



*Our Choices.  
Our Future.  
Our Time.*

Platform of the Liberal Party of Newfoundland and Labrador

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**Liberal**

January 18, 1999

My fellow Newfoundlanders and Labradorians,

The Liberal government was elected on a platform with three commitments: first, promote jobs & growth; second, provide needed public services, especially health and education; and, third, achieve sound public finances.

You the voters gave the government a mandate. Now, it is time to report to you on how government has used that mandate. And, it is time to seek a renewed mandate to take Newfoundland and Labrador into the new millennium.

Three years ago when we asked for a mandate from the people, our economy was shrinking. Employment was declining. Newfoundland and Labrador had the worst economic performance in the country.

We said in our election platform there would be two difficult years. There were. In 1996, the economy shrank by 2 percent. In 1997, it shrank by 1.3 percent. We also said in our platform that growth could be restored by 1998. It has been.

In 1998, our province led the country with 4.4 percent economic growth. Since February 1996, more than 11,000 new jobs have been created and the unemployment rate is down by 1.5 percent. The outlook for 1999 is for 3.5 percent growth, the strongest in the country.

The plan we set out for jobs and growth in 1996 has taken hold. It is working. But, we've only just begun to put the engine of our province's economy back on track. It is time for a new plan for the millennium to create more jobs and more growth in our province.

  
**Liberal**





I ask you to compare what this government said we would do with what we have done. I ask you to compare where this platform will lead our province with the direction you believe our province should take.

Above all, I ask for your support to ensure that our people receive a full and fair share of benefits from the resources of our province, whether those resources are nickel from Voisey's Bay or hydro electricity from the Churchill River or oil and gas off our shores.

We have made good progress. Yet many challenges remain. To overcome them, to keep our economy growing, to create more new jobs, to continue re-investing in health and education, and to maintain sound public finances, we must stand together. We need to make the right choices now to secure the best future for ourselves and our children.

It is our future. These are our choices. This is our time.



Brian Tobin  
Leader,  
*Liberal Party of Newfoundland and Labrador*

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 **Liberal**

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# **A New Mandate**



## **Promises Kept**

In February 1996, the Liberal team led by Premier Tobin sought a mandate from the people of our province. They sought that mandate based on a platform entitled, Ready for a Better Tomorrow.

That platform was the most detailed ever offered to the people of our province. In 83 pages containing 77 commitments, Premier Tobin and the Liberal team set out a plan of action for jobs, growth, education reform, health care and sound public finances.

## **Need for a New Mandate**

That plan of action has now been completed. The mandate that you the voters gave has been carried out. Government is returning to the people for a new mandate based on a new plan of action to take our province into the new millennium.

What government said it would do, it has done. That is outlined in this platform. So is the new plan of action for which the Liberal government seeks a new mandate from you, the voters of our province.

## **Demanding Full & Fair Benefits**

Central to this is a mandate to gain full and fair benefits for our province from our resources, like Voisey's Bay nickel and Labrador hydro electricity. What government will decide on these projects will bind future generations of our people.

It is our future. These are our choices. It is our time to decide. Newfoundlanders and Labradorians were not given their say in the

Upper Churchill deal or in earlier major mining projects. This time they will.

The resources of our province belong to its people. This time our people are being asked before government decides.

Government is seeking a mandate to conclude a thirty-year deal for further Labrador hydro development. Government is also seeking a mandate to put in place an arrangement for the life of a mine at Voisey's Bay.

Whether it is nickel at Voisey's Bay or hydro electricity on the Churchill River, government has to take strong positions to ensure that these and other rich resources are developed in a way that yields full and fair benefits for the people of our province.

We have to stand firm, even if this means waiting to get the right deal. This government will stand firm and will secure full and fair benefits for the people of our province.

# **Jobs & Growth**



In February 1996, our province was in recession. The economy was shrinking. Employment was declining.

Then, Newfoundland and Labrador had the worst economic growth rate in the country. Now, we have the best. Then, we were losing jobs, while other provinces were creating them. Now, we have the strongest rate of job creation in the country.

Over the past three years, employment has gone up, unemployment has gone down and the economy has grown. From February 1996 to December 1998, more than 11, 000 new jobs have been created. Unemployment has gone from an average of 19.4% in 1996 to an average of 17.9% in 1998.

1½% ↓

In 1998, our province led the country in economic growth. National forecasting agencies, such as the Conference Board of Canada and the major chartered banks, are predicting that Newfoundland and Labrador will do so again in 1999.

The Toronto Dominion Bank predicts a 3.5% growth in real GDP for Newfoundland and Labrador in 1999, the highest percentage for any province in Canada, well above the Canadian average of 2.0%.

