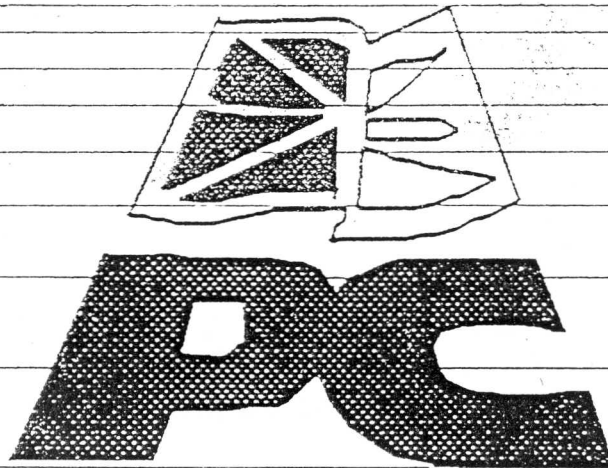
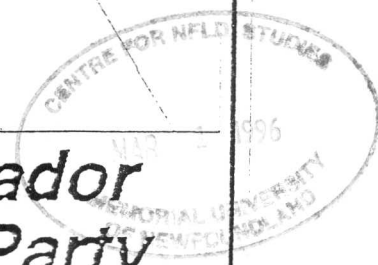


THE BLUEPRINT

*A Foundation for investing in
Economic Stability & Growth.*



***The Newfoundland & Labrador
Progressive Conservative Party***



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THE BLUEPRINT:

A Foundation for Investing in Economic Stability and Growth

This package contains the
policy statements
and associated news releases

issued by the

Newfoundland and Labrador
Progressive Conservative Party

during the

Provincial General
Election Campaign
April 5 to May 3, 1993

Published by the Newfoundland and Labrador
Progressive Conservative Party,
St. John's, Newfoundland April 1993



The Newfoundland economy is battered by high taxation, high unemployment and declining incomes. People are worried about the future, and for good reason.

Over the past four years we have lost thousands of jobs. Rural communities are in difficulty due to the collapse of the fishery. Over 200,000 people rely on social assistance, unemployment insurance or fishery's compensation for their survival. Our social programs are stretched to the limit by spending cuts that have reduced services when the need, driven by economic distress, is growing faster than at any time since Confederation.

In difficult times, people look to Government to help find solutions. It is now clear that the Liberal Government, elected four years ago, does not know how to build the basis for economic recovery. Instead of taking steps now to solve our problems, Mr. Wells and his Ministers complain that they are the victims of misfortune.

They are not the victims. The real victims are the people. Parents who can't pay the mortgage and have lost their homes. Workers who have lost their jobs and can't balance the family budget. Pensioners who have slipped into poverty because their small pensions have not increased in four years. Fishermen and plant workers who spend idle hours worrying about what the future holds for them and their families. Entrepreneurs who have used their life savings to start small businesses and watched them die from high taxes and poor sales. Young people whose talents and ambitions are crushed because they can't afford to continue their education and can't find a job.

All too often, the real victims suffer much more than economic loss. They suffer the most tragic of human losses - the loss of pride, spirit, and hope.



Even those Newfoundlanders and Labradorians who have managed to hold on to their jobs or their businesses are having great difficulty making ends meet. They worry that things will get even worse for them and for their children. Their confidence is shaken.

The situation I have described is indeed very serious, but there is a way out. I am convinced we can break out of the dreadful state we've been in for the past four years. We can build a healthy economy that will provide a good standard of living for all Newfoundlanders and Labradorians.

Time is limited. As economic and social problems continue to build, it will become harder and harder to reverse the trend. Taking action now to address our economic and social problems can preserve our province as one of the best places in the world to live.

The *Blueprint* is a plan of action that will help us achieve a more stable and prosperous society. The proposals in it are the result of input from many groups and individuals. They are practical ideas based on economic and social reality, not on political philosophy.

I truly believe we can build an economy here at home where Newfoundlanders and Labradorians can live and work and maintain a good quality of life. We must seize the opportunities we have to get an economic recovery with jobs, and to build a stronger, more prosperous Newfoundland for the future.

LEN SIMMS, M.H.A.

Leader,

Newfoundland & Labrador Progressive Conservative Party



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INTRODUCTION

Over the next few weeks, you will receive 4 policy documents which make up the Newfoundland & Labrador Progressive Conservative Party's *Blueprint For Economic Stability & Growth*. The document is intended as a source of information and reference.

Included are four challenges the Progressive Conservative Party considers to be the foundation for economic recovery in the Province of Newfoundland & Labrador and the ways in which a Progressive Conservative Government would meet them.

Those challenges are:

1. Job Creation
2. Development of Natural Resources
3. Investment in People
4. Fiscal & Budgetary Policies

THE KEY ISSUE - THE ECONOMY

The economy is our most pressing problem. Unemployment is far too high. For many thousands of unemployed Newfoundlanders the prospect of permanent job loss is very real, and many with jobs fear they face it too. Perhaps for the first time, Newfoundlanders are genuinely worried about the future.

People want Government to mobilize more effectively and creatively to deal with the challenge of economic renewal in the fishery and in many other sectors of the economy.

In the 1989 Election Campaign, the Liberals promised immediate action to restore the economy. They did not do it. They did not try. The Liberal Government must be held accountable for its promises and its record.



THE LIBERAL PROMISE



"We will restore the economy of this province and give our people a chance to grow, train, work and live and enjoy life here in Newfoundland and Labrador."

-Campaign '89, Liberal Policy Manual



"The state of the economy has been studied to death. What we need now is action."

-Campaign '89, Liberal Policy Manual

THE LIBERAL RECORD



19,000 jobs lost in four years - and that does not include the 22,000 who have lost employment in the fishery because of the cod moratorium.



64,000 people depend on social assistance compared to 40,000 in 1989.



150,000 people depend on unemployment insurance or fisheries' compensation compared to less than 100,000 in 1989.



Wages and salaries, adjusted for inflation, have declined by 12%.



Everyone's real income has been reduced even more by the largest provincial tax increases in our history.



- ☛ Hundreds of businesses have closed their doors and hundreds more have reduced investment or cancelled new investment plans.
- ☛ 40,000 people have left the province.

IN 1989 THE LIBERALS SAID . . .

"Young men and women who cannot find work have become despondent. There is little incentive to complete school and to seek higher education or vocational training. If this situation is allowed to continue, we will be sowing the seeds of our own economic and cultural destruction."

-Campaign '89, Liberal Policy Manual

HOW IT HAPPENED

Like most of the world, we have had to wrestle with a painful and prolonged recession, made more difficult in this province by the serious depletion of fish stocks. But to blame them alone for the present state of the provincial economy is to ignore the actions of our own Provincial Government - the massive tax increases and layoffs that have made a bad situation worse.

Each of these factors has weakened the economy, eroded revenues, and increased spending to support people who can no longer earn a living.

The Liberal Government does not seem to understand that it cannot tax itself rich in the middle of a recession, or hold on to revenues by eliminating jobs. The creation of a solid investment climate with realistic controls on spending should have been the top priority to retain jobs in the economy and revenues for the province.



A more fundamental economic problem is our dependence on a few resource-based exports and high levels of transfer income from the Government of Canada. Earned income per capita is around 60 percent of the national average and falling. Federal payments to individuals make up a much higher proportion of personal income than in any other province, and more people depend on it now than ever before.

THE CHALLENGE

"Provincial Governments have a responsibility to ensure that the economic climate is such that people's expectations can be met."

-Liberal Government Throne Speech, 1989

Progressive Conservatives agree.

The growing dependence of individuals and our economy on payments from Ottawa is unacceptable to most Newfoundlanders, nor can it be taken for granted in the future. Newfoundlanders expect their Government to help build alternatives, to find solutions to the way the economy operates, and to assure real economic opportunities for the next generation.

Newfoundland's prospects for prosperity depend on our ability to evolve from a resource-based economy to a competitive producer of value-added goods and services for local, national and world markets. This will require more private and public investment in physical capital, in technology, and especially, in people.

There is no choice. We are an export province. If we can't compete, we lose markets. Without markets we lose jobs. And if we continue to lose jobs, we will not keep or improve the standard and quality of life we enjoy and want to preserve for our children.



Economic recovery must be based on policies that deal effectively with our current problems and look ahead to our long-term needs. The province can't keep on lurching from one crisis to another. We need to set priorities, focus on essentials, manage better, and plan for the future.

What we need is the will to act, and the will to act now!

A PLAN FOR ECONOMIC RECOVERY

To build a solid economic recovery, we must make sure that the actions we take today do not leave our economy weaker tomorrow. We cannot spend money for short-term relief at the price of bigger deficits and higher taxes. That would only add to our problems.

We must act responsibly.

For the Liberal Government, acting responsibly means sitting on the sidelines and blaming everyone else.

For Conservatives, acting responsibly means taking responsibility. It means investing in policies that will make our economy work better so that Newfoundlanders can have economic security and opportunity for themselves and their children.

Our economic priority is to build confidence in the economy, stimulate growth, and create jobs by investing in people and creating a favourable economic environment for people to produce more goods and services more efficiently.

- ✓ First, we will invest in education and skills training to improve productivity. When productivity grows, employment and incomes grow.



