

## Canada: PM announces State Funeral for the late Jim Flaherty

Written by - The Prime Minister's Office -

Friday, 11 April 2014 19:03 - Last Updated Friday, 11 April 2014 19:13

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April 11, 2014 Ottawa, Ontario - Prime Minister Stephen Harper today announced that a State Funeral will be held for the Honourable Jim Flaherty on April 16, 2014 in Toronto, in honour of his years of dedicated service to the Canadian people.

“Jim was a great friend and colleague, a dedicated family man, and an extraordinary Minister of Finance who sacrificed an enormous amount in his years of service to Canada and to Canadians,” said the Prime Minister. “He will be remembered with great affection and respect. Jim and his family remain in our thoughts and our prayers at this difficult time.” Details on the State Funeral will follow in due course.

The Prime Minister's Office

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### **Jim Flaherty [ From Wikipedia, the free encyclopedia ]**

James Michael "Jim" Flaherty, PC, (December 30, 1949 – April 10, 2014) was Canada's federal Minister of Finance (2006–2014) and also a former provincial Minister of Finance for Ontario (2001–2002). From 1995 until 2005, he was the Member of Provincial Parliament for

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Whitby—Ajax, and a member of the Ontario Progressive Conservative Party caucus and unsuccessfully sought the leadership of the provincial party on two occasions.

Flaherty won the riding of Whitby—Oshawa in the federal election held January 23, 2006 as a member of the Conservative Party of Canada narrowly beating Liberal incumbent Judi Longfield. He was re-elected in 2008 and 2011. Flaherty's widow, Christine Elliott, represents Whitby—Oshawa in the Ontario legislature.

### Education and early career

Flaherty was born on December 30, 1949 in Lachine, Quebec, the son of Mary (née Harquail), who was from a "prosperous family", and Edwin Benedict Flaherty, an entrepreneur and chemist. His parents were from New Brunswick, his father from Loggieville and his mother from Campbellton. He was the sixth of eight children. He attended Bishop Whelan High School and Loyola High School, Montreal. Flaherty attended Princeton University on a hockey scholarship where he received a Bachelor of Arts degree. He then received a Bachelor of Laws degree from Osgoode Hall Law School of York University.

He practised law for 20 years before formally entering politics in 1995. He was a founding partner of Flaherty Dow Elliott after splitting from Gilbert Wright and Flaherty. Flaherty Dow Elliot & McCarthy LLP, as it is now known, is a law firm specializing in motor vehicle accident and personal injury litigation.

### Provincial politics

He first ran for the Ontario legislature in the provincial election of 1990, finishing third against New Democrat Drummond White and Liberal Allan Furlong in the riding of Durham Centre. He ran again and was elected in the 1995 election.

### Cabinet

He was named Minister of Labour in the cabinet of Premier Mike Harris on October 10, 1997, and kept this position until after the 1999 election. He also served as interim Solicitor General and Minister of Correctional Services from April 27 to July 27, 1998.

Flaherty was re-elected in the 1999 election in the redistributed riding of Whitby—Ajax, and was named Attorney General with responsibility for Native Affairs on June 17, 1999. On February 8,

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2001, he was appointed Minister of Finance and Deputy Premier. He was a key promoter of tax credits for parents sending their children to private and denominational schools, which the Tories had campaigned against in 1999.

### **2002 Ontario PC leadership bid**

Flaherty ran to succeed Harris in the 2002 PC leadership election, but lost to frontrunner Ernie Eves, his predecessor as finance minister. Flaherty's campaign featured attacks on Eves, calling him a "serial waffler" and a "pale, pink imitation of Dalton McGuinty".

Flaherty's leadership campaign focused on "law and order" themes, and one of his proposals was to make homelessness illegal. His purported plan was to have special constables encourage homeless persons to seek out shelters or hospitals. He argued that his policy would save the lives of homeless persons; leadership rival Elizabeth Witmer and other critics described it as callous, and ineffective against the root causes of homelessness.

