|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Terre- Neuve et Labrador | 44e | 1ère | Discours du Trône | 16 mars 1999 | Arthur Maxwell House | Lieutenant Gouverneur | Liberal |

Mr. Speaker and Members of the House of Assembly:

I take great pleasure in welcoming you to this First Session of the Forty-fourth General Assembly. This is a special anniversary for Newfoundland and Labrador and for all of Canada. Fifty years ago, in 1949, the people of Newfoundland and Labrador chose to unite with Canada, to build a greater nation than either had been before.

The Soiree >99 Celebrations will welcome the rest of Canada to our province to celebrate, together, a wise choice and a brilliant future. The Canada Conference, starting on March 29, will bring together business leaders, academics, politicians, artists and the public to discuss our common past and share our hopes and visions for the future. On March 31, we will celebrate our province and our country with a nationally televised gala concert. The Prime Minister and the Premiers of New Brunswick and Quebec will be there.

Recently, the people of Corner Brook and surrounding areas shared our province with the rest of Canada by hosting the largest and most successful Canada Winter Games. My Government invites Members of this House to recognize the efforts of Wayne Trask, the President of the Host Society for the 1999 Canada Winter Games, and the over 9,000 volunteers that made this event possible. My Government also wishes to express its gratitude to the major sponsors and official suppliers, including NewTel, Fortis, Corner Brook Pulp and Paper, Colemans Food Centre, Robinson-Blackmore, Irving Oil and the Western Star. They and many others were an essential part of the team that made the Games such a great success.

Mr. Speaker and Members of the House of Assembly:

A New Mandate

On February 9, the people of Newfoundland and Labrador provided My Government with its second mandate. My Government sought that mandate based on a plan, entitled "Our Choices, Our Future, Our Time". It is a new plan for a New Millennium.

The plan calls for major initiatives in social policy, including investments to sustain and improve health care and education, as part of a Strategic Social Plan. It sets out concrete measures to ensure our economy continues to grow and diversify so we can afford the caring society our people expect and deserve. It commits the government to maintaining a stable fiscal position, so that benefits enjoyed by this generation do not become a burden on the next. It seeks to lighten the tax load through further reductions when it is fiscally prudent to do so. And finally, it sends a clear and forceful message to all who might doubt our resolve: we will accept no less than a full and fair share of the benefits from development of our resources.

My Government will use the mandate provided by the people on February 9 to implement this new plan.

Mr. Speaker and Members of the House of Assembly:

A New Millennium

As we bid goodbye to this decade and welcome a New Millennium, we should not forget the recent challenges we have faced as a people. Nor should our memory of how we faced these challenges be allowed to fade. Together, they tell a story of a people who gained strength from adversity and who persevered to begin to build a better tomorrow for themselves and their children.

We entered this decade with an economy heavily dependent on a narrowly focused and poorly managed fishery. The historic pact between our people and the sea appeared irreparably broken by the collapse of the ground fishery, beginning with the Northern Cod moratorium in 1992. Thirty thousand men and women suddenly had their livelihood torn from them. Businesses, some that had lasted for generations, collapsed.

The early 1990's saw governments - federal, provincial and municipal - run crippling deficits and incur mounting debt. Governments were shaken into realizing that the excesses and inefficiencies they had inherited impaired their ability to meet the most basic needs of the people they served.

The promise of future prosperity seemed to exist only in the potential of our offshore oil and gas resources and a single project, Hibernia, whose development at times was uncertain.

In February of 1996, the people of Newfoundland and Labrador provided My Government with its first mandate. My Government was given that mandate based on a plan with three commitments to address the challenges we faced: first, promote jobs and growth; second, provide needed public services, especially health care and education; and, third, achieve sound public finances. The plan My Government set out has taken hold.

Our province, which throughout the 1990s had been last or nearly last in terms of Canada's economy, led the way in 1998 with 4.4 per cent growth. Three years ago, we were losing jobs, while other provinces were creating them. From February 1996 to February 1999, our economy created 21,000 new jobs. Unemployment fell by five per cent, from 20.5 per cent in February 1996 to 15.5 per cent in February of this year.

While unemployment is still too high, we are making strong progress. This is especially true recently. In February, 7,100 new jobs were created in Newfoundland and Labrador. This was the strongest rate of job creation in the country. And, it brought employment in our province to the highest level ever in the month of February.

In 1996, My Government faced a potential budgetary shortfall of $290 million. Through prudent fiscal management, we have brought government expenditures in line with revenues. For the fiscal year about to end, the Government of Newfoundland and Labrador will achieve a surplus for only the second time since 1949.

My Government has provided needed public services. We have done so by spending only what we could afford and by spending our people's money more wisely. The fiscal stability we have achieved allows us to invest more in our priorities of health and education.

The outlook for the future is promising. National forecasting agencies, such as the Conference Board of Canada and the major chartered banks, are predicting that Newfoundland and Labrador will once again lead Canada in economic growth in 1999. The Toronto Dominion Bank predicts 3.5 per cent growth for our province in 1999, the highest rate for any province, far beyond the Canadian average of two per cent. The Bank of Nova Scotia predicts four per cent growth for Newfoundland and Labrador in 1999, higher than the forecast for any other province and well above the Canadian average of 2.8 per cent. The Bank of Montreal forecasts 3.5 per cent growth for our province, compared to national growth of 2.7 per cent.

