December 19, 2008

Dear Friends,

Earlier this week, our offices received a letter from Finance Minister Jim Flaherty asking for input into the Conservative government's Pre-Budget Consultations.

Normally, these consultations are done by the all-party Finance Committee of the House of Commons. But since the government shut down Parliament in early December, committees are not able to do their work.

Nonetheless, we believe that it is essential to consult, not just with MPs, but with average Canadians and key stakeholders about what needs to be included in the federal budget.

Given time constraints and the holiday period, we thought it best to solicit your input in writing. That way you can prepare your thoughts at a time that's convenient for you.

As a key leader in our community, we would particularly encourage you to include answers to some of the following questions in your submission:

1) GENERAL BUDGETARY POLICY
   • Do you agree that the top priority for the government's 2009 budget should be an economic stimulus package?
   • Should this package be limited to investments in banks and corporations or, given that investments in social programs is effective at job creation, should investments in social infrastructure be included in the stimulus measures?
   • Do you have suggestions for how parties should work together in Parliament to address the economic downturn?

2) INFRASTRUCTURE, TRANSIT AND HOUSING
   • New Democrats have been advocating for some time that transit must become a higher priority for all levels of government, do you agree?
   • We have argued for permanent and stable investments in public transit through dedicating one cent of the existing gas tax to transit. Would you support this measure?
   • Are there other measures you want to suggest to help encourage greater use of public transit?
   • Many experts are advising that stimulus measures must provide both immediate and long-term help. Do you agree that this package must be more than just a few short-term measures?
   • Many have said that new, urgent investment in infrastructure is crucial to allow communities to address employment, environment and equity issues, do you agree?
   • Do you agree that infrastructure investments should include a made-in-Canada procurement policy for the federal government?
   • We have been calling for fast-tracking projects that are ready to begin construction and accelerating already planned infrastructure spending. Do you have other suggestions for infrastructure investments?
• How high a priority should it be for the government to make dedicated infrastructure investments in a comprehensive housing program?
• Would you agree with expanding the mandate of the Canadian Housing and Mortgage Corporation to help kick-start the housing market?
• We have been advocating a program to expand energy efficiency retrofits for Canadian houses and buildings, an initiative that would help create new jobs while also addressing the urgent need to reduce greenhouse gas emissions. Do you agree that we need a much more ambitious energy retrofit program than what has been committed to so far?

3) SECTOR SUPPORT
• Investments in certain sectors, like child care, health care and other social sectors, are the efficient investments in terms of creating new jobs. Do you agree that investing in new doctors and nurses, expanding home care and creating new child care spaces should be made a priority in any stimulus package?
• Many agree that there must be immediate assistance for struggling manufacturing, auto and forestry sectors. Do you agree?
• What priority should be placed on training in any stimulus package, especially retraining workers thrown out of work by the shutdown of manufacturing facilities in so many communities?
• Do you have suggestions for how efforts to help save manufacturing jobs can work alongside efforts to create new good jobs in the new energy economy?
• Some have expressed concerns that any financial assistance or loans provided to struggling sectors must come with assurances for taxpayers, for example a plan to transform their company to return it to profitability, a plan to make their sector environmentally sustainable, ensuring public accountability for any money or credit extended. What conditions do you think should be put on any “bail-out” money provided for key sectors in crisis, such as automotive or forestry?

4) INCOME SECURITY AND SUPPORTING FAMILIES
• With thousands facing unemployment and families being increasingly squeezed by the economic crisis, we believe that government has a responsibility to help buffer Canadians from the effects of the fiscal crisis. Do you agree that during this recession the federal government has a responsibility to help Canadians, especially the most vulnerable?
• Do you have suggestions for measures to help children and families, especially addressing the fact that childcare we have seen almost no growth in creating childcare spaces?
• Do you have suggestions for how we can ensure the EI system is adequate to dealing with the hundreds of thousands of workers losing their jobs as a result of this fiscal crisis?
• Can you suggest measures to better protect pensions and seniors economic security?