- ✓ Second, we will link income support programs to jobs, education and training so that people who are willing and able to work can form permanent attachments to the workforce.
- ✓ Third, we will encourage private sector investment and enterprise as the basis for economic growth.
- ✓ Fourth, we will reform the tax system to ensure that Newfoundland companies can compete with businesses in other provinces and with international competitors in our export markets.
- ✓ Fifth, we will encourage investment in the production of high-quality, value-added goods and services in areas where we have or can develop a competitive advantage in local and export markets.
- ✓ Sixth, we will make Government more efficient and less costly. This means spending smarter, borrowing less, and raising new revenues from new economic activity rather than new taxes.

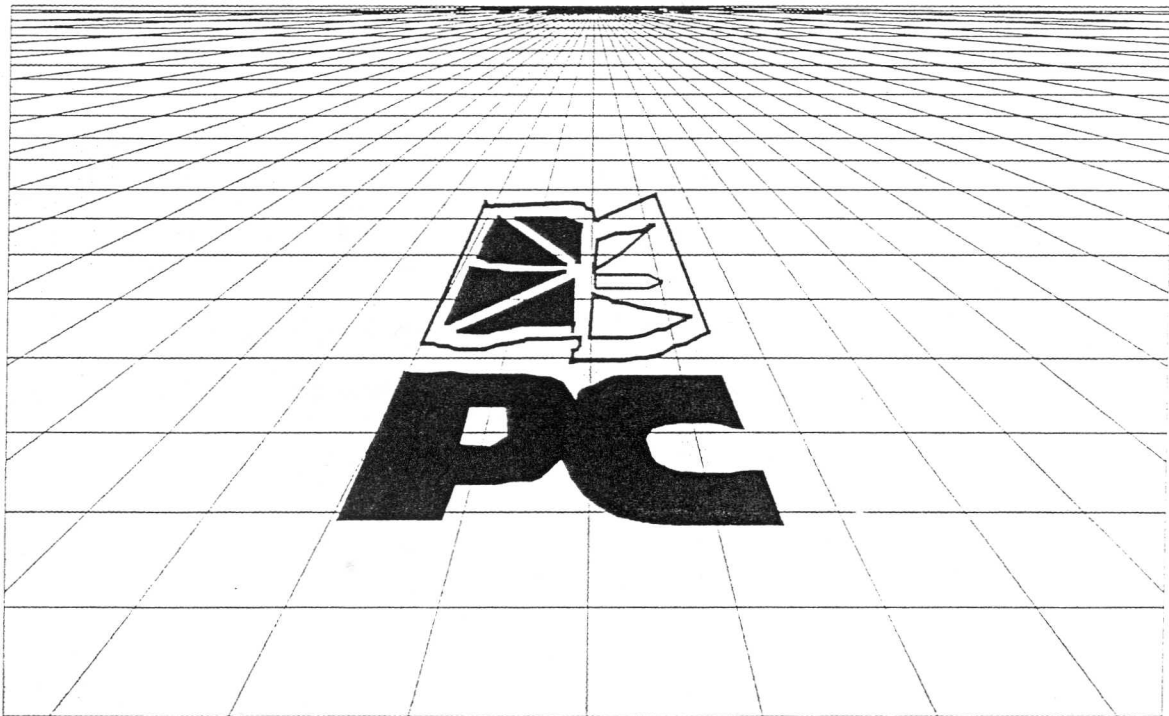
The prosperity we seek is more than jobs and economic growth. It must bring long-term benefits to the people of our province, greater opportunities for our young people, equality of opportunity for men and women in the workplace, expanded opportunities and an improved quality of life for people with disabilities, a clean environment, comprehensive medical and social programs, and greater support for arts and culture. We cannot concentrate on one and ignore another, because they are all pillars that support the quality of our lives and the things we value about living in Newfoundland and Labrador.



THE BLUEPRINT

A FOUNDATION FOR INVESTING IN ECONOMIC
STABILITY AND GROWTH

Part One:
Jobs, Training & Investment



The Newfoundland & Labrador
Progressive Conservative Party



JOBS, TRAINING & INVESTMENT

Let's start with the basics. There is an urgent need for jobs. The number of people on social assistance has nearly doubled since 1989 - at a cost of nearly \$100 million. The numbers and the cost are rising every day as more of the unemployed are forced to take social assistance when their unemployment insurance benefits run out.

The vast majority are ready, able and willing to work, or to be re-trained, but they can't find work. Since 1989 we have lost 10% of all the jobs in the province. The impact of this on people's lives and on the provincial economy is clearly enormous. *The longer people remain unemployed, the more discouraged they become and the more their job skills decline.* At the same time, the provincial economy suffers from the waste of human resources, lost revenues and higher spending for social assistance.

Newfoundland and Labrador cannot afford to lose 20,000 jobs. We must break out of the spiral that is spinning off jobs and sucking in taxes to pay for social assistance and essential public services. The way to do it is to shift from the *do-nothing approach* of the Liberals to an *active approach* based on investing in economic growth, in jobs and in the skills and support people need to enter or re-enter the workforce.



JOB CREATION AND TRAINING

A Progressive Conservative Government will transfer responsibility for designing and coordinating a comprehensive job creation and employment strategy to the Cabinet Secretariat. It will report directly to Cabinet and have *a mandate to link social assistance benefits and spending for job creation directly to employment, training and education*. The Secretariat will be responsible for *establishing priorities and policies*. Programs will be delivered by the appropriate Government departments and agencies.

The Secretariat would be funded by reallocating personnel and resources from departments that now have policy responsibilities for employment and training to the new Secretariat. Transferring policy-setting to the Secretariat, and keeping programs in appropriate departments, would streamline and improve decision-making and free up millions of dollars for employment and training priorities.

IMMEDIATE JOB CREATION

The Secretariat will need a few months to become established and design a comprehensive strategy for employment and training. However, there is an urgent need for immediate action to boost employment. A Progressive Conservative Government will launch job creation and training programs without delay that will put people back to work.



WAGE INCENTIVES

Thousands of unemployed Newfoundlanders and Labradorians are willing and able to work, yet employers cannot afford to hire them. We will make wage incentives available to employers who hire eligible individuals *by adding new positions to their workforce*. The incentive program will be funded from existing expenditures on social assistance and employment generation and will be designed to create meaningful jobs for social assistance recipients and the long-term unemployed by:

✓ Linking Social Assistance To Employment.

We will use some of the money Government now spends on social assistance to supplement the incomes of recipients who are willing and able to work. By linking social assistance to employment, we can create a large pool of money - topped up by employers - to put people back to work, at no extra cost to taxpayers. Each new job, in fact, would boost government revenues.

IN 1989
THE LIBERALS SAID...
*"Incentives must be created
to encourage families to
move away from dependency
on welfare payments."*

*-Campaign '89
Liberal Policy Manual*

✓ Investing In Jobs For The Long-Term Unemployed.

Businesses that hire unemployed individuals in new jobs will get help to *supplement wages or the cost of employer sponsored job training*. Priority will be given to new and established businesses that *offer opportunities for long-term attachment to the workforce*.



The wage incentive program will also be available to help employers and associations that create shorter term jobs for eligible individuals in such areas as employer sponsored literacy programs, resource management, tourism, and the environment.

INVESTMENT IN SKILLS TRAINING

Even though unemployment in the province is at an all-time high, some employers continue to face problems in finding workers with the education and skills they require.

- ✓ We will create links between social assistance, employment generation, post-secondary education and student aid to make it easier for the long term unemployed and persons on social assistance to improve their education or learn new job skills.

IN 1989

THE LIBERALS SAID...

"Single parents who need it should be assisted to acquire or upgrade skills so that they can improve their positions in the workplace. Child care assistance and such benefits as transportation subsidies should be provided for single parents who are enrolled in university or receiving training at trades or technical centers."

-Campaign '89

Liberal Policy Manual

- ✓ Tax credits will be available to encourage employer sponsored training programs for new and existing employees.



- ✓ We will expand pre-employment literacy programs to help people who need literacy upgrading to participate in employment opportunities or job-related training.

SUPPORT FOR DAY CARE

Some parents, especially single parents, can't take jobs or training because they can't find or afford quality day care for their children. The largest group of people on long-term social assistance is single mothers.

IN 1989
THE LIBERALS SAID...
*"Child care funding in
Newfoundland and Labrador
must be reviewed to facilitate
the integration of women into
industry and public life."*

-Campaign '89
Liberal Policy Manual

- ✓ We will provide more support for day care funding to help low-income parents who need child care to get back to work or to pursue training to improve their job skills. Assistance will be provided based on need.

Increased day care funding will encourage private sector investment in providing regulated day care spaces. That will create jobs and improve choice for all parents who need the assurance of quality child care to take advantage of employment opportunities or to start their own businesses.



INVESTING IN BUSINESS GROWTH

Newfoundland's shrinking ability to retain or attract private sector investment and jobs has reached crisis proportions. We are in a prolonged and painful recession, worsened by the problems in the fishery, which has made it difficult for business to invest. Ongoing concerns about the Government's ability to manage the economy, the high tax burden, the constant threat of layoffs, and the confrontation between government and unions have made a difficult situation intolerable.

Every sector of the economy is affected. Small businesses, construction, manufacturing, financial and resource-based companies are all being hurt, and many have cut back or cancelled investment plans. Interest from out-of-province investors has all but dried up.