This growth will continue and increase with full and fair benefits from our petroleum resources, our hydro electric resources and our mineral resources.

It will also be sustained by:

- a more diverse fishery,
- a strong mining industry,

- a healthy forest industry,
- new strength in fabrication, shipbuilding & repair,
- expanding tourism and cultural industries,
- an efficient agrifoods industry,
- more small scale manufacturing, and
- a rapidly expanding information technology sector.

The new Liberal plan will continue to promote jobs and growth.  
Together we can build on the successes our people have achieved.  
The future is in our hands.

# **Full & Fair Benefits From Our Resources**

In 1996, the government made a commitment to the people of our province to

*gain the full benefits for our people, in terms of direct employment, skills development, support services, processing of raw materials, and revenues for the province from major new petroleum and mining projects.*

Today, we have moved beyond a single petroleum project – Hibernia – to the development of a series of projects – Terra Nova, Hebron, Whiterose - that will create a full-fledged petroleum industry in our province.

We will gain full benefits from the development of the Voisey's Bay project. These will include a smelter and a refinery.

To these, we can add benefits from the Labrador Hydro Project.

- 1. The Liberal government with a new mandate will ensure that our province receives full and fair benefits from development of its resources, especially the nickel at Voisey's Bay, offshore petroleum and the hydro-electricity from the Churchill River.*

*These benefits will include employment, skills development, service industries, processing of raw materials and revenues for our province.*

The government has negotiated successfully with major oil companies like Chevron, Mobil Oil, Norsk Hydro and Petro Canada on offshore petroleum. It has negotiated successfully with Quebec to develop the



Labrador Hydro Project.

In each case, it was necessary to stand firm for a full and fair share of benefits for our province. For Voisey's Bay, we must stand firm to achieve benefits that include a smelter and refinery in our province.

## **Provincial Benefits Strategy**

### Context

- Newfoundland and Labrador has significant natural resource opportunities.
- These resource opportunities can provide considerable benefits from exploration through development and production.
- The enhancement of our ability to realize greater benefits will require the commitment of resource developers to proactive "Newfoundland and Labrador First" business practices and a commitment by Newfoundlanders and Labradorians to continual improvement in our competitiveness.

### Objective

- The government remains committed to the achievement of full and fair benefits for the people of our province from the development of our natural resources, including employment, skills enhancement, technology transfer, business opportunities both locally and internationally, and royalties.
- In cooperation with stakeholders, government is committed

to the development and implementation of policies and strategies to enhance our province's ability to capture benefits and to improve the attractiveness of development of our natural resources.

#### Strategic Actions

- Government will continue consultations with key stakeholders on the benefits principles identified by the Premier's Advisory Council on the Economy and Technology.
- Government will work with stakeholders to ensure a competitive and attractive operating environment, through:
  - Competitive fiscal regimes - including the generic offshore royalty, mining taxation and a hydro-electricity royalty regime;
  - Encouraging and promoting our world class infrastructure including major fabrication facilities at Bull Arm, Marystown and St. John's, and research and development capabilities at Memorial University;
  - Promoting and further developing a highly skilled and productive workforce through cooperative efforts with industry and labour for technology and skills transfer and training;
  - Ensuring a stable labour relations environment; and
  - Strategic use of EDGE incentives
- Government will ensure full and fair opportunity for people and businesses resident in Newfoundland and Labrador through negotiated Benefits Plans for major resource developments, including provisions for:
  - recognition of legitimate aboriginal rights in Labrador;

- provincially based project management, key procurement and engineering functions;
  - provincial supplier identification and development programs;
  - adherence to “Newfoundland and Labrador First” contracting and procurement policies, based on “life of project” cost-effectiveness;
  - construction and fabrication opportunities; and
  - achievable value added processing of our resources
- 
- Government will identify strategic opportunities for Newfoundland and Labrador and promote and encourage provincially based expertise and capabilities.
  - Government will monitor the progress of projects to ensure compliance with commitments.

## VOISEY’S BAY

In 1996, the government made a commitment to the people of our province to

*take every step necessary by government to develop and gain full benefits from the Voisey’s Bay mine, including the construction of a smelter and other ore processing facilities in our province.*

In 1996, INCO also made a commitment to the people of our province. After an exhaustive site selection process throughout Newfoundland and Labrador, INCO announced a smelter/refinery complex for Argentia.

Today, INCO has withdrawn its commitment to the people of Newfoundland and Labrador. Now, their only firm proposal is to ship raw concentrate out of the province.

Beyond this, INCO has floated a 'concept', not a proposal, which they are willing to explore only if governments commit to substantial financial incentives. INCO's 'concept' would involve about 150 jobs at Argentia - not the 800-900 jobs initially proposed, and fewer than previously proposed for the mine/mill in Labrador. INCO would still ship half of the raw concentrate out of the province.

