



*St. John's*  
**BOARD of TRADE**  
**OFFICE OF THE PRESIDENT**

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January 19, 2009

Ms. Siobhan Coady, M.P.  
Via email: [Coady.S@parl.gc.ca](mailto:Coady.S@parl.gc.ca)

Dear Ms. Coady:

The St. John's Board of Trade wishes to inform you of its views on the federal budget to be tabled on January 27, 2009. Your unique history with the Board, your support, and your contributions to our efforts have been and are greatly appreciated. It is with that in mind that we want to work together so that you can remain informed of our views as you carry out your work on behalf of our community.

To put our thoughts in context, the Board is disappointed at the prescriptive and unnecessarily limited consultation process that the government used to solicit responses. Additionally, this process appeared to ignore the work that any stakeholder group may have done in the summer of 2008 prior to scheduled Standing Committee on Finance meetings which were cancelled due to the fall election. The Board still looks for an opportunity to make our reasoned argument on Marine Atlantic. We believe that being asked to respond to a list is less productive than having the opportunity to present well-researched options for policy-making and priority setting.

Regarding the current consultation process, our priorities in order of importance, and the commentary we made on each are as follows:

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- 1. Expedite Infrastructure Spending:** Invest in the North American energy grid by getting engaged in the construction of the Lower Churchill hydro project. Direct project funding, tax and/or R&D credits, loan guarantees, and other financing supports should be used.
  - 2. Build strong sustainable labour markets and training incentives:** Prioritize spending in training so that new economy, sustainable jobs are created/maintained. Secondly, focus on short-term enhancements to EI to ensure labour remains in Canada.
  - 3. 'Other':** Create an Oceans Development Agency in Newfoundland and Labrador while designating the province as the Northern Gateway. Both support fisheries management, and ocean and arctic development as well as Canadian sovereignty.
  - 4. Support traditional and emerging industry sectors:** Save otherwise viable industries which have been threatened by the credit crunch, subject to industries/companies addressing taxpayer value (i.e. unresolved union issues, unfunded pension liabilities). Also ensure these short-term solutions have conditions attached which support sustainable development such as knowledge creation/transfer, intellectual property creation, etc.
  - 5. Improve access to credit:** Ensure that individuals and businesses have access to funds needed to allow for consumer confidence and business development. In the short term, improve access to credit for purchases to ensure money circulation. Do not relax rules completely to create a future financial crunch for individuals and businesses.

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6. **Invest in housing:** Infrastructure projects, particularly those that are ready to break ground, should be funded immediately as it creates employment, money circulation, and hard assets while meeting social criteria. Look first for projects already in the funding pipeline rather than create or announce funds for new projects.

**Beyond the question of short-term stimulus, what steps should the government take to ensure that the Canadian economy remains internationally competitive and continues to attract investment and creates jobs?**

Limit spending to long-term sustainable levels; this will ensure that debt reduction can continue, thereby freeing up money in the long term to reduce taxes, invest in innovation and generally facilitate the creation of a country with reliable and responsive social programs. In particular, competitive taxation that leads G8 countries, supports innovation, supports the attraction of capital to Canada from foreign investors, allows consumers to spend more freely and businesses to invest in training, employees, infrastructure, etc, will ensure long term competitiveness. Tax reductions that are sustainable, based on the priority of reducing public debt to continue to free up money otherwise spent on interest, should continue as a leading method of enhancing competitiveness and attracting investment that creates Canadian jobs. It is recommended that the government start with business taxation measures to have the widespread impact needed to stimulate economic activity and growth.

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You will also want to know that in-coming President Bruce Templeton met with the Honourable Jack Layton and M.P. Jack Harris in December during a roundtable discussion on the economy. Mr. Layton was seeking feedback on initiatives that should be included in the upcoming federal budget to ensure economic stimulus and social programming. On behalf of the Board, Bruce advocated for lower marginal tax rates for low income earners, incentives for new businesses, custodial management to support rural Newfoundland and Labrador, additional capacity for Marine Atlantic through a new vessel, and action on Atlantic Gateway.

Our position on Marine Atlantic, for example, is as follows: The Government of Canada should allocate capital funding of \$95-97 million to source a new vessel in the same class as the MV Atlantic Vision to bring into the Marine Atlantic service by summer of 2010, consistent with the initial five year lease of the MV Atlantic Vision. Operating, retrofitting and repair costs will decline significantly, environmental targets will be easier to meet, economic development will be sustained and improved in at least two provinces, and a number of employees which are the key to three towns and their adjacent areas will be able to provide quality service to many commercial and consumer interests. The Marine Atlantic ferry service is an economic facilitator for Newfoundland and Labrador, and a first point of contact for visitors taking in the 'Newfoundland experience' of which we are so proud and guard with great passion.

As out-going President, I am offering the services and advice of the St. John's Board of Trade knowing that my successor is committed to working with all levels of government to achieve what is best for our members and our community. It has been my pleasure working with you in the past and wish you well in your challenging and rewarding endeavours as a Member of Parliament. I thank you for your on-going support of our efforts and look forward to you continuing your service to the people of St. John's.

Sincerely,



Donna Stone

President