Business wants to invest. Newfoundland needs investment to recover from the economic downturn and then to grow and prosper. Government has a responsibility to provide sound economic leadership and creative opportunities to attract investment and create jobs.

TAX INCENTIVES FOR NEW BUSINESS INVESTMENT AND JOB CREATION

Virtually every category of direct and indirect taxation has increased sharply over the past four years. The heavy tax burden has put the Newfoundland economy at a severe disadvantage in relation to other provinces and international competitors. It has worsened the effects of the recession in this province by driving companies into bankruptcy, discouraging consumer spending, shutting down new investment in the economy, and cutting out jobs in the private sector.

We need to reform the whole tax system so that tax policy is used not just to generate revenue, but as a development tool to stimulate the economy and help make it more competitive.



A Progressive Conservative Government will bring in comprehensive tax reforms in the 1994 budget. Any Government revenue loss would be offset by spending controls and new revenue from economic growth.

- ✓ We will eliminate the payroll tax. The payroll tax is a tax on jobs, a tax on higher wages, and a tax on consumers by adding to the cost of goods and services. It has also been a major factor in eroding the ability of Newfoundland companies to maintain jobs in the province and to compete with other jurisdictions. Removal of this tax will stimulate economic activity and job creation that will generate new tax revenues to substantially offset the revenue loss. The entire provincial economy would benefit.
- ✓ Give a three-year tax holiday to new businesses that do not compete with existing businesses and create new jobs in the province. While business tax revenues from new companies will be deferred for three years, the province will get more revenues immediately from income and consumption taxes, and will spend less on income support for the unemployed.
- ✓ We will give a job creation tax credit to established businesses that create new full-time jobs for Newfoundlanders. The tax credit will be for a fixed term and will be related to the size of the business and the number of new jobs created.



INVESTING IN MACHINERY, EQUIPMENT AND TECHNOLOGY

To generate economic growth businesses need investment capital, rather than debt, to invest in machinery and equipment, incorporate technology into the production of goods and services, develop new products, or find and supply markets.

The availability of investment capital is important to the kind of productivity growth that will create jobs and improve real incomes - both wages and profits. Modern workers in modern industries require up-to-date machinery and equipment to produce competitive products and services. The low level of capital investment per worker in Newfoundland industries is a major contributing factor to low levels of productivity in the provincial economy.

Government can play an important role in encouraging productive capital investment through supportive tax policies, a good business environment, and direct Government investment where the private sector cannot do the job alone.

Newfoundland needs creative solutions to generate new investment, and especially to support economic diversification in rural communities and regions. *A Progressive Conservative Government will increase the pool of investment capital available to business and communities through:*

- ✓ *A Newfoundland and Labrador Equity Fund to provide investment capital to high technology, innovative enterprises that will be increasingly important to the province's future prosperity. Investments will be made by a team of investment managers from the private and public sectors based on long-term benefits to the economy and a reasonable rate of return.*



- ✓ *Development Bonds* - 100% guaranteed by Government - have proven to be excellent vehicles in other jurisdictions to attract investment in order to create long term employment opportunities. Interested communities would establish Community or Regional Bond Corporation, with Government approval, and raise money for equity investments from local residents as well as outside investors. Such bonds - safe, secure and tax-free - would help people create their own jobs in their own communities.
- ✓ *A Stock Savings Plan* which will provide provincial tax credits to the general public to encourage investment in business growth within the province.
- ✓ Tax incentives for the establishment of *Employee Share Ownership Plans* to broaden the base of public involvement in private sector investment.
- ✓ Tax incentives to promote the formation of *Cooperatives and Community Development Corporations*.
- ✓ Tax rebates for businesses investing in manufacturing and technical industries to allow for a more rapid reduction of the cost of capital investment.
- ✓ Tax incentives for private sector research and development expenditures.
- ✓ Tax credits for companies that invest in manufacturing new products for export or to replace products imported into the Province.



In addition to these initiatives, we would lobby the Federal Government to set up a Canada Stocks Savings Plan that would give high tax credits to Canadians investing in eligible companies that employ most of their workforces in Newfoundland and other economically underdeveloped provinces.

Ottawa could also improve access to investment capital by transferring some of the Canada Pension Fund to a provincial investment management team. To insure a good rate of return, most of the capital provided by the fund could be invested in low risk business projects, but a proportion could be set aside for venture capital investment in small and medium sized business.

A MORE EFFICIENT REGULATORY PROCESS

Government regulations are important to protect people and the environment and to provide the assurance of quality goods and services to consumers, investors and communities. But regulations have proliferated into a costly web of red tape that unreasonably delay and often discourage investment and job creation in the private sector.

We will improve the quality and speed and reduce the cost of the regulatory system by:

- ✓ **Streamlining and consolidating regulations to prune out duplication and reduce the number of regulations and regulatory bodies.**
- ✓ **Working with the Federal Government to eliminate duplications in federal and provincial regulations and to coordinate federal and provincial administrative procedures.**



- ✓ Working with municipalities to standardize regulations and administrative procedures.

PROMOTING BUSINESS OPPORTUNITIES AT HOME AND ABROAD

Tax relief, access to investment capital and a user friendly regulatory system will support new investment and business expansion to serve both local and export markets. The opportunities are real. We import 90 per cent of the goods and services we buy. Replacing just 10 per cent of the items we import with locally produced goods and services would create hundreds of jobs. Free trade with the United States, and soon with Mexico, has opened new export opportunities for almost all the varieties of goods and services we can produce, but especially for manufactured products that use our natural resources.

Specific policies to help develop the economic potential of our resource base are dealt with in the section, *Getting More Value from Our Resources*.

Selling more made-in-Newfoundland goods and services in local, national and international markets is not beyond our reach. Many Newfoundland firms do it now. They compete with the best in the world, and win!

A Progressive Conservative Government will create support networks in which businesses and Government will work together and learn from each other to build efficient enterprises that can compete successfully at home and abroad. We will place special emphasis on:

- ✓ The supply and employment of highly skilled people;
- ✓ Investment in product research and development, market development and promotion, and the use of



best practice technologies to improve productivity;

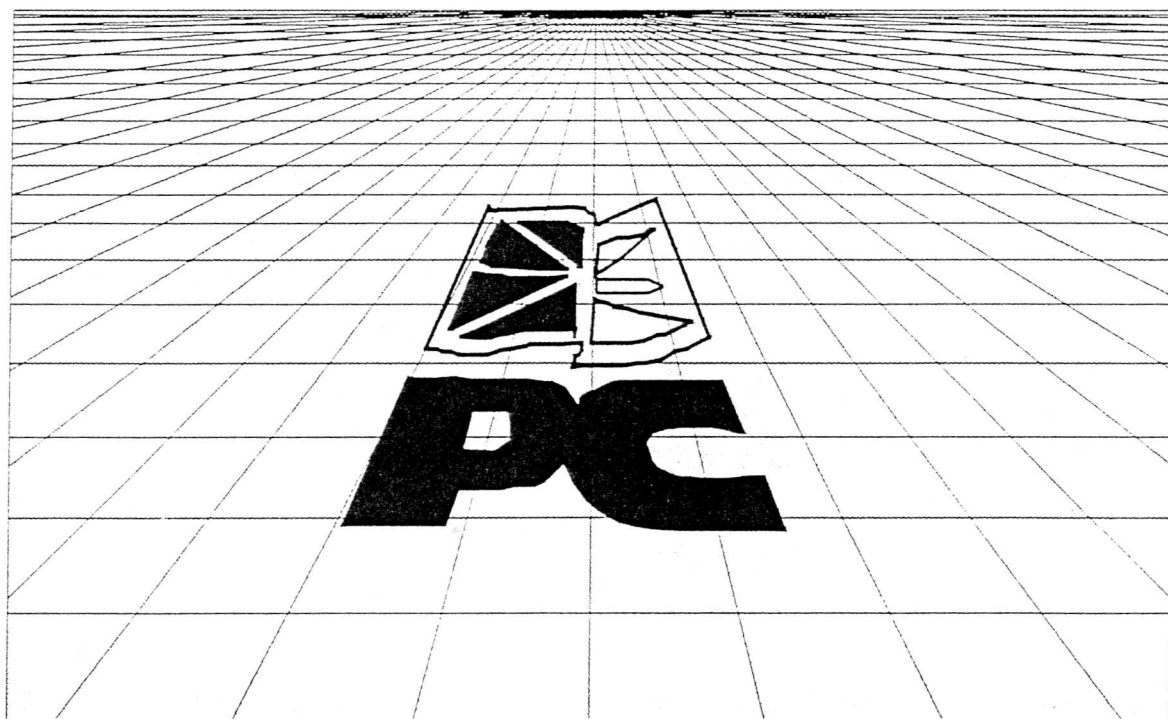
- ✓ Joint ventures among local firms to promote sharing of information, skills, production processes and resources, and for joint promotion and marketing of products and services;
- ✓ Joint ventures with national and international firms to promote the transfer of key technologies, management expertise and markets;
- ✓ An electronic information network to keep local firms up-to-date about public and private sector procurement requirements and policies throughout Canada.
- ✓ An aggressive promotion program to attract manufacturing and technical firms to the province, especially firms in the electronics and technology fields where skills and productivity are more important than geographic location;
- ✓ Formation of supply networks to improve marketing and promote greater use of locally produced goods and services;
- ✓ Promote the establishment of free trade zones in appropriate areas of the Province.