5) WORKING WITH THE NEW U.S. ADMINISTRATION
• With a new more progressive and active government elected in the US, do you have suggestions for how we can work better with the new administration?
• Some areas of common concern with the new administration include moving quickly on a stimulus package, moving forward with a North American cap and trade system and working together on improving NAFTA. What should be our priorities in discussions with the new administration with respect to economic and trade issues?

6) CONCLUSION
• Based on this discussion, what are your top five priorities for the government to include in the 2008 budget?

As noted above, the government has severely limited the opportunities for key stakeholders to be heard. However, if you could get us your submission by January 9th, we will ensure that it informs the ensuing discussions on Budget 2009. Just mail, e-mail or fax your reply to any one of our offices at the addresses below.
As well, we have taken the liberty of enclosing the policy agreement that was signed by the Leaders of the NDP, Liberal Party and Bloc Quebecois. If you support any of the key progressive stimulus elements and would like to see them in the Budget, we would strongly encourage you to express your support for those directly to the Minister of Finance by January 10, 2009. You can contact him (postage-free) by sending your letter to: The Hon. Jim Flaherty, Minister of Finance, House of Commons, Ottawa, ON, K1A 0A6. We would appreciate receiving a copy of your reply.

Thank you for participating in this budget consultation despite the time constraints.

With best wishes for the New Year,

[Signature]

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COALITION POLICY ACCORD TO ADDRESS FINANCIAL CRISIS

Coalition commits to fiscal responsibility, a progressive agenda and a belief in the role of Government, respecting provincial and territorial jurisdiction

FISCAL PRINCIPLES OF THE COALITION
- Accord built on a foundation of fiscal responsibility
- Canadian economy has been severely weakened since the last federal budget
- According to the Parliamentary Budget Officer the federal government is in deficit and the policies of the Conservative government has made the fiscal crisis worse
- A stimulus is needed, the international community has agreed and we will deliver
- The coalition commits to return to surplus within four years

ECONOMIC STIMULUS PACKAGE
Coalition government’s top priority is a stimulus package to address the financial crisis. We will:
- Accelerate existing infrastructure funding
- Invest in substantial new infrastructure investments, including:
  □ municipal and inter-provincial projects
  □ transit
  □ clean energy
  □ water
  □ corridors and gateways
  □ urgent infrastructure needs of First Nations, Métis and Inuit
  □ housing construction and energy retrofits
- Create and save jobs by investing in key sectors, like manufacturing, forestry and automotive
- Ensure any help for key sectors is contingent on a plan to transform these industries and return them to profitability and sustainability

RAPID SUPPORT FOR THOSE MOST AFFECTED BY THE ECONOMIC CRISIS
Workers
- Facilitate skills training to keep pace with the rapidly changing economy
- Guarantee all revenue from EI premiums provides benefits and training for workers
- Eliminate the current two week EI waiting period
Seniors and older workers
- Lower the minimum required RRIF withdrawal for 2008 by 50 per cent
- Reform bankruptcy and insolvency laws to better protect pensions
- Implement an income support program for older workers
Children and families
- As finances permit, improve child benefits and work with the provinces to move forward with an early learning and childcare program

OTHER PRIORITIES TO STIMULATE THE ECONOMY
- Support for culture, including the cancellation of Conservative budget cuts
- Implement immigration reform
- Preserve the Canadian Wheat Board
- Reinstall funding to non-profit economic development organizations

WORKING WITH OUR INTERNATIONAL PARTNERS
- Work with new Obama administration, including pursuing a North American cap-and-trade market with absolute emission targets
- Work with the international community, particularly with G-20 partners, in pursuit of an effective new global financial architecture.
January 7, 2009

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Dear Members:

Re: Hamilton NDP Caucus Letter dated December 19, 2008

I would like to begin by offering you all the best in the New Year.

As your letter (dated December 19, 2008) only came to the City of Hamilton’s attention on January 5, 2009, unfortunately, the City is not in a position to formally respond to your submission deadline of January 9, 2009.

