

The Honourable Peter Taptuna
Premier of Nunavut
P.O. Box 2410
Iqaluit, Nunavut
X0A 0H0



Dear Premier Taptuna,

I am pleased to respond to your letter of September 21, 2015. Our Conservative Government believes that Canada's North is a fundamental part of our heritage, our future and our identity as a country. Building on our Government's vision for the North, we have taken action to ensure that Nunavut realizes its full potential by making life more affordable for Northerners, promoting economic prosperity, and exercising our Northern sovereignty.

Our Conservative Government has cut taxes and is making life more affordable for all Canadians. By reducing taxes year after year and enhancing direct benefits to Canadians, we have made sure that Canadians keep more of the hard-earned money so that they can make the choices that are right for them. Our low-tax plan will return, in 2015, as much as \$6,600 dollars of tax relief and enhanced benefits back into the hands of Canadian families. Since 2006, our Government has cut taxes and enhanced benefits for Canadians. For instance, we have:

- Cut the lowest personal income tax rate to 15 percent;
- Cut the GST from 7 percent to 5 percent;
- Created and enhanced the Tax-Free Savings Account (the vast majority of accounts belong to low and middle income earners);
- Enacted income splitting for families and elders; and
- Established and enhanced the Universal Child Care Benefit.

Canadians at all income levels are benefitting from the tax cuts and enhanced benefits introduced by our Government, with low- and middle-income Canadians receiving proportionately greater relief. We have lowered taxes every year since coming to office and the federal tax burden is at its lowest level in more than 50 years. Canadians are enjoying the benefits of low taxes and a balanced federal budget.

Our low-tax plan for Canadian families is working. And in this campaign we have committed to providing even more tax relief for families. We will also review the Northern Residents Deductions to ensure they are appropriate to the realities of living and working in Canada's North, including places like Nunavut.

Economic Development

Our Conservative Government understands the importance of laying the foundation for economic development and prosperity in Nunavut, while ensuring Northerners have a strong voice and development respects and protects the environment, including wildlife.

In 2009, we created the Canadian Northern Economic Development Agency (CanNor) to help ensure a stronger, more dynamic economy for Northern workers and businesses, by empowering Northern workers and businesses to benefit from the abundant resources and opportunities in the North. This Agency is the first of its kind in the North and is proudly headquartered in Nunavut. CanNor has invested more than \$81 million in over 300 projects across Nunavut since 2009, and we provided an additional \$40 million for the Strategic Investments in Northern Economic Development (SINED) Program from 2014 to 2016. In addition, a re-elected Conservative Government would renew SINED for an additional five years.

We have a low-tax plan that is ensuring job-creating businesses are able to invest in new jobs and new projects thanks to a world-class, competitive tax environment. Early in our time in government, we lowered the small business rate to 11 percent and increased the small business threshold by two-thirds, to \$500,000. The result of these changes is a small business with \$500,000 in taxable income is receiving \$28,600 in tax savings. We also introduced the Small Business Job Tax Credit for this year and next to provide over \$550 million in tax relief to over 780,000 small businesses.

Our latest budget – Economic Action Plan 2015 – set out a medium-term plan for lowering small business taxes even further. We legislated a further small business tax rate reduction from 11 percent to 9 percent over the next four years. This is the largest tax rate cut for small businesses in over 25 years. Actions taken by our Conservative Government will reduce taxes for job-creating businesses by \$14.7 billion in 2015–16 and have given Canada the lowest overall tax rate on new business investment in the G-7. We have created a world-leading, competitive tax environment for job-creating businesses.

In addition, we announced that a re-elected Conservative government will introduce an enhanced Mineral Exploration Tax Credit for Northern and remote projects to help support potential mines that face high costs because of their remote location and distance from transportation routes. The new Northern and remote enhancement would apply to projects that are located in Canada's territories.

Our Party has a low-tax, low-debt plan for Canadian business and the economy. The other parties have opposed every tax cut we have introduced and have promised to hike taxes on businesses and employees alike.

Our Conservative Government created the first every Northern Strategy and one of the four pillars was social and economic development. At the heart of this strategy is the people and that is why our Government is investing in Nunavummiut through skills training, Adult Basic Education (ABE), better housing and improved health care. Together, working in partnerships with the Government of Nunavut and Inuit organizations, our Party is confident we can continue to foster a vibrant Northern economy by growing the local workforce.

Infrastructure

Our Conservative Government recognizes the need for a strong network of transportation infrastructure in the territories since demand has intensified as a result of population growth, increased ecotourism and investment in resource development projects. To help unlock the economic potential of the North, the Government of Canada will continue to work with territorial governments and local municipalities to develop infrastructure in the North.

Our Conservative Government understands the positive impact that quality infrastructure has on economic growth, job creation and long-term prosperity. That is why our Conservative Government introduced the largest and longest federal investment in infrastructure in Canadian history. Federal investment in infrastructure has increased dramatically since 2006, and is at an all-time high. The New Building Canada Plan and our own federal infrastructure investments will see the Government of Canada invest nearly \$85 billion in infrastructure across the country over the next 10 years. We have made important investments in infrastructure in Nunavut. Since 2006, Nunavut has benefited from over \$321 million toward infrastructure improvements across the territory, more than six times the funding received under the former Liberal government.

These have included a federal contribution of up to \$77.3 million through the P3 Canada Fund for major improvements at the Iqaluit Airport, \$27 million toward improvements and upgrades to the Rankin Inlet Airport, \$49.7 million for Nunavut's first small craft harbour, in Pangnirtung, to support Nunavut's growing fishing industry, and the Canadian High Arctic Research Station in Cambridge Bay. In addition, our Conservative Government working with the Government of Nunavut will build a much needed port and small craft harbour in Iqaluit and improve marine infrastructure in Pond Inlet

Further, as a result of my 2013 meeting with Inuit leaders in Rankin Inlet we changed the criteria for the Building Canada and P3 Canada programs to ensure Inuit organizations were eligible to apply for project funding.