THE BLUEPRINT

A FOUNDATION FOR INVESTING IN ECONOMIC
STABILITY AND GROWTH

Part Two:
Getting The Most From Our Natural Resources



The Newfoundland & Labrador
Progressive Conservative Party



GETTING MORE VALUE FROM OUR RESOURCES

Newfoundland and Labrador can draw on many strengths as it adjusts to a different and more demanding economic environment. Our resource base is a source of economic advantage, but the benefits to the province are much lower than they should be. What is missing is a value-added manufacturing system that would produce finished products for domestic and export markets. Most of the economic value from natural resources comes from secondary industries that use raw materials to make finished products for consumers or supply goods and services to primary resource industries. Our failure to develop manufacturing and service industries linked to our resource base is a major reason for the weakness of our economy.

Our resources belong to the people of Newfoundland and Labrador, yet other provinces and countries benefit much more from them than we do. *We export skilled jobs, profits and revenues with every ton of raw product and with every megawatt of energy that leaves the province.* Our resources can be sources of economic strength and prosperity if we protect and manage them to take full advantage of opportunities for economic diversification and employment in this province.



MANAGING RESOURCES FOR MAXIMUM ECONOMIC BENEFIT

The primary resource policy objective of a Progressive Conservative Government will be to retain within the province as much as possible of the direct and indirect economic benefits from our resources.

We will achieve that objective through management of policies and programs that will:

- ✓ Protect all our resources and restore renewable resources so that we can continue to use them for our economic benefit;
- ✓ Establish an Industrial Benefits Policy that will require benefits to the province as a condition of further access to our resources - the benefits may be in value added processing, or opportunities for local firms to supply equipment, goods and services;
- ✓ Encourage existing resource industries to invest in value-added secondary processing within the province, and to expand the use of local goods and services in their industrial operations.



A RESOURCE INDUSTRY DIVERSIFICATION FUND

The first rule of economic success is to make the most of comparative advantages. To get the most value from our resources - which is a comparative advantage for us - we must change our attitudes about them and begin to use our resources to build competitive strengths in manufacturing, technical, and service industries.

Government can help companies respond to investment opportunities through support for management and labour training, research and development, quality control and quality assurance programs, marketing, and investment in necessary infrastructure.

We will establish a *Resource Industry Diversification Fund* to consolidate and coordinate all aspects of support for industrial diversification around resource industries. The Fund will be used to:

- ✓ Support projects in each resource sector that lead to higher value added activities;
- ✓ Support expansion of manufacturing, technical and service industries that supply equipment, goods, technical support and services to resource industries.



THE FISHERY

Our first and overriding priority in the fishery is to rebuild fish stocks and ensure the long-term integrity and viability of the resource.

The Canadian Constitution recognizes conservation and management of fish stocks as a federal responsibility, but *we will continue to press for tough conservation and management standards and enforcement that ensure the maintenance of a sustainable economic resource, including the extension of Canadian conservation, management and enforcement standards to foreign fleets harvesting migratory fish species outside the 200-mile limit.*

The history, economy and culture of Newfoundland and Labrador have been shaped by the fishery. It is the sole basis of economic activity for thousands of people in hundreds of communities and remains the best prospect for building viable rural communities in the future. No industry is more important to the province, yet our ability to pursue development objectives in the fishery is restricted by exclusive federal control over resource management, in particular the federal control over licensing and over resource allocations to plants and fishing fleets.

We do not challenge the federal responsibility for conservation and enforcement, which includes setting the total allowable catch. Once conservation measures are established, the new Progressive Conservative Government will insist on the right of the province to manage the available resource - just as it now manages all other economic resources.

The former Progressive Conservative Government had gained substantial support from other Canadian governments for a constitutional amendment that would have provided a better sharing of federal-provincial jurisdictions in fisheries management. That effort was derailed by Clyde Wells and it will take some time to rebuild the



consensus needed for another constitutional amendment to succeed.

There must be a framework in which the province can play a meaningful role in decisions that have a major impact on the Province's economy and on the basic structure of Newfoundland society. We have a very short period in which to make critical decisions about the future structure of the fishery and the economies of fishing communities. It cannot be left to chance, or pursued unilaterally with scant attention to provincial priorities for the economic renewal of the fishing industry and the communities that depend on the fishery for their survival.

We will aggressively pursue a Canada-Newfoundland Fisheries Agreement providing for a joint decision-making process in fisheries management. It may be possible, later, to entrench the agreement in the constitution.

There are opportunities to strengthen the fishing industry by diversifying beyond the traditional areas of ground fish harvesting and primary processing. These include expanding into more levels of secondary processing, harvesting and processing underutilized species, and aquaculture. Some activity already has occurred in these areas, but we have barely scratched the surface.

A BROKEN PROMISE

***"A Liberal Government
would recognize the
Department of Fisheries as
the key industrial division of
Government."***

***-Campaign '89
Liberal Policy Manual***



*Secondary Processing

Most of the fish products we export go to secondary processing plants in the United States where they are processed and packaged into the kinds of finished products consumers want. That investment in value-added processing using *our* resources, and the jobs that go with it, could be right here in this province. *We have a golden opportunity now to attract investment in the production of higher value consumer products and to build a competitive advantage in our biggest market.*

- ☒ Long standing tariff barriers to the export of finished fish products into the US market is coming down.
- ☒ The federal fisheries' compensation package provides an income safety net for fishermen and plant workers.
- ☒ Ottawa is prepared to spend hundreds of millions of dollars in training.
- ☒ Capital tied up in excess capacity for primary processing could be converted for use in secondary processing.

The processing sector of the fishery falls within the province's domain. The only strategy of the Liberal Government is to avoid doing anything and to shift responsibility to the Federal Government or the private sector.

A BROKEN PROMISE
"A Liberal Government will be committed to the expansion of secondary processing of fish in this province, particularly the introduction of new products, with appropriate support in technology and marketing."

*-Campaign '89
Liberal Policy Manual*



A Progressive Conservative Government will provide leadership and support both to rationalize primary processing capacity and to develop the potential for new investment and jobs in secondary processing. The chief components of our strategy will be to:

- ✓ determine the amount of excess capacity for primary processing in our current plant inventory, and how much of the excess capacity can be converted to value-added production;
- ✓ use the *Resource Industry Diversification Fund* to help primary processors and new investors diversify into the production of value added products, including the utilization of by-products and underutilized species;
- ✓ create a cooperative marketing organization for independent processors to consolidate all aspects of marketing seafood products, and to improve awareness of domestic and international market conditions and consumer preferences;
- ✓ develop within the province a leading role in research and technology to increase the commercial use and value of raw materials from fish and other marine species, create products for a variety of consumer markets, expand the usage of marine species in aquaculture, and to improve productivity;
- ✓ Increase productivity and competitiveness through training, support for innovation and the application of new technologies.



***Fisheries Related Industries**

The fishing industry is a large consumer of equipment, goods and services that range from highly specialized machinery and technical support to the more routine business supplies and services.

A Progressive Conservative Government will use that ready made market, and provide tax and other financial incentives, to promote greater Newfoundland content in the design and manufacture of gear and equipment, and in the goods and services supplied to the harvesting, processing and marketing sectors of the fishing industry.

FORESTRY

The forests of Newfoundland and Labrador are a valuable natural endowment providing raw-material for forest-based industries, construction materials, firewood as an energy source, a habitat for wildlife, water resources in rivers and reservoirs, and a vast wilderness for recreational purposes. The value of our forests cannot be measured solely in terms of newsprint and lumber production. It contributes to a broad variety of other important activities in virtually every sector of our economy.

As in the fishery, the primary interest of the province must be to protect and manage our forests so that they continue to contribute to economic growth and sustain recreational and income benefits to the people of Newfoundland and Labrador.

A Progressive Conservative Government will expand the economic value of our forest by enforcing effective practices in resource management and habitat protection and undertaking an intensive silviculture program for forest improvement and re-forestation.



We can create more, long-lasting jobs in forest industries through effective resource management and the full utilization of available forest resources. We will build on the already substantial economic value of our forests by:

A BROKEN PROMISE

"A program will be implemented to promote the use, wherever practical, of local wood products in public buildings and all other buildings built with public financial assistance."

*-Campaign '89
Liberal Policy Manual*

✓ Giving preference in wood allocations to integrated forest operations that make maximum use of raw materials to produce lumber, chips, pulpwood and other forest products.

A BROKEN PROMISE

"A task force will be established to determine the most efficient and effective method of developing the vast timber resources of South-Eastern Labrador."

*-Campaign '89
Liberal Policy Manual*

✓ Using incentives - including the application of an Industrial Benefits Strategy - to expand secondary manufacturing and opportunities for local firms to supply equipment, goods, and technical services to forest industries.



MINING

There are two basic activities in the mining industry: exploration, which has declined significantly over the past four years, and mineral extraction, which has similarly experienced declines in production and employment over the same period.

The iron ore mines in Labrador account for nearly 90% of all mineral production and employment in the industry. Although the Labrador mines have had to adjust to lower demand and higher competition in world markets, they will continue to give stability to the industry for years to come. Geophysical studies show promising mineral potential in several areas of the province but realization of that potential is linked to a more aggressive mineral exploration program.

Progressive Government plans for the mining industry include three objectives:

First, to encourage higher levels of exploration, mine development and industrial development related to the mining industry.