In 1996, INCO committed to a project that would last at least 20 years - and involve both surface mining of the ovoid and later underground mining - now they are only committing to seven years, to surface mining of the ovoid.

INCO proposes to take the ore in the Voisey's Bay deposit and ship it elsewhere to be processed. That is not acceptable.

INCO's sole consideration is to maximise opportunities for their shareholders by minimising opportunities for Newfoundlanders and Labradorians. That is not acceptable.

- 2. The Liberal government with a new mandate will maintain a firm position on behalf of the people of our province that there will be no mine at Voisey's Bay unless a smelter and refinery are built in our province.*

## LABRADOR HYDRO

When it is necessary to say **no** to resource proposals that do not fairly benefit our province we must **never** hesitate to do so. We are saying **no** to INCO.

Just as we must never fear to say no when it is right and necessary, so, too, we must never fear to say yes when we have achieved a proposal for development that is fair and beneficial to Newfoundland and Labrador.

The proposals for a new Labrador Hydro Project announced on March 9th, 1998 are good proposals for Newfoundland and Labrador. But, they can never compensate us for what we've lost in past decades on the Upper Churchill deal.

We cannot rewrite the past, but we can, and must re-write our future. It is our future. It is our choice. It is our time.

### Adding Value to the Upper Churchill

The Labrador Hydro Project involves adding value to the Upper Churchill, as well as developing the Lower Churchill. Together, these two projects represent a \$5.2 billion gain for Newfoundland and Labrador.

Value will be added to the Upper Churchill in three ways:

- (1) As of March 9th, 1998, Newfoundland and Labrador Hydro recalled 130 megawatts of power. We recently received our first payment for this recall power, a cheque for \$27 million from



Hydro Quebec. This is twice what we are receiving annually from the Upper Churchill contract.

- (2) We will enter into a Guaranteed Winter Availability Contract with Hydro Quebec that will yield, on average, \$34 million a year.
- (3) We will generate additional power at the Upper Churchill by diverting water from Quebec rivers into the Smallwood Reservoir. The cost of this project will be covered by Hydro Quebec and by project revenues. Newfoundland and Labrador Hydro will receive 65.8% of the profits.

All this will turn a \$300 million cash shortfall from the Upper Churchill River system into a \$2.6 billion gain for our province. Also, we will not extend past 2016 any further protection for Hydro Quebec against taxation on the export and sale of electricity.

### **Development of the Lower Churchill**

The Lower Churchill can produce over 3,000 megawatts through two hydroelectric developments.

- (1) Gull Island: Of the 2264 megawatts produced, 1000 megawatts will be set aside for use in our province. We have agreed that we should proceed with this project. **This development alone will yield \$2.6 billion in profits for our province.** Cost of project: \$3.2 billion.
- (2) Muskrat Falls: It has not yet decided if this 800 megawatt project should proceed. Newfoundland and Labrador Hydro and Hydro

Quebec are studying its feasibility. The prospects are promising.  
Cost of project (if developed): \$2.1 billion.

### **Power Transmission to the Market**

To handle this new capacity, additional transmission lines will have to be built. Cost of project: \$3 billion, covered by Hydro Quebec, which will recover it over the life of the project.

### **Power for Use in the Province**

1000 megawatts of power from Gull Island will be subject to recall for use in our province, as we need it. With the federal government, we are studying the feasibility - technically and financially - of building a \$2.2 billion line to transmit 800 megawatts of this power under the Strait of Belle Isle and across the Island. This will provide a secure source of low-cost power for residential and business customers.

### **Windfall Profits**

Under the existing Upper Churchill contract, when the price of electricity went up, Hydro Quebec got the windfall profits. These new projects will be fundamentally different.

Our province will receive 65.8% of the profits from the new power generated at the Upper Churchill. An additional royalty on the Lower Churchill will increase our province's share of profits from this part of the development up to a maximum of 83%.

## The Timetable

Negotiations are progressing toward the signing of a Memorandum of Understanding. A full environmental assessment will follow, with construction to start in 2002. The Start of Power is in 2007.

## Full and Fair Benefits

The Labrador Hydro Project is one of the largest projects in the world today. Over the next ten years, about 13,200 direct jobs will be created for Labradorians and Newfoundlanders, and about 3,700 direct jobs for Quebeckers.

3. The Liberal government with a new mandate will press ahead with the \$12 billion Labrador Hydro Project and achieve full and fair benefits, including \$5.2 billion in profits and 13,200 direct jobs for Labradorians and Newfoundlanders

This project is being designed and managed in Newfoundland and Labrador. The existing Churchill Falls Power Contract is subject to the laws of Quebec. The new Project will be subject to the laws of Newfoundland and Labrador.