Flaherty also promised to implement further tax cuts, carry through with plans to create a tax credit for parents sending their children to private school, and privatizing the Liquor Control Board of Ontario. Flaherty also emerged as a social conservative in this campaign, particularly a staunch stance against abortion and his association with pro-life groups. On April 15, 2002, Eves demoted him to the less-prominent position of Minister of Enterprise, Opportunity and Innovation. Flaherty retained this position until the Tories were defeated in the provincial election of 2003. Flaherty himself was re-elected by a reduced margin

### **Opposition and 2004 Ontario PC leadership bid**

Following the defeat of the Conservatives, Eves announced that he would resign as leader in 2004. Flaherty declared himself a candidate to succeed him, but was defeated by John Tory by a margin of 54% to 46% on the second ballot of the PC leadership election held on September 18, 2004. His supporters included former cabinet ministers John Baird, Tim Hudak and Norm Sterling. His 2004 leadership campaign was similar to that of 2002. He emphasized fiscally conservative themes, including further tax cuts and greater privatization. He promised to create EXCEL scholarships, whereby students attaining high grades in high school would have half their university tuition paid by the government. Until 2005, Flaherty served as finance critic in John Tory's shadow cabinet.

### **Federal Finance Minister**

On June 13, 2005, the Canadian news website [bourque.org](http://bourque.org) reported that a meeting of

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prominent Conservative organizers and fundraisers had been held to plan for a Flaherty bid for the leadership of the federal party should Stephen Harper resign. In December 2005, the 2006 general election was called. Flaherty resigned his seat in the Ontario legislature to run for the Conservative Party of Canada in the riding of Whitby—Oshawa, narrowly unseating incumbent Judi Longfield.

Flaherty's wife, Christine Elliott, won Flaherty's former provincial seat in a by-election, defeating Longfield who was running as the provincial Liberal candidate. This marked the first time in Canadian history that a husband and wife have simultaneously represented the same electoral district at two different levels of government.

On February 6, 2006, Flaherty was sworn in as Minister of Finance in Stephen Harper's new Conservative Cabinet. He was also appointed Minister Responsible for the Greater Toronto Area, because he is the Member of Parliament for Whitby-Oshawa. In his capacity as Minister of Finance, he serves as a Governor of the World Bank and the International Monetary Fund

He announced his resignation from the cabinet on March 18, 2014.

October 31, 2006 income trust announcement[edit]Flaherty was a central figure in the debate surrounding the new proposed rules for taxation of Canadian income trusts. His announcement on October 31, 2006 of a rule change to tax income trusts levelled the playing field between forms of business such that businesses operating as income trusts no longer enjoyed a tax advantage over businesses operating as corporations. The announcement was accompanied by a further planned reduction in the corporate rate so that the two moves together were not expected to generate additional revenue for the government.

Flaherty said that income trusts would cost the government \$500 million annually in lost tax revenue and shift the burden onto ordinary people. The Canadian Association of Income Trust Investors said that foreign takeovers of Canadian income trusts have had the opposite effect and caused decrease in federal government tax revenues.

Diane Francis, editor-at-large for the National Post, urged that the rule changes be recanted, arguing that there were flaws in the policy which hurt ordinary, hard-working Canadian investors.

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Special hearings by the House of Commons Standing Committee on Finance commenced January 30, 2007. John McCallum, the Liberal finance critic, asked Flaherty to explain the reasoning behind the change in income trust tax policy. McCallum said "Your first problem is that having lured hundreds of thousands of ordinary Canadians into income trusts by promising not to raise taxes you then cut them off at the knees."

On February 28, 2007, the committee released their report, Taxing Income Trusts: Reconcilable or Irreconcilable differences?, recommending a reduction of the proposed tax to 10% from 31.5%.

### **Fullard opposition**

On August 21, 2008, Brent Fullard, president of the Canadian Association of Income Trust Investors, challenged Flaherty to debate supposed tax leakage associated with income trusts. Fullard announced he would put up \$50,000, payable to his favorite charity. Given the minister's "current crusade on financial literacy," Fullard believed a suitable charitable cause would be a scholarship for business education. "By doing this we could help repair the damage caused by the Minister's statement that Ontario is the last place to invest." Flaherty turned down the request. "The tax fairness plan is law. The Minister made his position clear before the finance committee and there is no need for further debate," according to his press spokesperson.