Second, to use the skills of Newfoundlanders and Labradorians in the search for minerals, in production operations, and in supplying goods and services to the mining industry.

Third, to ensure that the industry remains competitive in international markets.

To achieve these objectives, a Progressive Conservative Government will:

- ✓ provide financial incentives to local exploration companies and prospectors to encourage more local investment and higher levels of exploration;



- ✓ help local companies with the infrastructure required for new mining development, such as the construction of hydro lines, access roads and shipping facilities;
- ✓ use the Resource Industry Diversification Fund and applying an Industrial Benefits Strategy to promote manufacturing processes using mineral products and dimension stone, and to increase opportunities for local companies and labour to supply equipment, goods and technical services to the mining industry.
- ✓ review and, if necessary, change the mining tax system and other assessments on the mining industry to ensure the total tax burden is competitive with other jurisdictions.

ENERGY

The province is fortunate to have an abundant energy potential. The Lower Churchill river system in Labrador is a key renewable resource in terms of untapped hydro potential. Offshore petroleum development is now underway and Newfoundland will soon join a select group of oil producing states and regions. Our energy reserves form a strong and secure base from which we can attract private sector investment to develop all of our resources and related manufacturing industries in the province.



***Using Lower Churchill Power For Industrial Development**

We now know the Liberal strategy for development of the Lower Churchill is to sell the power to Quebec, to repeat the unconscionable Upper Churchill contract of a former Liberal Government.

*A BROKEN PROMISE
"A Liberal Government
knows how to, and will,
ensure that Labrador hydro
power will be available to
meet first the needs of the
people of the province."*

*-Campaign '89
Liberal Policy Manual*

A Progressive Conservative Government will promote a consortium of public and private investors to develop the Lower Churchill and to use the hydro power to bring industrial development and jobs to this province. Our priorities for Lower Churchill power are:

- ✓ **Resource and related industrial development in Labrador;**
- ✓ **Energy needs for industrial development and long-term energy supply to the island part of the province;**
- ✓ **Equitable economic returns from the sale of surplus power to customers in other Canadian provinces or in the United States.**

We will welcome investors who are prepared to develop the Lower Churchill as part of an integrated industrial development strategy, but we will not trade the energy of the Lower Churchill for short-term



construction jobs or for royalties that will only replace equalization payments from Ottawa. Development of the Lower Churchill, unlike the development of the Upper Churchill under the former Liberal Government, must bring real and long-term industrial benefits to the people of this province and make a strong positive contribution to the province's economy.

***Oil And Gas**

Thanks to the former Progressive Conservative Government and to the present Federal Progressive Conservative Government, oil will flow from the Hibernia field in 1997. It will mark the beginning of a major new industry for the province and the Newfoundland economy will absorb more of the economic benefits as local companies and labour become more familiar with the industry.

The recent federal decision to lift restrictions on foreign investment in the oil and gas industry will attract new investment in exploration and in the development of proven oil fields.

A Progressive Conservative Government will prepare immediately for development of the Whiterose, Terra Nova and Hebron fields, and to attract new exploration activity. We will prepare in a way that maximizes the development of oil related industries in this province, that creates well-educated, well-trained workers for the oil industry, and brings equitable revenues to the province.

***Energy Conservation And Alternate Energy Sources**

Energy conservation and the development of alternate energy sources are vital to ensure a secure supply of reasonably priced energy for residential, transportation, commercial and industrial customers.



A Progressive Conservative Government will launch a vigorous conservation program aimed at restraining the growth in energy demand without impeding economic growth and development.

A major energy and environmental objective for the province is to replace oil-fired electricity generation with a reliable, affordable and cleaner alternative. The only option under consideration - the construction of a transmission line to bring electricity developed on the Lower Churchill to the Island - is linked to another massive sale of Churchill power to Quebec that, once again, would attract more investment to Quebec and impede industrial development in this province.

A Progressive Conservative Government would explore other options to replace oil-generated electricity. In Ontario, for example, some industrial and institutional electricity consumers have built their own plants, fired by natural gas burners, that produce both steam heat and power at reasonable costs. The total generating capacity of plants built in Ontario since 1989 is over 177 megawatts, or enough electricity to supply the peak demands of 60,000 households.

Encouraging large energy consumers in this province to generate power from natural gas - especially public institutions, industries, hotels, apartment buildings and commercial offices that can also use steam heat - may be an attractive alternative to the cost of transmitting hydro power from Labrador.

Large quantities of natural gas will be produced as a by-product of offshore oil production. Private companies, or Newfoundland and Labrador Hydro, may be able to tap into offshore natural gas to supply private power plants and replace oil-fired generation in existing utilities. Access to dependable, affordable natural gas would encourage private investment in the co-generation of electricity. Privatized generating plants would benefit all consumers by opening the electricity sector to competition.



AGRIFOODS

Agriculture is primarily a rural industry and its development offers genuine opportunities for economic diversification and employment creation in rural areas of the province.

- ✍ Only a small portion of the land suitable for agriculture is currently in production.
- ✍ We have the potential to move towards self-sufficiency in all the traditional agricultural products, as well as opportunities for development of new products.
- ✍ The area of secondary processing is largely untapped and has the potential for the largest gains in employment and earnings through the manufacture of value-added products. In particular, the development of an integrated food processing industry combining agrifoods and fish products to produce ready-to-serve products for export can expand markets and stimulate new investment in farm production.

A Progressive Conservative Government will work with the agrifoods industry to increase production, efficiency and competitiveness by:

A BROKEN PROMISE

"The Liberal Party is committed to a program of agricultural development dedicated to the eventual goal of achieving the maximum possible level of self-sufficiency in basic farm products."

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- ✓ implementing land use policies designed to preserve and use all suitable land for agricultural production;
- ✓ expanding capital investment in basic infrastructure, and raising the limit on farm loans to better reflect the real cost of developing and running modern, efficient farms;
- ✓ securing high quality, locally produced, feed for livestock and poultry producers at stable, competitive prices, and negotiating improvements to the federal Feed Freight Assistance Program;
- ✓ providing technical and scientific support to encourage higher levels of technology and innovation to improve farm efficiency and product quality;
- ✓ encouraging cooperative producer networks to share facilities and equipment that require large capital investments;
- ✓ establishing central storing and marketing agencies to ensure a consistent year-round supply of farm products to local wholesalers, retailers, and food processors;
- ✓ providing Farm Skills Programs in community colleges to meet industry needs for technical and business management training;
- ✓ legislating a fair and equitable municipal business tax structure for farms, and ensuring that the provincial tax system allows local farmers to compete equitably with those in other provinces.



TOURISM

Tourism is a complex industry that involves every community, all sectors of the economy, the environment, and our physical and cultural heritage. Investment, which enhances and promotes the tourism potential of these distinctive features, can generate new economic activity and employment in every area of the province.

A Progressive Conservative Government will establish a Tourism Development Fund to support private and community investment in projects that capitalize on our natural and cultural advantages. Projects will emerge from consultations with the tourism, culture and environment sectors and other parties critical to the success of the tourist industry.

The Fund will support projects in the following areas:

- ✓ identification of new or expanded market opportunities and the development of tourism as a year-round economic activity;
- ✓ promotion of industry-wide standards for facilities and services;
- ✓ promotion and marketing targeted to local, national and international markets, including management training in the area of market identification and development;
- ✓ coordinated planning and sharing of critical industry information;
- ✓ agreements with communities, heritage and cultural groups to protect and restore historic sites, buildings



and other properties, and promote distinctive cultural events;

- ✓ investment in the special infrastructure needs of the tourism industry including training, electronic tourist information systems, and development of primary tourist stops at strategic locations around the province from which tourists can be drawn to events and attractions in surrounding communities and sites.

CULTURE

The creative enterprises of artists and cultural groups have a positive and significant impact on the provincial economy. Like tourism, which is enhanced and complemented by the talent and enterprise of artists, performers and writers, culture is a growth industry in the province. Unlike in many other industries, the growth has been generated almost exclusively through the enterprise of individual artists and groups.

The failure to accept and promote the industry as a viable and important part of the provincial economy has made it difficult for entrepreneurs within the industry to access public and private sector capital and financial services. Funding for the arts is not "hand out" money - it is a sound investment in the future of our people and our province.

A Progressive Conservative Government will focus on organizing and coordinating culture as a specific area of economic activity, and securing the public and private investment needed to realize the industry's full economic potential and to enhance the financial position of artists.



THE ENVIRONMENT

Protection of the environment is essential to our personal and collective well-being in terms of health, the quality of life, and the availability of resources to the economy.

Our marine and wilderness environments and our natural resources are sources of comparative advantage for all sectors of our economy. The environment is itself a rapidly growing global industry with considerable potential for private sector investment and employment generation. By applying the best available management practices and technology to the environment, we can sustain our fishery, forestry, mining and resource related industries, and create jobs and opportunities for a new generation of Newfoundlanders and Labradorians.

Improving environmental management and protection, enhancing pollution prevention, and boosting the province's presence in the market for environmental products and services, are priorities for a Progressive Conservative Government.