I will forward this letter to Hamilton City Council for their consideration and direction on January 12, 2009. I, frankly, do not know if we will be able to provide a full response to all the questions. However, in the interim I am attaching a document which outlines the City of Hamilton’s Priorities should the Province or Federal Government decide to provide additional funding to the City of Hamilton.

Thank you.

Sincerely

Mayor Fred Eisenberger

Encl. (1)
2008
HAMILTON PRIORITIES
A Partnership: City of Hamilton
Government of Canada
Opportunities for ongoing support and participation.
HAMILTON PRIORITIES

As one of the oldest cities in Ontario, the City of Hamilton faces significant pressures with regard to the age of our infrastructure relative to the rest of Canada.

We have made progress on a number of important local, national and internationally recognized initiatives including: Hamilton Harbour Remediation, Solid Waste Management and Brownfield redevelopment.

The City of Hamilton acknowledges the support of the Federal government through previous Federal contributions and how future Federal investments will help Hamilton grow. These include: Randle Reef Remediation ($30M) and funds for the Hamilton General Hospital ($35M).

The following highlights priorities for Hamilton where ongoing support and participation by the federal government would be of significant benefit.

INFRASTRUCTURE
- Infrastructure Funding
- Water and Wastewater

GROWING OUR ECONOMY
- Brownfield Funding
- Employment Lands/New Business Parks

SOCIAL INVESTMENT
- Early Learning and Child Care
- Affordable Housing and Homelessness

TRANSPORTATION
- Transportation Infrastructure
- Niagara-GTA corridor
- Downtown

HARBOURFRONT DEVELOPMENT
- Relocation of CN Marshalling Rail Yard
- Remediation of Former Heavy Industrial Sites
- Setting Sail Master Plan Implementation
INFRASTRUCTURE
The City of Hamilton is one of the oldest cities in Ontario. The costs of maintaining and replacing existing infrastructure, which in many cases exceeds 100 years old, accounts for a significant portion of the City's annual capital budget.

Infrastructure Funding
Hamilton is allocating its budget to the rehabilitation and reconstruction of recreation, housing and corporate facilities, as well as roads and bridges. Participation from other levels of government would allow the City to maintain pace with the identified needs.

- Ideally, the City should be spending $165 million per annum on infrastructure repair and rehabilitation.
- In 2008 the City of Hamilton is spending approximately $63 million which results in an approximate $100 million annual infrastructure deficit.
- Urban Intensification Fund - A $20 million one-time contribution to assist in the costs of intensification on the City's main Street commercial areas. In particular, this would be applicable to all CIP (Community Improvement Plan) areas that would convert upper floors of commercial to residential by compensating for the waived DCs.
- Gateway Welcome Centre: Greater integration and high levels of partnership will help to stabilize and grow the Gateway as an important contributor to the economy and a significant area of economic growth - $4-5 million project.
- Energy Management Funding - $10.1 million
- The City of Hamilton is likely to play a key role in hosting the 2015 Pan Am Games and recognizes the Federal government's commitment as a substantial partner in the investment of sport infrastructure for Hamilton.

Water & Wastewater
Hamilton has limited financial ability to support new growth requirements – existing wastewater and wastewater infrastructure is in a deteriorated condition. Increased investment in municipal infrastructure is imperative.

- A total of $1.6 billion in funding is required in the next 10 years in order to upgrade the current systems.
- Plans have been developed to address these problems and the development of a stable partial funding source is underway. The correct funding strategy assumes further provincial/federal funding commitments of approximately $175 million.
GROWING OUR ECONOMY

Brownfield Funding
Historical Land Use Inventory shows there are 1386 “sites of interest” representing over 7,000 acres of land in the City. These Brownfield sites have direct impacts on economic growth in Hamilton such as: lower property values, minimum assessment, difficulty in securing financing for their redevelopment, an unfavourable image of the City, maintenance of underutilized infrastructure and a lengthy redevelopment process.

