

30 June 2025

Office of the Prime Minister  
80 Wellington Street  
Ottawa ON K1A 0A2

Office of the Minister of Finance  
90 Elgin Street  
Ottawa ON K1A 0G5

**Open Letter: Canada cannot afford to concede more to foreign tech giants**

Dear Prime Minister Carney and Minister Champagne,

We are a group of patriotic Canadians and civil society organizations who care deeply about the future of Canada. We are disappointed by the government's decision yesterday to both halt collection of the Digital Services Tax and eventually repeal the *Digital Services Tax Act*. As a result, on Canada Day, foreign tech giants will enjoy an immediate \$2.5 billion windfall and a \$7.2 billion tax break over the next 5 years. While we recognize the difficult choices facing the government, we feel that we cannot 'build Canada strong' while surrendering ever more of our digital sovereignty and security.

We urge the Government of Canada to:

- (i) Find ways to use foreign tech giants' massive untaxed profits to fund homegrown alternatives, despite proposing that Parliament repeal the *Digital Services Tax Act*
- (ii) Strengthen Canada's digital sovereignty in trade negotiations and in undertaking a reset of Canada's forward digital policy agenda, and
- (iii) Make no further concessions to foreign tech giants, including on legislation passed by Parliament (the *Online Streaming Act*, *Online News Act*) or in addressing urgent matters including combatting online harms, regulating artificial intelligence, ensuring the integrity of the information environment (including for health information), protecting privacy, among other measures to rein in foreign tech giants' negative impacts on our economy and society.

Foreign tech giants, especially U.S.-based companies, have made hundreds of billions of dollars in Canada in recent decades and yet have not paid their fair share in taxes. Many enjoy tax breaks on digital advertising paid for by Canadians thanks to a loophole in the *Income Tax Act*. We are one of the largest digital markets in the world, with a highly online population, skilled workers, and innovative companies. Yet in 2023 alone, U.S. tech giants made \$20.7 billion in Canada from distributing online content. U.S. tech giants are crushing domestic competition, dominating our markets and imposing a range of externalities on

Canadians. They profit from the amplification of online harms, including the spread of false and manipulated information, hurting the mental and physical health of children along with all Canadians. They are eroding the economic basis for the professional news media and feeding the toxification of our increasingly digital public sphere upon which our democracy depends.

The Digital Services Tax is a modest yet much-needed measure that will ensure foreign tech giants are more fairly taxed and held accountable for their enormous power over Canada's society and economy. We are disturbed to see the alignment of CEOs of Alphabet, Meta, Apple, Amazon and X Corp. with the current U.S. administration's agenda, which threatens Canada's political and economic independence.

Rather than repealing the DST, we urge you to consider how foreign tech giants' massive unfair profits in Canada could be taxed to invest in Canada's digital sovereignty, building homegrown alternatives to U.S. monopolies. At many times in our history, Canada has invested to build communications infrastructure in the national interest. Canadian companies can help build platforms, networks, and tools that reflect Canadian values, strengthen our cultural and information ecosystems, and nourish our diversity as a country with two official languages and three founding peoples – Indigenous, French and English – so that Canadians in communities across our far-flung country can better serve their own needs to communicate and connect.

We note that the U.K. did not make concessions to their digital services tax to get a trade deal with the US.

We stand ready to help our government, to inform and rally Canadians to help build our digital sovereignty and a better digital society.

Regards,

Organizational signatories

ACTRA National  
Amanda Todd Legacy Society  
Broadbent Institute  
Canadian Anti-Monopoly Project  
Canadian Centre for Policy Alternatives  
Canadian Centre for Child Protection  
Canadian Federation of Nurses Unions  
Canadian Medical Association  
Canadian Media Guild  
Canadians for Tax Fairness  
Centre for Media, Technology and Democracy

Children's Healthcare Canada  
Community Radio Fund of Canada  
The Dais  
Documentary Organization of Canada  
Friends of Canadian Media  
Goodbot Society  
Inspiring Healthy Futures  
Open Media  
Pediatric Chairs of Canada  
Reset Tech  
Unifor National & Local 87-M



### Individual signatories

Mike Ananny, former advisor to Canadian Heritage on the future of CBC/Radio-Canada, and Associate Professor of Communication and Journalism, University of Southern California

The Right Honourable Adrienne Clarkson, CC

Linda McQuaig, author and journalist

Taylor Owen, Director of the Centre for Media, Technology and Democracy and Associate Professor at McGill University

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Leslie Regan Shade, Professor Emerita, Faculty of Information, University of Toronto

Paul Vallée, CEO of Tehama.io

Dwayne Winseck, Director Global Media and Internet Concentration Project, and Professor School of Journalism and Communication, Carleton University

CC:

The Hon. Steven Guilbeault, Minister of Canadian Culture and Identity

The Hon. Melanie Joly, Minister of Industry

The Hon. Evan Solomon, Minister of Artificial Intelligence and Digital Innovation

Tom Pitfield, Principal Secretary to the Prime Minister

Marco Mendicino, Chief of Staff to the Prime Minister

David Lametti, incoming Principal Secretary to the Prime Minister

Marc-Andre Blanchard, incoming Chief of Staff to the Prime Minister

Michael Sabia, Clerk of the Privy Council

Chris Forbes, Deputy Minister of Finance

Isabelle Mondou, Deputy Minister of Canadian Heritage

Phillip Jennings, Deputy Minister of Innovation, Science and Economic Development Canada

Mark Schaan, Deputy Secretary to the Cabinet for Artificial Intelligence, Privy Council Office