Larger companies - such as SNC-Lavalin and AGRA Monenco, Canada's two largest engineering contractors - have now established offices in the province in order to compete for contracts from the Project.

Local firms are working in partnership with these and other major companies. This is critical to ensure that local firms not only have a major role in the project, but they gain the experience and expertise to compete for other work worldwide.

Engineering and environmental contracts have already been awarded to local firms such as EDM Consultants of Deer Lake, N. E. Parrott Surveys of Happy Valley-Goose Bay, and Innu Earth and Environmental.

Of the 23 environmental contracts awarded so far, 22 are with companies or joint ventures that have a presence in our province. The same is true for seven of the nine engineering contracts.

To date, \$9 million in contracts have been awarded. Less than \$700,000 of this has gone to firms with no presence in Newfoundland and Labrador. It will be critical to keep to this approach throughout the \$12 billion project.

### **Environmental Impact**

Government is concerned about the impact of the project on the Labrador environment. The project is valuable. So is our environment. We must not squander it in haste.

4. *The Liberal government with a new mandate will ensure a full environmental assessment of all aspects of the Labrador Hydro Project.*

### **Aboriginal Participation**

Any further development of the Churchill River system must respect the rights of the Innu Nation of Labrador and allow for their participation.

5. *The Liberal government with a new mandate will ensure that*

*the rights of the Innu Nation are fully respected and that they receive a fair share of the benefits from the Labrador Hydro Project.*

## **PETROLEUM**

### **Hibernia**

In 1996, the government made a commitment to the people of our province to

*gain full benefits from the production phase of the Hibernia project in terms of employment, services and development of an integrated offshore petroleum industry, in accordance with the Hibernia agreement.*

First oil from Hibernia was pumped on November 17, 1997, ahead of schedule. This completed a mammoth task begun in 1979 with Hibernia's discovery.

It is a remarkable achievement for the Newfoundlanders and Labradorians who did the complex tasks necessary to take a discovery through to production on one of the most sophisticated, expensive and productive offshore oil platforms in the world.

Peak production could reach <sup>nobil</sup> 180,000 barrels per day, compared to previous estimates of 135,000. The estimates of reserves have gone up from 615 million barrels to over one billion barrels.

<sup>GNOP&3</sup>  
Direct employment from Hibernia production will total upwards of

650  
1000. With related employment, the total will be 3400. (?)

The Hibernia project has paved the way for other offshore projects. In terms of infrastructure,

- the construction facilities at Cow Head have been upgraded;
- a state-of-the-art facility has been developed at Bull Arm;  
and
- a transshipment facility has been built at Whiffen Head.

More importantly, our people have obtained the skills and experience needed to participate fully in further developments, like Terra Nova, Whiterose and Hebron.

6. *The Liberal government with a new mandate will work with the petroleum industry, the Canada-Newfoundland Offshore Petroleum Board and the federal government to achieve full and fair benefits for our province from offshore petroleum resources.*

## **Terra Nova**

In 1996, the government made a commitment to the people of our province to

*complete negotiations with the Terra Nova consortium for early development of the project, with full benefits for the province, in terms of employment, skills development, services, royalties and other revenues.*

In February 1998, the Terra Nova consortium led by Petro Canada,



announced this \$4.5 billion project will proceed. Seabed excavation (of the "glory holes") began in June. Engineering work and procurement are now being done in St. John's.

Twenty-four wells will be drilled (through the glory holes) to exploit the Terra Nova field. Production from Terra Nova is estimated at 470 million barrels. This could increase, as did Hibernia's, when production begins. First oil is expected in 2000.

The royalty regime for Terra Nova will yield higher revenues than Hibernia. The consortium has also made a commitment to allocate to this province, to the extent permitted by law, corporate income taxes arising from the project.

Terra Nova will directly employ about 1000 persons during the development phase and about 450 persons when the project enters production. Currently, 250 people are employed in management, engineering and support positions.

Petro-Canada is the project operator. It has located its Offshore Development and Operations strategic business unit in St. John's to oversee all its offshore activities on the Atlantic Coast.

### **Whiterose, Hebron & Ben Nevis**

The Hebron and Ben Nevis oilfields are expected to rival Terra Nova in size, with the potential to yield 600 million barrels of oil. Delineation drilling is needed to confirm these estimates.

The Whiterose field is estimated at 250 million barrels. Husky Oil has conducted a major 3D seismic program and is continuing to drill

delineation wells. This well information will confirm potential reserves and determine the commercial viability of the field.