P.C. strategies dealing with environmental issues are included in all our resource and other economic policies. Beyond those policies, we will:

- ✓ improve and manage fish and wildlife habitats to ensure that the province continues to offer some of the world's finest fishing and hunting;
- ✓ introduce legislation to control the use of all-terrain vehicles in areas of the province where wildlife populations are concentrated or where ecosystems are sensitive to disturbance;



- ✓ establish new wilderness and ecological reserves - priority will be given to a major wilderness area in Labrador - to protect plants and wildlife that are highly sensitive to disturbance, and for the education and enjoyment of people;
- ✓ implement strategies to promote the use of reusable and biodegradable containers, and recycling of waste materials that can be reused in manufacturing processes, and legislate stronger provisions to deal with the problem of litter and abandoned vehicle wrecks;
- ✓ ban the importation of domestic or industrial wastes for incineration, storage or other methods of disposal in the province - waste products imported for use as raw materials in manufacturing would be subject to the review and approval process required under the Environmental Assessment Act.
- ✓ work with municipalities to develop more advanced and efficient environmental approaches for the disposal of municipal sewage and solid wastes, and the storage, handling and disposal of toxic and hazardous wastes;
- ✓ negotiate an environment agreement with the Federal Government to provide for the cleanup of St. John's Harbour, the Lower Humber River, and municipal waste sites around the province;
- ✓ improve monitoring of air quality and the condition of lakes and streams that may be affected by domestic or industrial wastes, or other forms of activity, and



- ✓ enforce compliance with environmental standards;
- ✓ provide tax-based incentives for firms to invest in technologies that reduce environmental pollution;
- ✓ establish *Environmental Centres of Excellence*, bringing together the public and private sectors and academic community, to build expertise and competitive advantages in innovative environmental technologies, management systems and services linked to our resource-base;
- ✓ establish a *Youth Environment Enhancement Agency*, in cooperation with the Federal Government, municipalities and private industries, which would employ young people in environmental protection, restoration, beautification and management projects - youth involved in the service would participate in environmental education programs and receive counselling in career and entrepreneurial opportunities related to the environment.



CAPITAL INVESTMENT IN INFRASTRUCTURE

Power generation, telecommunications, roads and highways, water, sewer and solid waste systems have long been important to economic development. The quality of this basic infrastructure has a significant impact on private investment decisions and the economy's capacity to generate high-quality, well-paying, secure jobs. It influences not only the capacity to attract new economic development but also the vitality of our communities, the quality of life and the protection of the environment.

BROKEN PROMISES

"A Liberal Government will also provide for the urgent completion of all major trunk roads around the province."

"We can do no less [a provincial funded water and sewer corporation] to provide our people with good water and health sewage disposal than we do for medical services, education and electricity".

"A Liberal Government will consider ferry transportation to islands off our coasts to be an extension of the roads system."

*-Campaign '89
Liberal Policy Manual*

The Progressive Conservative Party recognizes that public capital investment should be based on a strategic plan that supports economic restructuring and better positions the province to prosper in the 21st century. We will consult fully with communities and with all sectors of the economy to establish priorities that support long term economic growth.



THE TRANS-LABRADOR HIGHWAY

The untapped resources of Labrador present tremendous economic opportunities for the province. Lower Churchill hydro power can be used to induce investment in forest, mineral, fishery and other primary and secondary resource industries. Labrador's distinctive cultures, vast and majestic wilderness areas, and unique wildlife habitats are natural attractions for tourism. The missing element is a transportation system that opens access to resources and ties Labrador into the North American transportation network.

A BROKEN PROMISE

"A Liberal Government will get started, as soon as it is feasible to do so, on a proper Trans-Labrador Highway. The development of the vast timber, power and mineral resources of Labrador will provide the impetus and economic support for the start of the highway construction."

*-Campaign '89
Liberal Policy Manual*

A Progressive Conservative Government will give priority to completion of an all-weather highway across Labrador, linked to the Trans-Canada Highway, to expand resource, manufacturing and tourism industries in Labrador.



LABRADOR DEVELOPMENT ADVISORY GROUP

Many Labradorians feel shut out of the decision-making process that affects development and the quality of life in Labrador. Government must open opportunities for those who are affected by Government decisions to participate in the decision-making process and to set priorities.

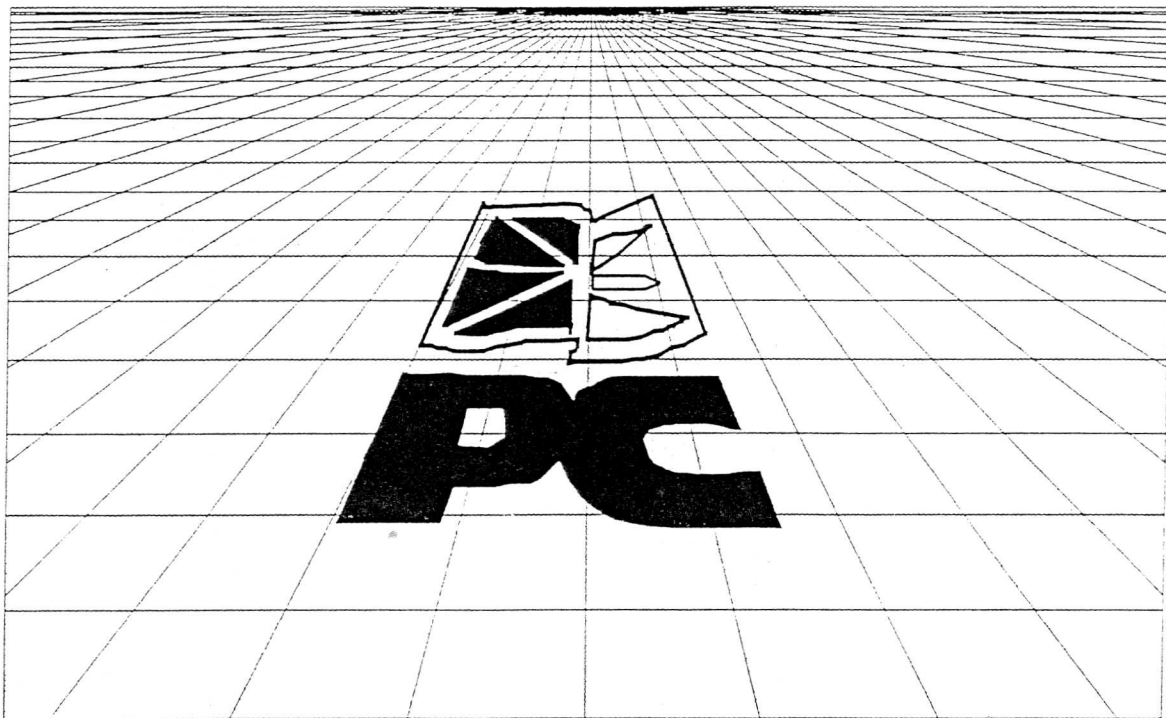
A Progressive Conservative Government will establish a Labrador Development Advisory Group - a voluntary organization of native, business, municipal and labour representatives - with a mandate to identify, coordinate, and recommend approaches to address Labrador development priorities and opportunities.



THE BLUEPRINT

A FOUNDATION FOR INVESTING IN ECONOMIC
STABILITY AND GROWTH

Part Three:
Fiscal & Budgetary Policies



The Newfoundland & Labrador
Progressive Conservative Party



FISCAL & BUDGETARY POLICIES

Newfoundland Governments have always had to deal with the realities of limited resources and the desire to improve public services up to the levels prevailing in other provinces. In difficult times, Government fiscal and budgetary policies must come under even closer scrutiny to ensure they are responsible to both the economy and the social need of the people.

We must act responsibly, but that doesn't mean we cannot act at all. Government's are elected to make choices and we are prepared to make them in the interest of all Newfoundlanders and Labradorians.

The Liberal Government has chosen to fight the recession with massive tax increases and across the board layoffs and spending cuts. Inflicting those measures on a shrinking tax base has made a bad situation worse. It has further weakened the economy, eroded revenues, and forced more spending on social assistance and other income support programs.

You cannot solve one problem - the deficit - by making the other problem - the economy - worse.

A Progressive Conservative Government would choose to expand the tax base by giving business the opportunity to grow and create jobs, and giving consumers the incentive to purchase more goods and services. Our incentive program is detailed in the preceding pages of this Policy Manual.



A FOUR YEAR FISCAL PLAN

The priority of the new Progressive Conservative Government will be to expand the tax base by giving business the opportunity to grow and create jobs, and giving consumers the confidence to start investing again in goods and services. Our economic stimulus program is laid out in detail in our previous policy statements.

Economic growth will lead to increased revenues from new economic activity. Every new business and every new job will bring improvements. However, economic growth will not by itself be sufficient to eliminate the deficit. The only way to come to terms with the imbalance between revenues and expenditures is to reduce the spending growth rate and bring spending requirements in line with revenues.

In order to proceed with a responsible and planned approach to managing our finances, the Progressive Conservative Party has developed a five point strategy:

1. We will reduce the current account deficit each year and achieve a balanced budget in four years by setting the spending growth rate below the rate of growth in revenues.
2. We will fix the rate of annual growth in total borrowing for current and capital account at one-quarter the rate of real growth in Gross Domestic Product during the the preceding fiscal year. If there is a decline in GDP, borrowing for the next year will be reduced at the same rate as the rate of decline in GDP. That will immediately halt further growth in our debt-to-GDP ratio and gradually reduce the ratio to a more acceptable level.