### **Registered Disability Savings Plan**

In Budget 2007, Flaherty introduced the Registered Disability Savings Plan (RDSP). The RDSP is a long-term savings plan to help Canadians with disabilities and their families save. The RDSP resembles its other saving counterparts, the RRSP and the RESP, and is meant to ensure a secure future for people with disabilities. The Government assists these families by contributing through grants and bonds that supplement contributions.

### **Tax-Free Savings Account**

In Budget 2008, Flaherty introduced the Tax-Free Savings Account (TFSA), a flexible, registered, general-purpose savings vehicle that allows Canadians to earn tax-free investment income to more easily meet lifetime savings needs.

The measure, which came into effect on January 2, 2009, has clear differences with the Registered Retirement Savings Plan (RRSP). There is a tax deduction for contributions to an

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RRSP, and withdrawals of contributions and investment income are all taxable. In contrast, there are no tax deductions for contributions from the account. Beginning in 2013, contribution room in the TFSA has increased to \$5,500 per calendar year. The Canada Revenue Agency describes the difference between the TFSA and an RRSP as follows: "An RRSP is primarily intended for retirement. The TFSA is like an RRSP for everything else in your life."

Flaherty's measure was supported by many organizations, including the C.D. Howe Institute, which stated: "This tax policy gem is very good news for Canadians, and Mr. Flaherty and his government deserve credit for a novel program."

### **EUROMoney Magazine**

In 2009, Flaherty received an award from EUROMoney Magazine, naming him Finance Minister of the Year. Flaherty is the first Canadian to hold this honour. It says he "enhanced his country's reputation for sound fiscal policy that takes full account of social justice, while a strong regulatory regime has kept the financial sector out of the chaos."

Federation of Canadian Municipalities report on infrastructure[edit]Flaherty responded to a report from the Federation of Canadian Municipalities that suggested that cities had an infrastructure deficit of \$123 billion and the federal government should step up with some cash with the suggestion cities should stop "whining" and repair their own crumbling infrastructure.

Calgary Mayor Dave Bronconnier claimed Flaherty sidestepped responsibility for billions in infrastructure dollars being sought, when Flaherty advised municipalities to "do their job" because the feds are "not in the pothole business". "Let's get on with the job and stop complaining about it and do their job", Flaherty continued, noting the Building Canada fund will inject \$33 billion into cities to help deal with the infrastructure crunch. However Bronconnier said the plan is merely a "repackaging" of a number of pre-existing funding arrangements. The Building Canada Fund was strongly criticized for being designed to fail, due to excessive red tape, which has delayed much of the funding from being awarded.

Mississauga Mayor Hazel McCallion went further by issuing a challenge to Flaherty to publicly debate the need for permanent federal funding for the repair and upkeep of municipal roads and bridges. McCallion said "Flaherty has stated in the media that some of the municipalities have not kept up with infrastructure and did not establish adequate reserves. Well, I can tell him that he is dead wrong. The facts are that Mississauga has carefully set aside reserves for infrastructure for years." McCallion noted that cities are trying to maintain 58 per cent of public

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infrastructure with eight cents of every tax dollar. Flaherty did not accept Hazel McCallion's offer to debate.

### **Department of Finance contracts questioned**

Flaherty said his office broke government contracting rules in hiring MacPhie & Company to help write the 2007 budget speech and provide advice on how to sell the document. MacPhie & Company was awarded the \$122,000 contract without tender by Flaherty's office. On February 7, 2008, Liberal finance critic John McCallum formally called on Auditor General Sheila Fraser to conduct an audit into the untendered contract awarded by Flaherty to MacPhie & Company for work done in advance of the 2007 budget.

The Toronto Star determined that several people who supported Flaherty when he was an Ontario cabinet minister or who supported his two failed bids to lead the Ontario Tories were awarded employment contracts or given appointments. The employment contracts awarded were under the \$25,000 Treasury Board contract bidding limit. Bronwen Evans received a \$24,877.50 contract to write speeches for Flaherty from June 2006 until last February. David Curtain, who worked on Flaherty's Ontario leadership campaign, received \$24,877.50 to write the finance minister's first budget speech. Curtain was also paid \$3,350 to write a keynote address earlier in 2008 for Flaherty. Lawyer James Love, who donated \$63,000 to Flaherty over two leadership campaigns, was appointed to the Royal Canadian Mint. Another Flaherty donor, Carol Hansell, was appointed to the board of directors of the Bank of Canada in October 2006. Toronto family law lawyer Sara Beth Mintz, an Ontario Progressive Conservative Party vice-president, received \$24,900 for budget "analysis, assessment and advice." MacPhie & Company also got another contract for \$24,645 for work done on Advantage Canada, a long-term, national economic plan. Opposition parties said they were suspicious that contracts were coming in just under \$25,000 in order to give business to Flaherty's friends and supporters.