### **Transshipment Facility**

In 1996, the government made a commitment to the people of our province to

*ensure that any new transshipment facility for offshore oil is built in Newfoundland to serve Hibernia, Terra Nova and other offshore developments (such as Hebron, White Rose and Ben Nevis) that will follow.*

A key link in bringing oil to market is a transshipment facility where oil is landed from tankers shuttling from offshore production platforms, stored, then loaded on other tankers for delivery to refineries in Canada, the United States or elsewhere.

The new \$200 million transshipment facility at Whiffen Head will have capacity to transship oil from Hibernia, Terra Nova and other offshore developments to follow. This is critical for development of a petrochemical industry in our province.

The first commercial volumes of Hibernia crude oil were landed at the new transshipment facility at Whiffen Head in October 1998.

Over 500 person years of employment were created during the construction phase. In the operations phase, there are now 47 direct full-time jobs and some part-time jobs at the terminal, as well as 100 persons on the two Hibernia shuttle tankers.

Recently, the operators of the facility, Newfoundland Transshipment Limited, announced a \$65 million expansion to be able to handle crude oil from Terra Nova. As well, a third tanker is under construction to transport this crude. Another 50 persons will crew the new shuttle tanker. The majority of those working on the tankers are Newfoundlanders and Labradorians.

### Offshore Industries

Over the past year, four petroleum companies have opened offices in St. John's: Husky Oil, Norsk Hydro, Petro Canada and Mobil Oil, as has the major petroleum services company Haliburton. Pan-Canadian established a temporary office in Western Newfoundland.

Other firms that are setting up offices here are Glomar International (Canada) Drilling Company, Trans Ocean and the Jean d'Arc Basin Operations Group.

7. *The Liberal government with a new mandate will work with the petroleum industry to develop an integrated petroleum sector in our province that will not only gain benefits from projects off our coasts, but will compete for work worldwide.*

### New Exploration: Offshore and on the West Coast

In 1996, the government made a commitment to the people of our province to

*work in close co-operation with the petroleum industry to promote further exploration of our offshore petroleum resources, with full participation by provincial firms and employees.*

A key element in exploration decisions is the royalty regime applied to any discoveries. On June 13, 1996, following significant industry consultations, a generic royalty regime was announced for offshore petroleum.

This generic royalty regime is sensitive to risks and costs in the offshore and is competitive with royalty regimes in other jurisdictions, while at the same time providing a full and fair share of revenues for our province.

The putting in place of the generic royalty regime is a major factor for the current high interest in exploration. 1998 saw the largest ever Call for Bids, which resulted in record commitments totalling \$175 million on 10 of the 13 parcels of land offered on the Grand Banks and surrounding area.

Exploration expenditures in 1998 totalled around \$98 million, double those in 1997. Four parcels being explored are in the Jean d'Arc Basin (where Hibernia, Terra Nova and Hebron are located) and three are on the West Coast (onshore or near shore).

In addition, considerable seismic activity has been underway. Expenditures for seismic surveys in 1998 were \$39.5 million compared to \$34 million in 1997. Seismic activity is done to identify promising sites for further drilling.

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.

8. *The Liberal government with a new mandate will work with industry to promote exploration for petroleum, both offshore and on the West Coast*

### **Nova Scotia Boundary Resolution**

Industry speculates that the 8.3 million hectares of explorable property in the offshore area south of Newfoundland could yield 200-300 million barrels of oil and 3 to 4 trillion cubic feet of natural gas. Gulf, Mobil and Imperial Oil each hold federal exploration permits there.

These permits must be converted to exploration licenses before drilling can occur. Before that, our maritime boundary dispute with Nova Scotia needs to be resolved. The rules must be made clear before investments can be made.

Both provinces have agreed to refer the matter to arbitration. Resolution of the dispute will allow this potentially rich resource to be developed.

### **Natural Gas**

Our offshore natural gas resource is vast, with an estimated potential of 52 billion cubic feet. It is a valuable resource that we need to exploit fully as development of the offshore proceeds.

9. *The Liberal government with a new mandate will promote the development of natural gas from the offshore, to increase the value of offshore production, advance the prospects for local petrochemical industries and achieve a higher level of benefits for our province.*

# **Traditional Industries**

## FISHERIES

### Increasing Value

In 1997, the value of fisheries landings totalled \$286 million, a 12% increase over 1996. The value of seafood production (including value added from processing, as well as aquaculture and imported fish) totalled \$575 million, up \$33 million from 1996. These are the highest levels for landings and production since the groundfish moratorium of 1992.

During the first nine months of 1998 higher quotas for shrimp, crab and cod (along the South Coast) boosted landings by 30% over the same period for 1997. The prospect is for higher landings and production in 1999.