While mega-projects such as Voisey's Bay and the new Labrador Hydro Project inspire confidence in our long term economic prospects, it is the diversification of our economy over the past three years that has led to our recent achievements and that will allow us to meet, and perhaps exceed, the promising forecasts for our economy.

We now have a more diversified fishery, a stronger mining industry, expanding forest industries and a more efficient agrifoods sector. Ours is an economy with strong growth in manufacturing, increased construction and new found strength in fabrication, shipbuilding and repair. It is an economy with a rapidly expanding information technology sector and sustained growth in tourism and cultural industries.

With First Oil from Hibernia in 1997, our province took its place as an oil producer. With the Terra Nova project and future developments such as Hebron/Ben Nevis and White Rose, we are moving from a single project to a full-fledged petroleum industry able to take greater advantage of opportunities off our shores and around the world.

We have made good progress. We should take pride in our accomplishments. But challenges remain. We must keep our economy growing to create new and better jobs. We must continue to re-invest in health and education. We must maintain sound public finances. We will meet these challenges by working together. The future is in our hands.

Mr. Speaker and Members of the House of Assembly:

Full and Fair Benefits From Our Resources

For too long we have accepted the label "have-not" province. We have a storehouse of natural resources. We have a skilled and committed workforce. Our story was never one of not having. Our story was one of not doing - a "did-not" province. We did not wait for the right deal. We did not stand firm and demand full and fair benefits for our people from the development of our resources.

Today and for the future, our people are writing a new story. Never again will we accept less than full and fair benefits from our resources.

Growth and Confidence

On March 3, the Atlantic Provinces Economic Council (APEC) released a study on the importance of energy developments to Atlantic Canada. The study looked at energy projects across Atlantic Canada, including Hibernia, Terra Nova and the new Labrador Hydro Project. It points to substantial and sustained growth for our province well into the next century.

In the words of the study, "One of the most striking features of the project activity is the dominance of projects in Newfoundland and Labrador. About $18.8 billion in spending is identified for the province, equivalent to 70% of the total value of all Atlantic energy projects and more than twice the size of current provincial GDP".

APEC forecasts that Newfoundland and Labrador is poised to enter a period of strong economic expansion. From 1998 to 2008, our economy is expected, on average, to be almost $800 million larger annually than it would be without the energy projects. From 2009 to 2015, this increases, on average, to over $1 billion annually. According to the report, we will lead the Atlantic Canada provinces in related economic growth.

The study also predicts that Newfoundland and Labrador will lead the way in employment growth from energy developments. From 1998 to 2008, 135,200 person years of employment are forecast. Employment growth is forecast to continue from 2009 to 2015, with 78,400 person years of employment and over 11,500 permanent jobs.

The APEC study inspires confidence. It strengthens our resolve to stand firm to achieve full and fair benefits from energy developments for the people of our province.

Voisey's Bay

A loud and clear message has been sent to INCO by the people of Newfoundland and Labrador: there will be no mine at Voisey's Bay unless the ore is processed in this province. That is the choice. It is INCO's to make. My Government's position - the position of the people of Newfoundland and Labrador - will not waver.

Labrador Hydro Project

On March 9, 1998, My Government announced proposals for a new $12 billion Labrador Hydro Project. These are good proposals for the people of Newfoundland and Labrador. They were secured by standing firm and demanding a development that is fair and beneficial to our province.

One reason why My Government sought a new mandate was to secure a position of strength from which to negotiate with Quebec. With that new mandate, My Government will press for the right deal, not a quick deal. The mistakes of the Upper Churchill must never be repeated.

The benefits of standing firm are already tangible. On March 9, 1998, Newfoundland and Labrador secured the right to recall immediately 130 megawatts of power from the Upper Churchill project. In 1998, we received $30 million from the sale of that power. To put this in perspective, our province received only $13.8 million in 1998 through royalties and Churchill Falls (Labrador) Corporation dividends for the sale of 4,700 megawatts of power under the original Upper Churchill contract.

Under a Guaranteed Winter Availability Contract to be entered into with Hydro Quebec, an estimated $1 billion will flow to Newfoundland and Labrador from the Upper Churchill. Our province can expect to receive, on average, about $23 million annually from Hydro Quebec, effective from November 1, 1998.

The new Labrador Hydro Project represents a $5.2 billion gain for our province and will create approximately 13,200 direct jobs for Newfoundlanders and Labradorians. The project is being designed and will be managed in Newfoundland and Labrador. To date, of the $13 million in contracts that have been awarded, more than $12 million has gone to firms with a presence in our province.

While this project is valuable, so is the Labrador environment. My Government will ensure a full environmental assessment of all aspects of the new Labrador Hydro Project.

My Government will press ahead with negotiations with the Government of Quebec toward the signing of a Memorandum of Understanding for the Labrador Hydro Project, while ensuring that the rights of the Innu Nation are respected and that they receive a fair share of the benefits from this project.

Petroleum

The past three years have been exciting ones for the oil and gas industry in our province. We watched with pride as the Gravity Based Structure was towed out to sea and later we celebrated First Oil at Hibernia. There is someone in the gallery who has shared these special moments with us. My Government asks this House to recognize the President of the Hibernia Management and Development Corporation, Mr. Harvey Smith.