Working in partnership with the Government of Nunavut and Nunavummiut, we will continue to make vital investments in community, transportation and energy infrastructure through the New Building Canada Fund, both through the hundreds of millions earmarked for Nunavut, and through the National Infrastructure component of our plan. Infrastructure is the key to making lives easier and more affordable for Nunavummiut. Over the next ten years, Nunavut will benefit from approximately \$419 million in dedicated federal funding, including almost \$256 million under the New Building Canada Fund.

We have done this while lowering taxes and balancing the federal budget. We are the only party in this campaign that has committed to keeping the budget balanced and taxes low while making targeted, affordable investments that Canadians can count on.

Housing

A lack of affordable housing in Nunavut is a serious issue that is why we have made significant investments in ensuring Nunavummiut can access affordable housing, in partnership with the Government of Nunavut.

In 2013, our Conservative Government renewed an agreement with the provinces and territories that is providing \$1.25 billion over five years to design and deliver programs that improve access to housing. Provinces and territories can use funding for various activities, including new construction, renovation, home ownership assistance, rent supplements, shelter allowances, and accommodations for victims of family violence.

Our Government has recognized that Nunavut faces unique challenges in providing safe and affordable housing. That's why, our Government has invested over \$650 million in Nunavut to help provide Nunavummiut with safe and affordable housing since 2008. This includes Economic Action Plan 2013, where we provided \$100 million over two years to support the construction of new housing units.

In Budget 2015, our Government announced we will spend more than \$2.3 billion per year over the next four years to help ensure Canadians in need have access to affordable, sound and suitable housing. As always, this funding will flow to Nunavut.

Devolution

Our Conservative Government has a proven record of advancing our Northern Strategy, which includes improving and devolving northern governance. In October 2014, we took a significant step forward in the process of devolution by appointing a Chief Federal Negotiator. This step marked the beginning of the formal negotiations process aimed at giving Nunavut greater control over its lands and resources, while realizing the economic potential of the region, and ensuring that Nunavut remains an attractive place to live, work and invest.

Our Government recognizes that Nunavummiut should have a greater say about their own future. The appointment of a Chief Federal Negotiator brings us one step closer to giving Nunavummiut province-like decision making power over their own affairs which will expand the economic potential of their territory, stimulate job creation and growth for the country as a whole. Devolving northern governance must be done to benefit Nunavummiut.

Culture

As you know, our Conservative Government has worked hard to promote Inuit culture, language, and the arts in Nunavut. We were the first government in Canadian history to appoint and Inuk to Cabinet, where Leona brings a unique and valued perspective.

In partnership with the Government of Nunavut, we supported the Clyde River Cultural Facility, which is used by Elders to provide youth with the opportunity to maintain their cultural values. We have provided significant funding to the Inuit Broadcasting Corporation (IBC) to support the production of original, new television programming to be filmed and aired in Inuktitut, and for new equipment and facilities.

Our Government has also stood up for protecting the traditional hunting and use of seals in Inuit communities. We recognize that sealing is a way of life and a valuable source of food in many communities. Seal products also generate income in communities employment opportunities are scarce. In our most recent budget, we committed to establish a system to certify seal products resulting from hunts traditionally conducted by Aboriginal communities in order to meet the requirement set by the European Union. I am pleased to hear that your government has taken

important steps to become a certified body under the EU exemption. Further, we are taking concrete steps help Aboriginal sealers develop effective sealing businesses by providing business advice and training.

During Canada's Chairmanship of the Arctic Council, headed up by Leona, we made sure Northerners we at the forefront of the agenda. We made promoting and protecting Northern culture a priority by working closely with the circumpolar states, territorial governments, and permanent participants.

We have also ensured that Inuit Traditional Knowledge is better integrated into federal government decisions. Inuit perspectives have played an important role in the management of Northern wildlife including polar bears and narwhal.

Our Conservative Government has consistently made the North a priority, and we are the only party with a plan to see growth and development in Nunavut, while supporting and promoting Inuit culture.

Climate Change

Our Government will continue to work with the provinces and territories while respecting their jurisdiction. We will not force the provinces and territories into carbon-pricing schemes or impose carbon taxes that will kill jobs, damage our economy and raise the cost of everything, including gas, groceries, and electricity. To foster further collaboration, this summer, Minister Aglukkaq formally invited each provincial and territorial Environment Minister to join the Canadian delegation to the UN Climate Summit in Paris.

A Strong North

Our Government also understands the importance of hunting to Canada's heritage and to the North. We abolished the long-gun registry and we will never bring it back. It was ineffective in protecting public safety, unfairly targeted legal and law-abiding firearms owners in places like Nunavut and wasted billions of dollars. This Liberal initiative was bad public policy that poisoned the relationship between the federal government and Northern and rural Canada while having no impact on the criminal use of firearms.

Northerners have a choice between our plan to make their lives easier and more affordable through low taxes and strategic infrastructure investments, and the other parties' plans for a risky cap-and-tax carbon trading scheme, which will raise the cost of electricity, gas and diesel, groceries and home heating for Northern families. The Liberal and NDP plans would hurt the Northern economy and put jobs at risk. Only a re-elected Conservative Government's Northern Strategy will help the North realize its true potential as a healthy, prosperous and secure region, within a strong and sovereign Canada.

Sincerely,

Prime Minister Stephen Harper