### 20% Increase in Employment

Peak employment in the fishery was up 20%, from 20,800 in 1997 to 25,000 in 1998. Gaining full benefits from fisheries resources off our coasts is important. So is re-building those resources and ensuring that we harvest them on a sustainable basis. This must be central to all that we do in the fishery.

10. *The Liberal government with a new mandate will work with those in the fishery and the federal government to ensure that resources, particularly of cod and other groundfish, are re-built and harvested on a sustainable basis.*
11. *The Liberal government with a new mandate will work with those in the fishery to strengthen it as a self-sustaining*



*industry that continues to create new jobs and can provide good incomes to those who work in it.*

## **Diversifying Our Fishery**

In 1996, the government made a commitment to the people of our province to

*work closely with the federal government and the fishing industry to promote continued diversification of species and fishing areas, to yield the maximum benefits for our harvesters and processors from the resources off our coasts.*

The single most important element of diversification for our fisheries is Northern Shrimp. Until 1997, the Northern Shrimp fishery was conducted exclusively by offshore factory trawlers.

This changed in 1997 when inshore vessels (under 65 feet) from Newfoundland and Labrador were allocated 10,500 tonnes as part of an increased quota. In 1998, almost all of the 23,000 tonne quota increase went to our inshore vessels.

This allowed 200 more vessels to enter this fishery, to supplement landings from other species. Favourable scientific advice will likely give rise to Northern Shrimp quotas increasing again this year. Over \$60 million has been invested in shrimp processing in the past two years.

The sea urchin fishery is rapidly expanding. Wild harvests have shown steady growth for our inshore fishermen over the past few years. Seaweed development is proceeding with harvesting and resource studies being undertaken throughout the province.

12. *The Liberal government with a new mandate will press the federal government, as it has in recent years, to ensure that any increase in the Northern shrimp quota goes to Newfoundland and Labrador inshore vessels.*

Funding for fisheries diversification will be available under the Resource Sector Development Element of the \$81 million (Post-TAGS) Canada-Newfoundland Agreement on Economic Development and Fisheries Adjustment. This agreement is aimed at economic growth and diversification in rural areas.

13. *The Liberal government with a new mandate will draw on funding from the \$81 million Post-TAGS development agreement to create jobs and growth through fisheries diversification.*

### **Increasing Value-Added Processing**

In 1996, the government made a commitment to the people of our province to

*develop proposals for dealing with the need to bring processing capacity into line with resource capacity, to ensure that adequate processing capacity is available to harvesting enterprises along all areas of our coasts, to move toward longer operating seasons and more value-added production.*

After public consultations, government put in place a new processing policy, key elements of which are:

- core/multi-species plants,

- quality assurance measures, and
- restrictions on the export of unprocessed fish.

As well, special consideration is given to the situation on the Labrador Coast. Increased landings and the new multi-species processing policy have contributed to a strong increase in processing jobs since 1996.

14. *The Liberal government with a new mandate will work with the processing sector to increase multi-species processing, the season for operations and value-added processing, thereby maximizing the benefits to our province from harvests off our coasts.*
15. *The Liberal government with a new mandate will work with those in the fishery through such initiatives as quality assurance to achieve the maximum landed value for catches and a preferred position in the marketplace for our fish and seafood products.*

### **A New Crab/Fish Price Settlement Mechanism**

For the first time in our history, we have a new partnership model to reach agreements on fish prices, without strikes or lockouts. This was put in place in 1998 following consultation with processors and fisheries organizations.

In previous years, impasses in price negotiations for crab delayed the opening of the fishery for months. This had a negative impact on both product quality and markets, and, consequently, the price paid to fishermen.

In 1998 the new price settlement mechanism was used successfully to arrive at fair prices early in the season. This contributed to a better season, particularly for crab, where there have been so many problems in recent years.

16. *The Liberal government with a new mandate will work with processors and fisheries organizations to ensure that new crab/fish price settlement mechanisms operate effectively, to arrive at fair prices early in the season, to the benefit of fishers and processors alike.*

### **A Growing Sealing Industry**

In 1996, the government made a commitment to the people of our province to

*support efforts to harvest the full TAC [Total Allowable Catch] for seals.*

In 1997, seal harvests rose 14% from 250,000 animals to 285,000 with a value of \$20 million. In 1998, the total quota of 285,000 seals was taken. Buoyed by higher prices, the export value of the seal fishery rose 25% to \$25 million.

Employment increased from 3,000 sealers in 1997 to about 4,000 sealers in 1998, and the number of plant workers rose from 375 to 500.

According to the Seal Industry Development Council: "The sealing industry in Newfoundland, and on the East Coast of Canada, has the potential to be a \$100 million industry within a five-year period."