Hibernia produced 24 million barrels of oil in 1998. For 1999, production is expected to double to 50 million barrels. During the first quarter of 1999, daily production is expected to be 135,000, rising to 150,000 barrels. Hibernia has four of the highest producing wells in Canada.

Above all, Hibernia has provided us with the skills and infrastructure needed to develop an integrated petroleum sector able to take advantage of developments off

our shores and to compete for work world-wide. My Government will work with the petroleum industry, the Canada Newfoundland Offshore Petroleum Board and the federal government to ensure that this opportunity becomes a reality for the people of Newfoundland and Labrador.

As the $4.5 billion Terra Nova project moves toward First Oil in 2000, it is our people who are building components for the Floating Production and Storage Offloading Vessel. At the Bull Arm facility and NEWDOCK in St. John's, Newfoundlanders and Labradorians will be utilizing our skills and our facilities to build a project and develop an industry.

A key part of this new industry is the $200 million transshipment facility at Whiffen Head. A $65 million expansion to prepare for oil from Terra Nova will create 400,000 person hours of work. A third tanker will join the two Hibernia shuttle tankers and employ another 50 persons, most of whom will be from our province.

The key to development is discovery. The key to discovery is exploration. To date, 23 significant discoveries have been made representing a total of 1.6 billion barrels of oil, 8.2 trillion cubic feet of natural gas and 360 million barrels of natural gas liquids. The prospects for further discoveries and developments are great. Hebron/Ben Nevis and White Rose are fields we are confident will be developed in the near future.

Canada's oil and gas industry remains fixed on Newfoundland and Labrador as having some of the most exciting exploration areas in North America. This excitement was demonstrated by the Canada Newfoundland Offshore Petroleum Board=s call for bids in September 1998, which resulted in a record $175 million in exploration commitments.

This year, two drilling rigs, the Bill Shoemaker and the Glomar Grand Banks, will be operating on the Grand Banks. Not since 1988, have we seen two rigs exploring at the same time there. Interest in our offshore petroleum resources is growing.

Industry expects that the combined Hebron, Ben Nevis and West Ben Nevis fields can yield 600 million barrels of oil. A consortium, including Mobil, Chevron and Petro-Canada, is now doing delineation drilling on the Hebron-Ben Nevis field, an important step toward determining commercial viability. The first well has been drilled. The results have sparked excitement within the industry. The well encountered 86 metres of net oil pay and demonstrated a test flow rate of 3500 barrels of oil a day.

In the words of an Executive Vice-President with Petro-Canada, "With Hibernia producing and Terra Nova scheduled to come on stream in late 2000, this success at Hebron-Ben Nevis is particularly satisfying for our company, because it supports the potential for another development on the East Coast." This is good news for our province.

So is the work on White Rose, which is estimated to contain 250 million barrels of oil. In 1998, Husky Oil conducted a major 3-D seismic survey of the White Rose field. Based on this information, Husky Oil recently announced it will drill delineation wells in 1999, at a total cost of up to $80 million and employing 300 persons. The delineation drilling should allow Husky to determine potential reserves and commercial viability of this field.

PanCanadian Petroleum Limited, this country's second largest oil producer, and its partners Encal Energy Limited, Newfoundland Hunt Oil Company and Mobil Canada Properties are currently drilling an onshore to offshore exploratory well at Shoal Point on the Port au Port Peninsula. In 1995, the Hunt/PanCanadian Port au Port #1 well proved the presence of oil and gas in the deeper rocks of this area. Additional seismic data, acquired in 1996, detected a large structure beneath the Port au Port Bay. It is this large structure that is being drilled. The current exploration program demonstrates renewed interest in the potential of our petroleum resources on the West Coast. My Government will work with the petroleum industry to promote further exploration for petroleum, both offshore and on the West Coast.

We must also turn our attention to petroleum resources off our shores that we have not yet been able to exploit. Industry believes that the area south of Newfoundland holds strong potential for petroleum. Recently, Gulf Canada and Mobil Canada announced they wish to explore this area. However, before this can occur, our maritime boundary dispute with Nova Scotia must be resolved. In August of 1998, we agreed with Nova Scotia to refer the dispute to federal arbitration. My Government will push for an early resolution so that industry can begin to explore this promising area.

Our offshore natural gas resource is immense, with an estimated potential of 52 trillion cubic feet. It is a valuable resource we need to exploit fully. My Government will promote development of natural gas, to increase the value of production, advance the prospects for a local petrochemical industry and achieve a higher level of benefits for our province.

Notwithstanding low world oil prices, Hibernia has lived up to its commitments, Terra Nova is moving ahead, as are Hebron/Ben Nevis and White Rose, exploration is increasing and there is heightened interest in natural gas. This proves industry's confidence in the future of petroleum development in Newfoundland and Labrador.

The oil and gas industry will be an important part of our economy well into the next century. However, a well-managed fishery will support our province long after our petroleum resources are eventually exhausted. The fishery is our greatest industry for the future.

Mr. Speaker and Members of the House of Assembly:

Traditional Industries

For generations our people have wrested a hard, but good life from the richness of the land and the sea. This historic bond between people and resources has been strengthened through diversification in our traditional resources industries, especially the fishery.