On May 13, 2008, Flaherty appeared before the Public Accounts committee, facing questions about multiple sole-sourced contracts worth more than \$300,000 that were given by the government. Flaherty says he was unaware his former chief of staff broke government rules in handing a well-connected Tory an untendered contract to write the 2007 budget speech.

### **Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act is American legislation that requires cooperation, legal and financial, from Canada (and other nations), in order to be implemented. The official reason given for this legislation was efforts to crack down on tax evasion. However, in a letter Flaherty sent to U.S. newspapers in September 2011, he said the law would waste resources

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and raise privacy concerns. On February 5, 2014, Flaherty signed Canada on as a participant to FATCA through an Intergovernmental Agreement (IGA).

### **Abolishing the penny**

While announcing Economic Action Plan 2012 on March 29 in the House of Commons, Flaherty explained that, by February 2013, the government would be phasing out the penny. The cost to produce each new penny was 1.6 cents, which exceeded the penny's face value by 0.6 cents. The estimated savings for taxpayers from phasing out the penny is about \$11 million a year. Even though the government eliminated the penny from circulation, Canadians can continue to use pennies for cash transactions indefinitely for businesses that choose to accept them or they can redeem rolled pennies at their financial institutions.

### **Building Canada Plan**

On May 21, 2013, Flaherty introduced his 2013 Budget. The Budget contained a new Building Canada Plan for the construction of public infrastructure such as roads, bridges, transit and port facilities.[46] The plan provides \$53 billion in investments to support local and economic infrastructure projects, including more than \$47 billion in new funding over 10 years, starting in 2014–2015.

### **Budgets presented**

Flaherty presented nine budgets to the Canadian Parliament as Minister of Finance.

2006 Canadian federal budget

2007 Canadian federal budget

2008 Canadian federal budget

2009 Canadian federal budget

2010 Canadian federal budget

2011 Canadian federal budget (presented in March 2011 and again in June).

2012 Canadian federal budget

2013 Canadian federal budget

2014 Canadian federal budget

### **Resignation from Cabinet**

On March 18, 2014, Flaherty announced that he was resigning as Minister of Finance in order to return to the private sector. While he had openly discussed health challenges associated with managing bullous pemphigoid, including taking prescription steroids, he said the decision was

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reached after many months of consultation with his family and that his health was not a factor in his decision. Flaherty continued sitting in the House of Commons as an MP until his death three weeks later.

### **Personal life and death**

Flaherty grew up in a Catholic family in Montreal, and was of part Irish descent. As a youth he was an avid hockey player and won a hockey scholarship to Princeton University.

Those familiar with Flaherty's work as a lawyer noted his dogged determination and a strong work ethic. One colleague[who?] said, "He is a driven person ... and certainly is prepared to do what is necessary in terms of time and hard work to achieve what he believes is right". He assisted in several volunteer causes, including being the president of the Head Injury Association of Durham Region in Ontario.

His widow, Christine Elliott, is the Progressive Conservative Member of Provincial Parliament for Oshawa–Whitby, east of Toronto. The couple lived in Whitby with their triplet sons John, Galen and Quinn, who were born in 1991.

In January 2013, Flaherty announced he had bullous pemphigoid. He was treated with prednisone, a corticosteroid with powerful known side effects.

Flaherty died on April 10, 2014 at his home in Ottawa after suffering a heart attack at the age of 64.[56] One doctor, in commenting on Flaherty's medical condition, said, "When you see someone of his age pass away and it was, for all intents and purposes, suddenly, you have to start asking these types of questions [about side-effects]."

A state funeral is scheduled to be held for Flaherty on April 16, 2014.

Courtesy: [http://en.wikipedia.org/wiki/Jim\\_Flaherty](http://en.wikipedia.org/wiki/Jim_Flaherty)