This can be achieved by:

- utilizing the whole animal;
- humane harvesting methods; and
- encouraging the production of value-added seal products, including Omega-3 oil products, meats and sausages.

This will require governments and the industry working closely together.

17. *The Liberal government with a new mandate will work with the industry and the federal government to achieve a high level of harvest of seals, full utilization of the animals, diversification of products and development of markets so that we can grow the industry toward the \$100 million target set by the Seal Industry Development Council*

## **FORESTRY**

### **Pulp & Paper**

Newfoundland newsprint producers posted record shipments in 1997. The three mills shipped 741,000 tonnes, up 1.4% from 1996. Shipments in 1998 were down due to the strike at Abitibi Consolidated. Shipments are expected to re-bound to healthy levels in 1999.

The industry is continuing to modernize its operations to increase capacity, quality and productivity. From 1996 to 1999, Corner Brook Pulp & Paper will spend \$74 million to modernize operations. In 1997, Abitibi Consolidated made capital expenditures of over \$29 million

relating to its pulp & paper operations at Grand Falls and Stephenville. Major modernization and upgrading projects include an effluent treatment facility and a chip receiving facility at Corner Brook and thermal mechanical pulp upgrades at Grand Falls and Stephenville.

Employment in the pulp & paper sector in 1997 totalled well over 2000 people. This was down last year because of strikes, but is expected to rebound this year.

### **Saw-Milling**

Production from sawmills is at record levels, with more than 100 million board feet to be produced in 1998-99. This production and related woods operations employ 3000 during the year.

Capital investment (notably for drying kilns) and improved technology have allowed provincial producers to expand capacity, improve profitability and penetrate markets in North America, Britain and Asia.

Ten sawmills produce chips from sawlog residue and small dimension roundwood. These are significant suppliers of wood fibre to the newsprint industry, delivering 129,000 cubic metres in 1997. This contributes to best use of our forest resources.

Value added products provide growth, with about 80 plants producing a range of wood products, such as furniture, boats, windows, toys, doors and cabinets.

18. *The Liberal government with a new mandate will work with the saw-milling sector to develop its full potential, especially for value-added products.*

## Renewing Our Forests

Current wood demand is about 2.5 million cubic metres annually. Of the annual allowable cut, the newsprint industry uses 75%, saw milling 8% and fuelwood 15%.

The major issue facing the forest industry is the availability and security of short-term (10-15 years) wood supply. Demand for wood on the island exceeds supply by about 20% or 500,000 cubic metres annually. For now, the difference is being made up by importing wood and buying wood from private lands.

A variety of means are being undertaken by government and the industry working together to ensure that sustained wood shortages will not arise and that the wood supply in future will be sufficient to sustain and expand forest industries.

## Silviculture

In 1996, the government made a commitment to the people of our province

*To deal with this problem [wood supply], create immediate employment, as well as longer-term jobs, the new Liberal government will negotiate a multi-year Forest Renewal Program with the federal government.*

In 1996, a \$9.3 million federal-provincial silviculture initiative was announced, consisting of three elements:

- planting and pre-commercial thinning to increase wood supply;

- introduction of new harvesting technologies to increase wood utilization; and
- commercial thinning and reclamation of insect-damaged stands to increase wood supply

A further \$2.2 million was later provided, for a total of \$11.5 million.

\$2.2 million was spent during 1996-97, \$3.7 million in 1997-98 and \$5.6 million in 1998-99. In the first year 440 jobs were created, 570 jobs were created in the second and 860 jobs were created in the third.

In 1996, the government made a further commitment to the people of our province concerning the wood supply:

*As a further response to this problem, the new Liberal government will enter a five-year shared-cost silviculture agreement with Abitibi-Price and Corner Brook Pulp and Paper.*

In 1996, government agreed to cost-share with industry two new agreements for silviculture on company lands. These agreements are valued at \$37.2 million over five years, with the government contributing 35% and the companies 65%.

Annually, about 400 silviculture workers are employed under these agreements. In all, they will treat over 6000 hectares per year or more than 30,000 hectares over five years.

In addition, governments have put in place further silviculture projects through the Employment Initiatives Program. Eighty-seven such agreements have been entered into. This provided employment for 704 persons, creating an estimated 8,154 person weeks of employment,



with an investment of \$3 million.

As a result of these efforts, and our partnerships with the federal government and industry, over \$40 million will have been invested in silviculture between 1996 and 1998, the viability of over 40,000 hectares of forest land will have been improved and over 60,000 weeks of employment will have been provided.

Government has developed "Forestry Renewal 2000", a job creation strategy in conjunction with industry aimed at increasing jobs, income and value added products, resulting in higher economic and social returns to our province.