Fisheries and Aquaculture

Our people faced a great challenge with the collapse of the ground fishery. Yet, our people persevered. Today, the new diversified fishery we have built is a growing contributor to the economy, especially in rural communities.

The value of fish landings reached an all time high in 1998, at $384 million. Peak employment in the fishery rose by 20 per cent, from 20,800 in 1997 to 25,000 in 1998. Diversity has been key. Today, more than 40 species of fish are commercially harvested from our waters, including non-traditional species such as sea urchins, skate and whelk. My Government will draw on funding from the $81 million Post-TAGS development agreement to create more jobs and further growth through fisheries diversification.

Renewed prosperity from the sea is illustrated by the Northern Shrimp fishery. Before 1997, this fishery was conducted exclusively by offshore factory freezer trawlers. In 1997, My Government successfully pressed the federal government to allocate a large portion of the increase in the quota for Northern Shrimp to inshore vessels from Newfoundland and Labrador. This success was repeated in 1998 when our inshore vessels received 90 percent of the quota increase. This has allowed 200 more of our inshore vessels to enter this fishery, to supplement their landings from other species. Recent investments of $60 million in new shrimp processing facilities in places such as Clarenville, Port Union and Old Perlican will allow our people to take full advantage of processing jobs for this important species.

My Government will continue to press the federal government to ensure that any increase in the Northern Shrimp quota goes to our inshore vessels.

Charles Reardon is in the gallery today. Mr. Reardon is the Chair of St. Anthony Basin Resources Incorporated. This company, Clearwater Fine Foods and Icelandic interests, have built in St. Anthony the most modern shrimp processing facility in North America. Scheduled to open within the next month, this facility will employ 150 people and is well positioned for future expansion.

The snow crab fishery is now the most important in our province. In 1998, catches were 53,000 tonnes, with a landed value of $106 million and a market value of $230 million, nearly one-third of the total output of the fishery. This is more than three times the level of catches and more than eight times the landed value of crab in 1992. This increase in harvests has allowed 2,000 small boat enterprises into the crab fishery and the diversification of 17 existing processing operations into crab production. Crab processing employs more than 7,000 people during peak production and is an economic mainstay for many rural communities.

My Government is awaiting decisions by the federal government on shrimp and crab quotas for this year. We anticipate higher quotas, leading to further growth and employment, especially in rural areas.

Many small boat operators face difficulties in obtaining loans. My Government is committed to finding solutions to the financing problems facing this valuable sector of our fishing industry.

We must continue to work toward fully developing the potential of aquaculture in our province. My Government will do so by assisting industry through such measures as $9 million for research and development, a $5 million working capital fund and $1 million for sectoral marketing strategies.

Forestry

Over 5000 Newfoundlanders and Labradorians make their livelihood from our forests. We must manage this resource prudently to ensure continued growth and prosperity for our people.

Our pulp and paper industry enjoyed record newsprint shipments in 1997, with the three mills shipping 741,000 tonnes, an increase of 1.4 per cent from 1996 levels. While shipments slipped in 1998 due to the strike at Abitibi Consolidated, they are expected to rebound to healthy levels in 1999. Confidence in the pulp and paper industry's future is evidenced by recent investments totalling more than $100 million by Corner Brook Pulp and Paper and Abitibi Consolidated to increase capacity, quality and productivity.

Production from saw mills is at record levels, with more than 100 million board feet to be produced in 1998-99. This production and related wood operations employed 3,000 persons during the past year. My Government will work with the saw milling sector to develop its full potential, especially for value added products.

To ensure that this industry continues to grow, we must replenish our forests. Presently, the demand for wood on the island exceeds supply by about 20 per cent or 500,000 cubic metres annually. As a result of My Government's partnerships with industry and the federal government, over $40 million was invested in silviculture between 1996 and 1998. The viability of over 40,000 hectares of forest was improved and over 60,000 person weeks of employment was created. We must continue this work. My Government, over the next three years, will work with industry and the federal government to implement over $40 million worth of silviculture projects, treating 43,000 hectares and creating over 60,000 person weeks of employment.

Mr. Speaker and Members of the House of Assembly:

Mining

Our mining sector, even before Voisey's Bay, is an important element of our economy. Employing over 3,500 people, the mining industry is projected in 1999 to achieve mineral shipments in excess of $1 billion for the second consecutive year. This reflects real growth of over 50 per cent in the past decade.

The most critical element in mineral development is prospecting. Exploration remained historically high in 1998 at $46 million. While exploration peaked in 1996 at $92.5 million due to the excitement caused by the Voisey's Bay discovery, sustained and healthy levels of exploration demonstrate the industry's confidence in the potential for further finds.

To keep the engine of exploration running, My Government, in consultation with the mining industry, will put in place a mineral prospecting incentive to help locate the mineral deposits that will result in more mines and related industries for our province.

Agrifoods Industry

With falling barriers to global trade and improvements in transportation, food products can be sold more efficiently around the world. This presents both a challenge and an opportunity.