3. We will re-establish an Expenditure Review Committee of public and private members with a mandate to find programs that can be streamlined, non-productive programs that should be cut, administrative re-alignments that would save money, and measures to improve efficiency in Government.
4. We will make structural adjustments to some of the essential and fastest-growing programs while providing support to those that need it most.
5. We will end the accumulation and longevity of Government programs through legislated, mandatory termination requirements. Every new and existing program would be given a termination date. Prior to that date, the program would have to be reviewed - with full public disclosure - and either continued, changed, or ended.

SPENDING CONTROLS

It is impossible to accurately project annual increases in revenue over four or five years. The present Government predicts a 2.5 per cent growth in revenues for 1993-94. We believe the rate of revenue growth will increase in subsequent years as the Canadian economy recovers from recession and the Provincial economy responds to economic stimulus.

The minimum assumption in our plan is that revenues will grow at an average annual rate of 3 per cent between 1993 and 1996. Using that modest projection for revenue growth, the controls on current account expenditures would limit the average annual increase in spending to 2.5 per cent. With this strategy and fiscal plan, we will balance the budget in 1996 and achieve a surplus in 1997.



CONTROLS ON BORROWING

The problem with deficits is that they accumulate and become part of our debt. For the year ending March 31, 1992, our Provincial debt, as a percentage of Gross Domestic Product, was rated by Standard & Poor's, one of the world's major credit rating agencies, at 44.5 percent. Two other Provinces had higher debt ratios. Quebec was at 48.3 percent and Saskatchewan, which has the same credit rating as Newfoundland, was at 54.6 percent.

While our debt, as a measure of our ability to pay, is not the worst in the country, it is clear that we must manage our annual borrowing requirements on both current and capital account to reduce the total debt as a percent of our Gross Domestic Product.

Within the context of the economic environment we now foresee, we anticipate real GDP will grow at a minimum average annual rate of 1.5 percent between 1993 and 1996. At that modest rate of growth, our debt management controls would limit average annual increases in borrowing after 1993 to slightly less than 0.4 percent. In 1992, real GDP declined by 3.2 percent; consequently, borrowing for 1993 should be capped at 3.2 percent below last year.

All of that new borrowing will be for capital spending on infrastructure needed to support economic growth. Borrowing for current account will decline annually and will be eliminated entirely as we progress to a balanced current account budget in 1996.



GOVERNMENT EFFICIENCY

While economic growth will generate higher revenues, we do not expect revenue growth to be strong enough, especially in the first two years, to fully meet expenditure requirements and achieve a current account balance by 1996.

The temporary budget fixes taken by the current Government over the past three years have done little to bring about permanent reductions in the cost of Government. Most of the spending cuts have simply postponed the day of reckoning. As an example, public employees are now in their third consecutive year of wage freezes. That cannot continue indefinitely. Part of the cost for meeting the unavoidable demand for wage increases, as well as the inevitable need for new expenditure programs, will have to be financed from permanent savings in the cost of existing programs.

Permanent savings in the cost of Government can be achieved by spending smarter, choosing priorities, targeting spending cuts to expendable or low-priority programs, and making better use of information technologies in Government operations.

Without any cuts to essential programs, there are millions of dollars in Government spending that could be saved by eliminating administrative waste and duplication. This year we will spend a quarter of a billion dollars on consultants, office space, furniture, travel, hotel bookings, and other administrative overhead. Cutting back on those expenditures is not only possible, but necessary.

The size of the Public Service can be reduced through attrition and early retirement. There are over four hundred executive, administrative, and program units in 15 Government departments, which does not include the dozens of administrative and program units in Government funded agencies and regional offices. That adds up to one Government division for every 400 working people in the Province.



Many of those administrative and program units can be consolidated, substantially reducing management costs and administrative overhead. There are also a number of unnecessary Government programs that can, and should be, eliminated.

We have proposed to re-establish an Expenditure Review Committee with a mandate to find non-productive programs that should be cut, administer re-alignments that achieve meaningful and permanent savings in the cost of Government, and other ways that Government operations can be managed more efficiently and productively. Our plan to legislate termination dates and reviews for all Government programs and services will assist in the process.

NON-GOVERNMENT PUBLIC SECTOR COSTS

Public services provided through hospitals, schools, post-secondary institutions and municipalities, form the major part of Government's expenditure program. Reform of these public sector operations must respond to the need to bring underlying cost structures into line while maintaining a commitment to quality public services.

A new Progressive Conservative Government will consolidate health care boards and work with hospitals and health care organizations to control costs without reducing necessary health care services. We will further consolidate school boards to reduce administrative costs, encourage sharing of administrative, supervisory and specialized services, and remove unnecessary school duplication. And we will encourage greater efficiency in the organization of municipalities and the delivery of municipal services. All Government-funded bodies must change the basic nature of programs and services in order to keep costs in line with Government's ability to pay.



CONCLUSION

I am confident that with consistent, prudent fiscal management over a four-year term, and the economic stimulus contained in *The Blueprint*, we will address both the economic and fiscal problems facing the Province, and will be able to achieve an overall balance between spending and revenues on current account by 1996.

The budget decisions we will take this year will begin the process of deficit reduction that will lead to a balanced current account budget in 1996.

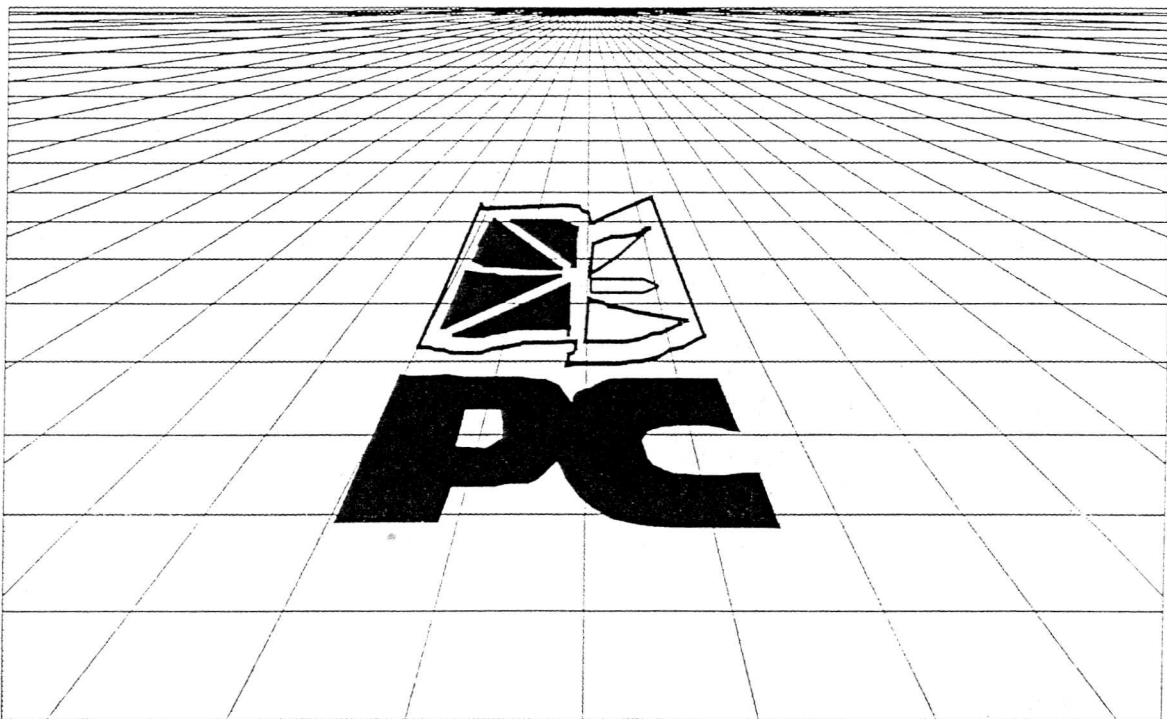
I believe Newfoundlanders will see our approach as responsible and fair. It is an honest and genuine plan to deal responsibly with our problems today in order that we may enjoy a better tomorrow.



THE BLUEPRINT

A FOUNDATION FOR INVESTING IN ECONOMIC
STABILITY AND GROWTH

Part Four:
Investing In People



The Newfoundland & Labrador
Progressive Conservative Party



INVESTING IN PEOPLE

Newfoundland's most valuable resource is its people. In a world where capital, information, goods and services flow easily across borders, economic advantages are increasingly being found in the skills of people. Nations and regions of the world once competed for control over natural resources. Now they compete to provide the best-educated work force.

Our ability to compete with others depends, too, on our willingness to cooperate among ourselves. Cooperation between management and labour, and among Governments, business and unions, is increasingly important to achieving economic renewal.

As a society, we are committed to the dignity and well-being of all citizens, to fairness and equity, public order, respect for diversity, and equality of opportunity. We want to be able to care properly for our old and sick, to improve the quality of life for the disadvantaged, to educate our children and give them worthwhile career opportunities, and to enjoy the social and cultural amenities of a progressive society. Progressive Conservatives share those values. We believe Government exists to serve people, and so does the economy.

Economic progress and social fairness are complementary objectives. We cannot enjoy the benefits of social fairness unless we have an economy capable of supporting them. We can build a productive economy only by developing physically and socially healthy individuals and communities. This is not a "chicken and egg" situation - a matter of choosing one first and then the other. They go forward together.



