creditors, banks and parent companies, whenever bankruptcy is filed. A change like would have a profound impact of the lives of many workers and pensioners.

Currently the scales in Canada are weighted in favour of larger corporations and the richest in society, meanwhile hard working Canadians play by a different set of rules or are told to wait at the end of the line. We can do more and we must do more.

Canadians need a government that has the courage to put in place these important measures that will have a major positive impact on their lives. More than ever, they deserve leaders who will stand up for their interests and resist the demands of the Bay Street lobbyists. By providing support to Canadians who need it the most we can unlock the full potential of our citizens. The result will be an expanded and enriched economy that works for everyone.

You have the power in the 2018 budget to make a real difference for Canadians by including the recommendations we have laid out here.

Sincerely,

Jagmeet Singh, Leader of Canada's NDP

Peter Julian, NDP Finance Critic