



January 22nd, 2018

The Honourable William Francis Morneau
Department of Finance Canada
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Re: 2018 Pre-Budget Consultation

Dear Minister Morneau,

On January 21st, 2018, Members of Parliament Marco Mendicino, Eglinton-Lawrence; Robert Oliphant, Don Valley West; Michael Levitt, York Centre; Julie Dzerowicz, Davenport; and Francesco Sorbara, Vaughan-Woodbridge; held a pre-Budget Consultation at Fairlawn United Church in Eglinton-Lawrence.

Over the course of the discussion, a wide range of perspectives were put forth by the evening's attendees. From questions about taxation to the Government's priorities on spending, an overarching theme, which can be summed up in one word, emerged: fairness. In essence, those who attended the meeting believed that more needed to be done to instill confidence in the fairness of the tax system, as well as that further measures needed to be considered protecting Canada's most vulnerable populations.

Taxation

The evening's discussion brought about several speakers concerned about tax evasion, as well as the hiding of funds offshore so as to shelter them from the Canada Revenue Agency. Many of those who spoke up argued that, given the goring income disparity between the wealthiest Canadians and the middle class, the existence of such opportunities to stow wealth offshore would undermine the Government's work to bridge these gaps. Given the investments the Government is making in infrastructure, as well as other programs designed to protect the most vulnerable, such as the Canada Child Benefit, it was thought that missing out on potential sources of income would be detrimental towards these policies long term success. Upon being mentioned, those in the room seemed to be supportive towards establishing a beneficial ownership registry, believing that this would be a step in the right direction.

An idea that was mentioned by several individuals was the need for more transparency from the CRA on what measures and actions are being taken in recourse to offshore investigations. Specifically, they believed that it would be helpful for the \$ amount of what was recovered from each investigation would be a step in the right direction. By demonstrating proof of these initiatives results, it was argued that it would create a visible disincentive among those who may look to offshore tax havens. Moreover, they argued that such transparency would reinforce faith in the tax system's fairness.

In addition to the questions raised about how the Government can approach those who hide money offshore, several constituents also raised points about how the tax regime must adapt to changing technology and circumstances in Canada. In light of what was identified as a growing income gap, constituents proposed a wide array of different measures, including reviewing the preferential tax rate paid by the Canadian banking industry, a



review of various different stock option exemptions allowed to executives, as well as how the technological sector can be properly taxed to offset the changes coming in ecommerce and AI.

Social Supports

Many of the event's attendees lauded the Government's accomplishments to date, including the Canada Child Benefit, enhanced CPP, etc. in the domain of poverty reduction. To that end, however, several individuals asserted that the government should strive to do more for the most vulnerable in our society.

The group who attended the consultation were very glad to hear about what was proposed in the National Housing Strategy. Many in the room acknowledged the importance of recognizing the right to housing as a fundamental human right. Further to this, it was mentioned that, in a city such as Toronto, with secure housing becoming increasingly unaffordable, investments in housing stock and in cooperative housing was critically important. Lastly, the point was raised that cooperation from all levels of government is crucial for the housing file, including Canada's Indigenous peoples.

Several of the event's attendees were interested in discussing what options were available for the parents of young families. Sensing the importance of spending time with one's children for men and women, the crowd seemed to look positively on the creation of a program that would allow for paternity leave. Further to that, there was also a recognition that the choice to have a family should not come at the expense of one's career. Many reinforced this point and spoke of the importance of men and women having equal opportunity to develop their career ambitions. By consequence, several speakers encouraged the government to explore policies, akin to what is already in place in several European nations, where individuals can wean themselves off parental leave by working part time.

Lastly, a big issue that was spoken to by an attendee was access to justice. Speaking from her own experience working for Legal Aid, the speaker went on to explain how more resources were needed in order for those in the criminal justice system. It was acknowledged that the government had come through with funding at the height of the arrival of Syrian refugees, but the speaker noted that Legal Aid's lawyers are still dealing with an extremely high case volume. Ultimately, she argued that further federal funding would be of great benefit.

The Environment

The final point that was discussed by those who attended the Pre-Budget Consultation was the environment, as it related to budgetary measures. One speaker spoke to the importance of pricing carbon, and reinforced the needs to move forward with the draft legislative proposals that were put forth in January by the Minister of Finance and Minister of the Environment and Climate Change. Specifically, the individual argued, Canada ought to focus on pricing carbon by the volume of how much is consumed.

The other point which was raised by individuals in the room was the request to fulfill the Government's promise of phasing out subsidies for the fossil fuel industry. As the constituent argued, the continuation of this policy makes the transition to a cleaner and greener economy much more difficult, and will likely prolong the reliance of our society on fossil fuels. Ultimately, those in the room made the connection that a healthy economy goes hand-in-hand with a clean environment, and that steps ought to be taken to advance initiatives in support of both.



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Conclusion

Though the discussion that took place at the 2018 Pre-Budget Consultation was far-reaching and encompassed many different ideas, the overarching theme that dominated the discussion was how the Government can build a society that is fairer and less dominated by growing income disparities. Whether it was proposals for fighting offshore tax evasion, to ways that the economy can be made to work for families, to how we can take care of our most vulnerable, the conversation staked out a series of ambitious targets that those in the room felt the Government should consider pursuing.

Marco Mendicino, MP
Eglinton-Lawrence

Julie Dzerowicz, MP
Davenport

Francesco Sorbara, MP
Vaughan-Woodbridge

Rob Oliphant, MP
Don Valley West

Michael Levitt, MP
York Centre