Two billion dollars is spent annually on food products in our province. This provides a strong local base for our producers to supply and a springboard to increased exports. We must diversify and add value to the commodities we produce and the food products we manufacture. We must continue to identify and invest in sectors with significant growth potential such as small fruit. Through prudent investments and strategic marketing we can grow an industry that already employs close to 4,000 people across our province.

Manufacturing Industry

The impact of the collapse of the ground fishery was felt by our manufacturing industry, as ground fish products formed a large part of manufacturing shipments. Like the fishery, we have reshaped manufacturing through diversification. In 1998, our province almost doubled the national average for manufacturing growth with more than six per cent.

Brian Dobbin, President of Newfound Developers Limited, will tell you that our manufacturers can compete and win in the global market place. He is with us today in the gallery. Mr. Dobbin=s company and Cottles Island Lumber Company recently entered into a $30 million contract with a Chilean company to manufacture homes here, ship them to Chile and erect them there. These homes are being built in Cottles Island, providing 30 full time jobs.

The advantages to investing in Newfoundland and Labrador are significant. We have a skilled, productive and loyal workforce. Our capital is one of the most cost-effective cities in the world in which to do business. In KPMG's 1998 study of 42 cities in seven countries, St. John's emerged as number one. For 1999, KPMG broadened its survey to include 64 cities in eight countries. This time, St. John's was second, a mere half-point behind the leader.

We have created an attractive environment for responsible businesses through the EDGE program, research and development tax credits and the lowest corporate tax rates for manufacturing in Canada. We need to spread the good news across the country and around the world. That is why My Government, in partnership with industry leaders in our province and across Canada, is establishing a Prospecting Team to attract new industries and investments to our province.

Construction

A growing economy, together with My Government's investments in public infrastructure, are fuelling continued growth in the construction industry.

Non-residential construction grew by five per cent to $1.5 billion in 1998. This growth was boosted by My Government's spending on capital projects, which totalled $242 million in 1998, up from $214.5 million in 1997.

Residential housing investment continues to grow, from $453 million in 1996 to $527 million in 1998, the highest level since 1990.

Continued growth in the construction industry is expected for 1999, given My Government's substantial investments in public infrastructure, as well as work on the Terra Nova project.

Phase I of the Trans Labrador Highway from Labrador West to Goose Bay will be completed this year at a cost of $10 million, bringing the total cost of this phase of the project to $53 million. Pending environmental approval, construction will commence this summer on Phase II of the Trans Labrador Highway from Red Bay to Cartwright, at a cost this year of $36 million. The people of this area have long awaited this essential building block to further economic development. My Government is making it a reality.

Fifty-six million dollars will be spent to improve the Trans Canada Highway and regional trunk roads. My Government will spend $16 million on upgrading and rebuilding other highways throughout our province.

These initiatives, totalling $118 million, represent the largest highway construction program since Confederation. In addition, My Government will commence the largest program of construction of schools and hospitals since Confederation.

Mr. Speaker and Members of the House of Assembly:

Fabrication, Shipbuilding and Repair

We are developing new strength in fabrication, shipbuilding and repair, providing new opportunities for our people to benefit from development of our resources and to compete for work world-wide.

The new operators of the Marystown Shipyard, Friede Goldman International, are aggressively pursuing work around the globe relating to construction and conversion of offshore drill rigs. The Marystown Shipyard, which currently employs about 400 people, reached employment levels of up to 1,100 during 1998.

The Bull Arm facility, where Hibernia's Gravity Based Structure was built, will employ 700 persons this summer in construction of two topsides modules, a flare stack and deck assemblies for Terra Nova's Floating Production and Storage Vessel. In total, over $100 million in work on Terra Nova will take place at this world class facility. Even more exciting is the recent announcement that Bull Arm will be marketed globally, at private expense, by a consortium headed by industry giant Brown and Root.

NEWDOCK in St. John’s will begin construction this spring of subsea systems for Terra Nova. When this work is completed, NEWDOCK will be a world leader in subsea systems for which long-term demand is strong.

My Government will work with these and other firms involved in fabrication, shipbuilding and repair to increase orders and employment.

Mr. Speaker and Members of the House of Assembly:

The New Economy

Alongside growth in the industries that have sustained us for generations, we are building a new economy for the future of Newfoundland and Labrador.

Information Technology

Newfoundland and Labrador entered the information age before others when Marconi brought his information technology to Signal Hill in 1901. In Newfoundland and Labrador today, 200 IT firms, employing 6,000 IT professionals and support staff, generate a half a billion dollars for our economy. From 1992 to 1997, growth in the IT sector averaged 10.4 per cent per year. My Government will work with industry to ensure continued growth for this important sector.

Around the world, and even beyond, our IT companies are making their mark. When the space shuttle Discovery lifted off from Cape Canaveral in June of 1998, it carried a number of Canadian experiments related to the oil and gas industry. A Newfoundland and Labrador company, ZeddComm Incorporated, designed and built the power and computer control systems for the experiments. They were also responsible for much of the testing and integration with NASA, meeting some of the most stringent standards in the world. We can also take pride that two of these experiments were designed and built by Memorial University=s Centre for Cold Ocean Resources Engineering. Mr. Emad Rizkalla, President and co-founder of ZeddComm, is here in the gallery today.