• Direct Brownfield Funding is necessary to meet the city’s current Land Use goals and the rejuvenation of sites to meet employment land needs. This would include remediation of orphaned sites or properties where it is uneconomical to redevelop based on the extent of contamination.

Total Project Cost Estimate: $50 million.

Employment Lands
The North Glenbrook Industrial Business Park & the Airport are key employment land zones that require development.

• Hamilton is currently tripling its employment lands supply over the next three years. The new North Glenbrook Industrial Business Park (NGIBP) will boast 680 acres (+100 municipally owned) at the junction of the Lincoln Alexander Parkway and the newly opened Red Hill Parkway.

• The Airport employment lands, currently in the planning process, have the potential of adding 2000 acres of employment lands to Hamilton’s supply. These lands are situated adjacent to Hamilton’s 24/7 Airport and Highway #403, a major transportation corridor to Michigan and New York.

• The extension of sanitary, storm and water to the Airport Employment Growth District (AEGD) and the completion of the NGIBP coupled with the need to meet ‘Places to Grow’ targets for population & employment will require significant funding over the next decade.

Total Project Cost Estimate: $50-90 million
SOCIAL INVESTMENT

One in five residents of Hamilton experiences the direct effects of poverty on a daily basis. This affects the overall well-being of our community, with both social and economic costs. It results in higher costs to the health care, education, justice and social services systems and prevents individuals and families from participating fully in the life of the community.

Critical investment areas to address these social challenges and help make Hamilton the Best Place to Raise a Child include:

1) Investing in children and families;
2) Investing in labour force and skills development; and
3) Investing in affordable housing and homelessness prevention.

Early Learning and Child Care

Investment in early learning and child care—supporting children to achieve their optimal intellectual, social and physical development—is fundamental to the development of healthy, successful communities. Only 11% of Hamilton children under 12 who require some form of non-parental care currently have access to a regulated child care space.

- The wait-list for child care fee subsidies is over 700 children to date and is growing. Hamilton has a $2.8 million shortfall in 2008 in existing system wide funding pressures which includes the wait list.

- Remaining funding from the 2005 Federal-Provincial Bilateral Agreements will expire in 2010, resulting in a shortfall of funding to Hamilton of $15 million annually. This will cause significant instability to the Early Learning and Child Care system in Hamilton.
Housing and Homelessness

Hamilton has a successful track record of addressing homelessness and providing affordable housing in our community, however ongoing assistance is needed to avoid significant reductions in service.

- Hamilton has received approximately $4 million annually under the federal Homelessness Partnership Initiative (HPI) and its predecessor program; however HPI is scheduled to end March 31, 2009. HPI has been instrumental in funding programs and services to reduce and prevent homelessness, particularly in the area of supportive and transitional housing. $4M annually is required to continue this work. The continuation of previous programs and related funding levels is necessary for the well-being of our community.

- The federal Residential Rehabilitation Assistance Program (RRAP) has been an important funding source for Hamilton to maintain its aging housing stock. As an older city, Hamilton has over 40% of its rental stock in need of either minor or major repairs. RRAP is scheduled to end March 31, 2009; Hamilton would require an ongoing allocation of $2 million annually to continue with this program. The continuation of previous programs and related funding levels is necessary for the well-being of our community.

- Hamilton made full use of allocations under the Canada-Ontario Affordable Housing Program to provide new affordable housing, and our community has the capacity and the need to develop more. Funding for 200 units of affordable housing annually is needed.
TRANSPORTATION

Transportation Infrastructure
Hamilton offers multi-modal transportation advantages not available in any other Ontario municipality. These include:

• a 24/7 international airport
  (#1 cargo/courier airport)

• Canada’s most active inland port

• CP, CN and Southern Ontario short track rail service

• Highways QEW, #403, Highway #s 6, 8, 56, 20, the Lincoln Alexander Parkway and Red Hill Parkway

Niagara-GTA corridor
The proposed Niagara-GTA transportation corridor is forecasted to have tremendous economic impacts for Hamilton. It will be a multi-modal corridor that will maximize rail capacity, while addressing underutilized ports and facilitate plans for future road requirements. The identified benefits include:

• By 2030 an estimated 130,000-170,000 new jobs created in the Niagara-GTA region with nearly $7.0 - $9.0 billion in additional income and $3.4 to $4.4 billion in new tax revenue.