EDUCATION AND TRAINING

The effort we make to develop our human resources will largely decide the capacity of the provincial economy to generate employment opportunities, better wages, and a better quality of life for ourselves and for our children.

IN 1989

THE LIBERALS SAID. . .

"Our future economic success depends more on the improvements we make in our education programs than on any other single factor."

-Campaign '89

Liberal Policy Manual

The tremendous growth in knowledge, rapid changes in science and technology and the challenges of global competition are driving a demand for highly educated and innovative workers in every sector of the economy. Another feature of the changing economy is that job market skills change frequently and employment opportunities depend more and more on the flexibility of workers to learn new skills and move to new jobs. The message is clear. Economic success depends now, and will depend more in the future, on the skills and imagination of people, rather than on things.

A Progressive Conservative Government will take particular care to ensure that our education and training systems provide students and workers with the levels of general education and skills they will need, both to qualify for jobs and as a foundation for learning new skills throughout their working lives.



***Elementary and Secondary Education**

Every constituent of our society - individuals, families, social and religious organizations, businesses, unions and Governments - must focus on education more than ever before. It is not just a matter of costs; it is more an issue of values and a collective determination to succeed. At the very least, we should commit the maximum effort to encourage youth to complete a high school education.

A fundamental goal of our school system must be to provide each high school graduate with the knowledge and skills they will need to succeed in a knowledge-based, technological society. To achieve that goal, a Progressive Conservative Government will:

- ✓ fund the school system so that it provides equality of opportunity for all students;
- ✓ set achievement standards for primary, elementary and secondary students in basic skills - language, mathematics, science and problem solving - and administer province-wide tests to monitor skill mastery in those core areas;
- ✓ establish specific schedules for school boards to reach national standards in basic skills at each level of schooling, and target to achieve provincial parity with national achievement standards for high school graduates by the year 2005;
- ✓ change curriculum specifications to ensure at least fifty per cent of instructional time is spent in the core areas of language, mathematics and science;
- ✓ revise curriculum and teaching guides to stress



continuous development and re-enforcement of literacy skills, problem solving and critical thinking;

- ✓ establish a *Provincial Centre for Distance Education and Technology* to deliver full credit courses to students in small schools, maintain a comprehensive teaching and learning resource bank in electronic form that all schools can access through computer-based technologies, and coordinate the integration of new learning and teaching technologies into the school system;
- ✓ help students make the transition from school to work by expanding cooperative education programs, career counselling, the use of computers and computer-based technologies in schools, programs in enterprise education, and close links between employers and schools;
- ✓ ensure that teacher education, in-service, supply and deployment work together to identify and support the vital importance of teaching to the achievements of individuals and the vitality of the province.

Some children and young people don't do as well in school as they should or could do. Far too many are victims of poverty, low expectations and abuse, which are formidable obstacles to learning and success in school. Others have learning disabilities that are sometimes not recognized and are often treated as discipline problems. A Progressive Conservative Government will:

- ✓ consult broadly with individuals and organizations concerned about child care and protection services, and move forward with reforms that will contribute to healthy child development;



- ✓ put in place a network of counsellors and child welfare professionals to work with schools, communities and families to give children the protection and support they need;
- ✓ convene a *Planning Group*, with representatives from parents, teachers, school boards and professionals in the field, to address the learning needs of children with attention deficits and learning disabilities - the Planning Group will establish links among all groups concerned with the issue, propose ways of providing appropriate educational services and programs, and monitor their implementation and success.



*Post-Secondary Education

Employment and Immigration Canada projects that by the year 2000 almost half the new jobs created in Canada will require more than five years' education beyond high school. We have to face the fact that access to post-secondary education is no longer a right reserved for the wealthy or the academically talented but an essential investment in human and economic development.

A BROKEN PROMISE

"We will expand the curriculum of Grenfell College in Corner Brook, so that in time, bachelor level degrees in the basic arts and science disciplines can be obtained at Corner Brook. A Liberal government will start immediately on the construction of a similar small university campus in central Newfoundland."

*-Campaign '89
Liberal Policy Manual*

A Progressive Conservative Government will take the following steps to improve access to quality post-secondary education programs:

- ✓ expand the Sir Wilfred Grenfell College in Corner Brook to provide full degree programs in Arts and Science;
- ✓ extend first and second year university courses offered through community colleges to more communities and students;



- ✓ lobby the Federal Government to update the loan portion of the Canada Student Aid Program to better reflect changes in educational costs and contribution levels, and index the provincial grant portion of Student Aid to changes in educational costs;

A BROKEN PROMISE
"The Liberal youth program will include a revised student loan program that will accommodate the needs of students in the advanced years of their education."

-Campaign '89
Liberal Policy Manual

- ✓ encourage community colleges to concentrate their resources and become centers of specialization that would provide state-of-the-art training for technological specialties, and share those specialized resources with other post-secondary institutions.



OTHER YOUTH POLICIES

No group knows better than youth that education and jobs must be our number one priority. Unemployment among young people in this province is a staggering 31 per cent, nearly double the national rate. Those lucky enough to find some work are employed in part-time or temporary jobs at minimum wages. Progressive Conservative economic policies and special employment incentives described in this Policy Manual will build opportunities for jobs and meaningful careers now and in the future. We must also help young people who have the interest, initiative, and fresh ideas to create jobs for themselves.

A Conservative Government will set up a low-interest Loan Assistance Program for young people who wish to start their own businesses but who have difficulty being considered seriously by financial institutions.

Helping promote a spirit of enterprise among our youth must be a fundamental objective of public policy. We must equally open opportunities for young people to participate in public policy decisions that directly affect them. To that end, a Progressive Conservative Government will:

- ✓ establish a working committee, with youth representation, to monitor post-secondary education costs and recommend an appropriate annual indexation for the provincial grant portion of the Canada Student Aid Program;
- ✓ appoint a Premier's Advisory Council On Youth, composed of young people from around the province, to advise the Premier directly on Government programs that affect youth.



A TRAINING & ADJUSTMENT BOARD

With the pace of economic change, skills need change constantly and are sometimes difficult to predict. Cooperation between industry, labour and Government is vital to ensure that training and retraining programs respond to the real needs of employers, workers and potential workers.

The Training and Adjustment Board will involve representatives of business and labour as well as educators and trainers. It will work with the *Job Creation and Training Task Group* in determining the necessary priorities for new and existing training programs, and will have specific responsibilities to:

- ✓ monitor training programs to ensure that they build skills that are valued by workers and employers;
- ✓ encourage early identification and response to the training needs of employers and workers prior to technological change or restructuring;
- ✓ provide up-to-date information to schools, post-secondary educational institutions, employers and unions on labour market needs, employment opportunities, education and training requirements and the availability of training programs;
- ✓ facilitate cooperation among educators, employers, labour, community and volunteer groups to increase functional literacy through a wide range of activities;
- ✓ implement training programs to respond to the labour relations development needs of employers and workers.



LABOUR RELATIONS

Good industrial relations is essential for developing a competitive provincial economy that will create more employment opportunities and greater economic security for our people. *The aim of a Progressive Conservative Government will be to help employers and unions work together to carry out positive economic change. We will:*

IN 1989

THE LIBERALS SAID . . .

"In recent years economic development in Newfoundland and Labrador has been impeded by an unsettled labour climate, which has resulted largely from the failure of the government to recognize the essential role of unions in our society."

*-Campaign '89
Liberal Policy Manual*

- ✓ appoint a Task Force, composed of representatives of business, labour and experienced professionals in the field, to design policies and programs to adapt our labour relations system to the need for increased cooperation between management and labour;
- ✓ provide support for joint management-labour training and reorganization projects designed to improve efficiency in the work place;
- ✓ expand specialized mediation and consultative services in every major sector of the economy to promote positive relations between unions and employers and increased cooperation in resolving disputes.



HEALTH CARE

Health care is the largest and fastest-growing expenditure for the Newfoundland Government. Maintaining the quality of health care without putting an unbearable burden on the province means careful analysis of the present system, and reforms aimed at ensuring the maximum efficiency.

A BROKEN PROMISE

"Liberal health policy dictates that as long as the demand exists, hospital beds must be kept open.

Institutions must not be under-staffed, and compassion must always take precedence over business administration. . . . If we cannot adequately care for the sick, the disabled, and the aged among us, we have failed as a society and we can take cold comfort in cutting costs and improving balance sheets."

*-Campaign '89
Liberal Policy Manual*

The aging of our population will require a greater emphasis on long-term care and the development of an effective, non-institutional response to the health care needs of seniors. More investment in community health care and for the promotion of healthy lifestyles is the most promising approach to reducing the upward pressure on health care costs and maintaining quality and accessibility in the health care system.

Progressive Conservatives are committed to a national health care system based on the principles of comprehensiveness, universality, accessibility, portability and public administration. To maintain that system at reasonable costs we will:



- ✓ provide education and counselling programs and services that promote maintenance of healthy lifestyles and the prevention of illness and accidents;
- ✓ develop a network of appropriate facilities throughout the Province - including the regionalization of specialty services, community clinics and home-based health care - to ensure that adequate services are available to all citizens;
- ✓ expand mental health care, vision care, speech therapy and audiology, and rehabilitation services as components of an expanded community health care system;
- ✓ provide a comprehensive community support system to help the elderly and people with disabilities remain independent and in their own homes, and ensure that adequate facilities and care are available for those who need nursing home or other institutional care.