A subsidiary of NewTel Enterprises, xwave solutions is one of the top five Canadian-owned information technology services companies that designs, builds and runs IT solutions. With more than 1000 IT professionals, including over 500 employees in St. John's, xwave is helping to lead the way for a dynamic IT industry in our province. Bob Newell, President of xwave solutions, is in the gallery today.

Today, Newfoundlanders and Labradorians are among the most connected people in the world. The will soon be even more so. My Government, through the $6 million Community Access Program, will ensure all our people have access to the Internet through our schools and libraries by the end of this year.

To make government services more readily available, My Government will progressively offer more services to the public through the Internet.

Tourism

The goal of the Cabot 500 celebrations was to increase non-resident visits to our province by 20 per cent over 1996 levels of 305,000. In 1997, this goal was exceeded, with 369,700 non-resident visitors, an increase of 22 per cent. These non-resident visitors spent $204 million, a 25 per cent increase over 1996. This set a new benchmark for tourism activity.

Despite predictions to the contrary, tourism was up again in 1998. 372,000 non-resident visitors spent $207 million in our province in 1998. With Soiree >99, tourist visits and tourism expenditures are expected to increase again this year by about 10 percent from 1998.

In 2000, we will mark the 1000th anniversary of Leif Eiriksson's journey to North America with the Vikings 1000 celebrations. In commemoration of the Vikings' settlement at L'Anse aux Meadows, the only authenticated Viking Site in North America, we will celebrate this milestone year with events and activities, including museum exhibits, debates and symposiums, cultural and artistic projects, Viking ship flotillas, and the re-creation of a living Viking village at L'Anse aux Meadows.

My Government's goal is to achieve 500,000 non-resident visitors by 2002, generating more than $250 million for our province's economy. Stelman Flynn, President of Hospitality Newfoundland and Labrador is in the gallery today. He is a tourism operator in the Labrador Straits, an area that has seen strong growth in tourism. In 1998, vehicle traffic on the St. Barbe ferry increased by 34 per cent over 1997. Pinware Provincial Park during the 1998 season had more than 54 per cent more camping units than in 1997. Mr. Flynn can tell you about the potential for increased tourism throughout our province. That is why My Government will double our province's tourism marketing budget from $1.8 million to $3.6 million for 1999.

Cultural Industries and Cultural Infrastructure

The richness of our land and sea is matched by that found in the stories, songs and history in our cultural heritage. Cultural industries, such as sound recording, publishing and visual arts, employ 2,800 people and contribute $200 million annually to the provincial economy. My Government will continue to promote cultural industries.

Government assistance to cultural industries totalled $6.25 million from 1992 to 1998. Every $1 million of investment in cultural industries yields a direct economic impact of $2.4 million and an indirect economic impact of $3.4 million. Given the significant growth potential for cultural industries, My Government will pursue a new federal/provincial funding agreement to further promote this sector.

The expressions of our cultural heritage deserve a home fitting of their importance to our society. The renowned artist Mary Pratt is in the gallery today. She is chairing a Task Force on Cultural Infrastructure to advise My Government on developing a larger, more modern art gallery, museum and archives for the New Millennium.

Small Business

Across our province, and in every sector of our economy, Newfoundlanders and Labradorians are generating growth and employment through entrepreneurship. Confident in their abilities and this province's future, our entrepreneurs are investing and taking risks. We all share in the rewards. My Government salutes the skill and determination of our entrepreneurs.

We salute people like Craig Williams of Innova Multimedia in Stephenville. This firm created five full-time jobs exporting educational multimedia products throughout North America. We salute people like Terry Whey of Terry's Tents in Happy Valley-Goose Bay, designers and manufacturers of tents, backpacks and specialized aircraft coverings. Starting with one employee in 1992, this company now employs six and markets its products across Canada and around the world. We salute firms like Restwell Mattresses in Harbour Grace. This family-owned business has 11 employees and has grown at a rate of 15 per cent annually over the last 15 years.

From small beginnings, businesses such as these make a big difference to our economy. My Government through its Strategic Development Fund has helped small and medium sized businesses take advantage of emerging opportunities. We will continue to do so.

Mr. Speaker and Members of the House of Assembly:

Social Policy

Government is about more than jobs and growth. It is also about vital public services, especially health and education. Our people are concerned about social programs. My Government has listened. My Government is acting.

Strategic Social Plan

In 1996, My Government put in motion a fundamental re-thinking of how social programs are designed and delivered. We embarked on an innovative project to prepare a Strategic Social Plan. In August of 1998, after extensive public consultations, My Government presented its Strategic Social Plan, entitled "People, Partners and Prosperity". It is a long-term vision founded on values that have defined us as a people: self-reliance, collaboration, equity, fairness and social justice. My Government is implementing many initiatives in keeping with the Strategic Social Plan, notably education reform, the redesign of income support, measures to combat child poverty, and child, youth and family services legislation focusing on prevention and early intervention. My Government, in partnership with the Premier's Council on Social Development and groups across the province, will phase in implementation of the Strategic Social Plan over the next two years. To support these efforts, My Government will provide support in the forthcoming budget to seed implementation, including funding for flexible initiatives in prevention, early intervention and community capacity building.

Guidelines will be available shortly, inviting community groups to submit funding proposals for demonstration projects consistent with Strategic Social Plan objectives. Projects that emphasize partnership arrangements among community groups to support prevention, early intervention and community capacity building will be given preference.