• This is an average annual benefit of 7,700 jobs, $400 million in income, and $195 million in tax revenue

• The construction and completion of the Niagara-GTA corridor could lead to an average of 2.73% growth versus the current 1.03% for the Hamilton and Niagara regions

• Within 15 years after completion of the corridor, the economic development opportunities are estimated at 76,000 – 101,000 new jobs and $2.6 - $3.2 billion in new income.

• The corridor is just not about attracting new business – its preventing the loss of existing businesses. The study identifies that failure to invest in the Niagara-GTA corridor with highway and rail capacity would result in the loss of $2.4 billion in income and more than 30,000 jobs in Hamilton and Niagara by 2030.

Source: Wilbur Smith & Associates

Downtown
• Implementation of the Downtown Transportation Master Plan– $12 million

• Downtown Transit Terminal – $10 million

• Traffic Control System – $10.1 million

• Rapid Transit Annual Operating Funding –$15-20 million

Hamilton
HARBOURFRONT DEVELOPMENT

Federal participation in this project would be a significant opportunity with respect to the Government's commitment to Transport, Infrastructure and Communities.

- The West Harbour area alone is a 29.7 ha piece of waterfront property containing two regional parks and six recreational boating clubs. The marina infrastructure is at the end of its design life and requires full replacement to current DFO/Hamilton Conservation Authority standards.

- The buildings are below the flood hazard elevation (when breakwater mitigation is not factored in) and require reconstruction. There is an opportunity in this area to increase public access, obtain LEED certification for buildings and possibly site, and offer a wide variety of year round activities.

Additional projects that support Harbourfront Development include:

- Pier 8 commercial and mixed use development.
- CN Rail Marshalling yards relocation.
- West Harbour Recreational Master Plan (Setting Sail Implementation)
- North end Neighbourhood Traffic management Plan and Bridge (Setting Sail Implementation)
- Stuart Street redevelopment and remediation
- These projects have local and regional tourism opportunities.

Total Project Cost Estimate: $785 million
HAMeTON FAST FACTS - DEMOGRAPHICS & LIVABILITY

Demographics:
- Population 504,559 (2006 Census)
- Population Projection 660,190 (by 2031)
- Hamilton CMA Labour Force 394,000
- Largest Industry Group: Manufacturing 49,005
- Land area 1,117 sq. km., Rural area over 700 sq. kms
- 25.5% of Hamiltonians immigrated to Canada from another country, making Hamilton one of the most diverse cities in Canada. Of the Hamilton immigrants, 13.1% are recent immigrants (arrived between 2001 and 2006) - with immigration shifting from Europe countries to Asia, the Middle East and Africa.
- The profile of Hamilton’s recent immigrants is also changing to a younger demographic and higher education than the resident population - this reflects the federal immigration policy direction of recruiting highly skilled immigrants to meet the growing gaps in the country’s labour market.
- As part of Hamilton’s cultural diversity, there is a significant aboriginal community representing 1.8% of population or close to 9,000 people. Hamilton’s population is also aging - currently, 20% of the population is over the age of 60. That number will grow to 26% in 2031 - an increase of 73,000 seniors.


Employment:
- Hamilton’s 2006 unemployment rate was 6.5% this comparable to Ontario’s rate of 6.4%.
- The top three industries that Hamiltonians (15+) work in are: Manufacturing (16.4%), Business Services (16.4%) and Health Care & Social Services (11.7%).
- Ontario is consistent in that Manufacturing and Business are two top employers however at 11.7%, Hamilton has a significantly higher proportion of their workforce in the Health & Social Services Industry (Ontario is 9.4%).
