



CANADA WITHOUT POVERTY
CANADA SANS PAUVRETÉ

1210 – 1 RUE NICHOLAS STREET
OTTAWA, ON K1N 7B7
613-789-0096 (1-800-810-1076)
WWW.CWP-CSP.CA

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January 17, 2011

Right Hon. Prime Minister Harper
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister:

Leadership, it has been said, “is about telling people what they need to hear, not what they want to hear.” In the speeches and statements from your office and from the offices of Cabinet, Canadians need to be informed of the critical challenges that we – citizens, the private sector, governments – must face together.

It is within this context that we comment on your year-end statement to Canadians. While the statement claimed a number of “significant achievements” of the federal government, it did not identify any major problems before the public, let alone how the government intends to advance the response to such problems, and what may be required of Canadians to aid that response.

Two such challenges within Canada that warrant greater public recognition and concerted action by the federal government are (1) poverty and (2) income/wealth inequality. Evidence shows that these phenomena profoundly impact the well-being of Canadians and the nation as a whole – injuring health, prosperity, security and democracy. Accordingly, they merit placement in the government’s “top five” priorities for policy and legislative attention, for example:

- To help pass Bill C-304 (*An Act to ensure secure, adequate, accessible and affordable housing for Canadians*);
- To help pass Bill C-545 (*An Act to eliminate poverty in Canada*); and
- To accept and move on the recommendations in the landmark, November 2010 HUMA Committee report on the federal role in poverty, notably the leading recommendation “that the federal government immediately commit to a federal action plan to reduce poverty in Canada...”.

Prime Minister, consistent with excellence in leadership, we suggest that your office help inform the public of realities such as the following:

- The cost of poverty to Canada has been estimated at \$72 to \$86 billion per year, or about 5-6% of GDP (Ontario Association of Food Banks);
- In Hamilton, there is a 21-year difference in life expectancy between people living in high and low income neighbourhoods (Hamilton Spectator);
- In March 2010, 867,948 Canadians (38% of them children) turned to food banks for food support – a 28% increase over March 2008 and the highest level of food bank use ever (Food Banks Canada);
- In 2010, 150,000 to 300,000 persons were visibly homeless, another 450,000 to 900,000 were “hidden” homeless, 1.5 million households were in “core housing need”, and 3.1 million households were in unaffordable housing (Wellesley Institute);
- In 2010, 59% of Canadian workers lived paycheque to paycheque, “saying they would be in financial difficulty if their paycheque was delayed by a week” (Canadian Payroll Association);
- In 2009, per capita household debt, at \$41,740, was 2.5 times higher than in 1989; in 2010, 20% of Canadians reported they had too much debt and trouble managing it (Certified General Accountants Association of Canada);
- In 2009, the average annual income (\$6.6 million) of Canada’s best-paid CEOs was 155 times higher than the average worker’s income (\$42,988); a third of all income growth in Canada over the past two decades has gone to the richest one percent of Canadians (Canadian Centre for Policy Alternatives);
- At the end of 2009, 3.8% of Canadian households controlled 67% of total household wealth (Investor Economics).

Prime Minister, it was Franklin Roosevelt (whose New Deal policies were instrumental in giving rise to the middle class in the U.S., a narrowing of inequality, and a prolonged period of prosperity) who said that “the test of our progress is not whether we add more to the abundance of those who have much: it is whether we provide enough for those who have little.” This same test applies to our governments.

How to prevent, reduce and eventually eliminate poverty in Canada, and how to arrest the growing chasm between rich and poor in Canada, are critical questions before Canada at the beginning of the second decade of the 21st century. What major steps will the federal government take in 2011 to address these two issues?

Yours truly,



Rob Rainer
Executive Director

Cc Members of Parliament and Senators
The Canada-wide network of Canada Without Poverty