The Strategic Social Plan is about building collaborative partnerships among government, communities and regions of the province to foster creative problem-solving and achieve social and economic well-being. It is about working together in a spirit of cooperation for mutually beneficial outcomes. It is about rejecting "we/they" responses that contribute to divisiveness.

Through collaboration with local health, education and economic development boards and by involving communities, My Government will address the concerns and aspirations of our people. The Central region of our province is the initial region for implementation of the Strategic Social Plan. My Government will use experience gained from the Central region to explore new collaborative practices with other partners and apply the lessons learned as implementation is extended to other regions. The approaches embodied in the Strategic Social Plan, including opening up the public policy process to community participation and working on issues of social and economic development in tandem, are being recognized nationally for their innovative and progressive thrust. The Strategic Social Plan puts our province on the leading edge of social policy development in Canada.

Health and Community Services

Our people are concerned about the quality of our health system. My Government, despite declining transfers from the federal government until this year, increased funding for health in the 1996 Budget, the 1997 Budget and the 1998 Budget. My Government will again, in the 1999 Budget, increase funding for health and will do so by an amount that exceeds the increase in funding under the CHST provided in the recent federal Budget.

Concerns - legitimate concerns - remain. We must stabilize our health system and provide it with the fiscal flexibility needed to address the changing health needs of our people. That is why, in 1997, My Government provided health care institutions with an additional $20 million. That is why, in 1998, a further $10 million was provided for this purpose. And that is why, in January of this year, My Government committed to provide health care institutions with an additional $15 million. As a result, funding for health care institutions is $45 million more than it was in fiscal year 1997-98.

My Government is spending a further $5 million for special purchases of medical safety and emergency equipment this year. My Government will continue to take steps to ensure that there is an adequate supply of health professionals in our province, especially in rural areas. And My Government is investing more than a quarter of a billion dollars to build and improve health care facilities across our province.

Money alone will not cure what ails our health system. While we need to provide adequate funding, we also need to achieve efficient delivery of services so that this funding is wisely used. My Government will draw on the experience and advice of nurses, doctors and other health and community service professionals during a second Provincial Health Forum. Together, we will build a better health system for Newfoundland and Labrador.

Education Reform

My Government is proud of the constitutional amendment that made possible reform of our education system. On September 2, 1997, the people of this province chose democratically to have our children live together and learn together. They chose to build the best possible education system we can afford.

A well educated people is of paramount importance to the Newfoundland and Labrador of the future. Our education system has demonstrated it can meet that challenge. For example, on the Canadian Tests of Basic Skills, our grade 12 students recently performed better than 57 per cent of students nationally. As well, results from a national test of reading and writing skills released this month were very positive, with 13 and 16 year-old students from our province performing as well as, or better, than students nationally.

The goal of giving our children access to quality educational opportunities is one we all share. Education reform is about achieving that goal. But our province confronts significant challenges that will require difficult decisions to be made. Newfoundland and Labrador has gone from the highest birthrate in the country to the lowest. This is resulting in a sharply declining student population.

Declining enrolment means fewer teachers. However, My Government has not reduced teacher allocations to the same degree as the decline in the number of students. That has resulted in an improving pupil-teacher ratio. We now have the most favourable pupil-teacher ratio in the country.

This must be contrasted with what has been happening in other provinces. Over the past eight years, the pupil-teacher ratio has improved in only one province, ours. By contrast, the reverse has been true in wealthy provinces, like Ontario and Alberta, as well as in the Maritime provinces of Nova Scotia and New Brunswick. For the 1997-98 school year, the pupil-teacher ratio in our province was 14.7. This compares with a Canadian average of 16.4 for 1996-97, the last year for which national figures are available.

Because of declining enrolments, school consolidation is necessary. Consolidation has already been implemented throughout most of our province and is now underway in the Eastern Avalon and on the Burin Peninsula. School Boards must provide for meaningful student, parent and public participation in the decision making process. My Government will ensure that this occurs.

Last year, My Government committed $125 million for school construction and upgrading. Sixteen new schools will be built, six will be re-developed and over 100 will be refurbished. My Government is committed to providing our children with healthy, well maintained schools equipped to promote learning.

My Government understands that some students need specialized assistance to realize their full potential. That is why My Government, in 1998, provided funding for additional teachers for special needs students and additional funding for student assistants. My Government will continue to take the steps needed to meet the educational needs of students with learning disabilities and those with physical and mental disabilities.

Affordable Post-Secondary Education

Post-secondary education is critical for those entering the job market or seeking a better job. My Government is committed to making post-secondary education more accessible.

Summer employment provides students with an important source of funding for their studies. My Government will continue to assist students through the Student Work and Service Program. In 1998, 2,200 students found work as a result of this program. Scholarships and bursaries are another important source of funding. In 2000, our students will be greatly assisted by the federal government's Millennium Scholarship Fund. My Government will help students in the meantime through the Newfoundland and Labrador Awards Program. This year, as in 1998-1999, about 2,500 students will receive awards ranging from $500 to $1,000.

My Government is helping to stabilize the costs students face. In the forthcoming budget, My Government will provide an additional $11.9 million to the College of the North Atlantic and Memorial University to strongly support these institutions and allow them to freeze tuition. The tuition freeze will be reviewed no earlier than 2001.

Even with our efforts to stabilize costs, provide scholarships and increase opportunities for summer employment, My Government realizes that some students will face difficulty repaying their loans upon graduation. That is why My Government will continue its loan remission and interest relief programs.

Children and Families

One in four children in our province lives in a family that receives social assistance at some point in the year. Many more children live in families of the working poor. As a society we cannot afford to ignore the potential of these children. Parents in need must have the means to provide for their children and be able to avail of meaningful opportunities to build a more stable and prosperous future for themselves and their families.

My Government will continue to promote the well-being of our children and their families. Programs initiated under the $10 million National Child Benefit Provincial Re-investments Program in 1998, will move from planning to implementation. These will include licensed infant child care and family child care services, expanded family resource centre programs, and community based youth networks. These initiatives add to our resources for prevention and early intervention, key goals under the Strategic Social Plan.

We cannot allow another generation to fall victim to the tobacco industry. We must protect the health of our young people and force tobacco companies to pay for the damage their products have inflicted on our society. My Government, in partnership with the recently formed Provincial Tobacco Coalition, will implement a long term comprehensive Tobacco Reduction Strategy. Over the next three years, My Government will commit $900,000 to implement this strategy.

We will undertake an aggressive campaign to educate our young people about the harmful effects of tobacco use. My Government will also bring forward legislation to facilitate the recovery of damages caused by the tobacco industry. Legislation will also be introduced to license the sale of tobacco products, thereby providing a better means to prevent the sale of cigarettes to minors.

My Government will release a provincial nutrition policy for comment and discussion during this session. This will assist government in developing programs and approaches to ensure that appropriate standards for food security and basic nutritional requirements, particularly of children, are addressed.

My Government will introduce a new Adoptions Act to replace a statutory regime whose time is long past. The new legislation will be more sensitive to the needs and wishes of both adoptive parents and adoptees.

Municipal Government

Extensive consultations have been conducted with the Newfoundland and Labrador Federation of Municipalities and municipal administrators around a new legislative framework for municipal government. My Government will introduce a new Municipalities Act during this session that will strengthen local decision making. This, too, supports a key goal in the Strategic Social Plan.

Literacy Strategy

Our growing economy will provide opportunities for good, well paying jobs. To take advantage of these opportunities, our people need to acquire the necessary skills. Basic literacy skills are essential. That is why My Government will introduce a Strategic Literacy Plan as part of our Strategic Social Plan.

New Strategic Economic Plan

The current Strategic Economic Plan was released in June of 1992. It was based on the circumstances of our province shortly after the groundfish moratorium and the views expressed by the public in 1991.

Our province needs a new Strategic Economic Plan, informed and inspired by the challenges and opportunities the New Millennium will bring. One such new opportunity is the enormous growth potential for electronic commerce. My Government will consult with the public in preparing the new Strategic Economic Plan. A new Strategic Economic Plan should be integrated with the Strategic Social Plan, to provide an overall strategic agenda for the economic and social development of our province.

Mr. Speaker and Members of the House of Assembly:

Sound Public Finances

When My Government was making its first budget in 1996, we faced a budgetary shortfall of $290 million. For the fiscal year about to end, My Government will achieve a budgetary surplus, only the second this province has achieved since 1949.

In 1999-2000, it will be necessary for My Government to incur a modest deficit in order to make needed investments in priorities such as health care and education. Because My Government has been fiscally responsible, we now have the ability to do this. We will do so because it is better to run a modest deficit that we can afford than to cut services the public cannot afford to do without.

The ability to make this choice did not come easily. It was earned. My Government was forced to make difficult decisions and our people shared the burden of restraint. This ability to choose can be maintained only by ensuring that our public investments are made wisely.

We will incur a modest deficit rather than reaching deeper into the pockets of taxpayers. My Government, despite the loss of revenue that will result from the recently announced federal income tax cuts, will not raise taxes this year. My Government will take steps to further reduce personal income taxes as soon as it is fiscally prudent to do so.

My Government will introduce a Low Income Senior=s Benefit in the forthcoming budget. Such a benefit will assist those in greatest need, whether they receive a pension from the public sector, or a pension from the private sector or no pension at all, except for the old age pension. Our society is appreciative of the contribution older persons have made and we recognize the difficult circumstances that those with low incomes face. It is particularly important to recognize their contribution in this, the International Year of Older Persons.

Other Business

You will be asked in this session to consider other legislation, with a view to its enactment. These bills will be tabled at the earliest opportunity so that Members can properly prepare for their debate.

Mr. Speaker and Members of the House of Assembly:

By making the difficult choices when we had to and by believing in ourselves, the people of our province are making this our time. If we continue to pull together, the future will see greater prosperity and happiness for our people. My Government, inspired by that prospect, will work tirelessly on behalf of the people of Newfoundland and Labrador. They expect and deserve no less.

Mr. Speaker and Members of the House of Assembly:

Estimates of Expenditure will be laid before you in due course and you will be asked to grant supply to Her Majesty.

I invoke God's blessing upon you as you commence your labours in this First Session of the Forty-fourth General Assembly.

May Divine Providence guide you in your deliberations.