19. *The Liberal government with a new mandate will, over the next three years, implement over \$40 million worth of silviculture projects, treating over 43,000 hectares and creating over 60,000 person weeks of employment.*

## MINING

In 1996, the government made a commitment to the people of our province to

*work in close co-operation with the mining industry to promote the opening of new mines and quarries in Newfoundland and Labrador.*

In 1999, mineral shipments are projected to exceed \$1 billion for the second consecutive year. In Newfoundland and Labrador, the mining industry employs 3500 people.

20. *The Liberal government with a new mandate will ensure that*

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**Liberal**

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*our province continues to achieve \$1 billion of mining production and maintains or increases industry employment at 3500.*

### **Mineral Exploration**

The most critical element in mineral development is prospecting. New mineral finds are needed to sustain and increase production over time.

The 1994 mineral discovery at Voisey's Bay sparked a dramatic rise in exploration activity in Labrador. Exploration was at a record high of \$92.5 million in 1996, decreasing to \$66 million in 1997.

Exploration remains at high levels historically, however; in 1994 it was \$15 million and in 1993 it was \$12 million. In 1997, exploration generated more than 400 jobs. Exploration remained high in 1998 at \$46 million, in spite of depressed prices for metals.

Following consultation with the mining industry, a new program will be put in place to promote mineral prospecting in our province.

21. *The Liberal government with a new mandate will work with the mining industry to increase exploration for new mineral resources in our province, including putting in place a mineral prospecting incentive, to help locate the mineral deposits that will result in more mines and related industries for our province.*

## **Burin Minerals**

There is a growing market for fluorspar, but no production in North America. Burin Minerals plans to reactivate the St. Lawrence Fluorspar Mine to produce 180,000 tonnes of acid-grade fluorspar annually for North American and European markets.

Subject to further drilling and feasibility studies, the project will proceed this year, with full production in 2001. Burin Minerals will spend \$38.5 million to reactivate the mine. 200 new jobs (300 at peak) will be created in the St. Lawrence area.

To make this possible, government is funding a \$10 million deep water port facility at St. Lawrence. Government will also ensure that the health of workers at the mine will be fully protected.

22. The Liberal government with a new mandate will provide \$10 million in port facility upgrading for Burin Minerals to re-open the fluorspar mine at St. Lawrence, while ensuring that the health of workers there is fully protected.

## **Other Mines & Quarries**

Quarries have been opened for gypsum at Fischells, slate at Keels, barite at Buchans and Colliers Point, and dimension stone near Nain and at Jumper's Brook near Bishop's Falls.

Mines and quarries are also under consideration for silica at Labrador City and La Scie, manganese from existing ore at Wabush, gold near Springdale, magnesium at Baie Verte, limestone and dolomite at Lower Cove and gypsum at Coal Brook.

23. *The Liberal government with a new mandate will work with the mining industry to open new mines and quarries in our province.*

## MANUFACTURING

### Promoting Our Businesses

In 1996, the government made a commitment to the people of our province for

*the Premier and other members of Cabinet to take a leading role in attracting new investment and promoting the expansion of manufacturing and processing enterprises, especially in rural areas*

The Premier has led provincial delegations on two Team Canada trade missions. The 1997 Asian mission was the province's largest delegation to that time. The delegation doubled for the 1998 Latin American mission - it was the largest from Atlantic Canada.

As well, the Premier led 18 companies and organizations on a 1996 trade mission to Ireland and seven local firms on a 1997 trade mission to China.

The Minister of Industry, Trade & Technology has travelled to Asia to promote the province and has led delegations of manufacturers and high-tech companies to Iceland, Ireland and Chile.

The Minister of Fisheries & Aquaculture led a delegation of processors and harvesters to Asia. They met with importers and government

officials, discussing snow crab quality in Japan, promoting our seal and seafood products in China and exploring new markets in Korea.

### **An Investment Prospecting Team**

There is growing interest in our province's economic potential. Major natural resource developments are moving forward. We are promoting our competitive advantages in manufacturing and high-tech industries.

We must continue to grow and diversify our province's economic base. We must aggressively seek out and attract enterprises from around the world. To do so, key persons in government need to work closely with the private sector in this task.

24. *A new Liberal government will establish a Prospecting Team, led by prominent figures from industry in our province and across Canada, that will work with the Premier and key Ministers to attract new companies, industries and investments to our province.*

### **First in Manufacturing Growth in Canada**

There was a 7.2% increase in the value of manufacturing in our province in the first ten months of 1998. This was the highest of any province in the country, well above the national average of 2.4%. Factors contributing to this increase include skilled labour, low turnover and competitive back haul rates.

A recent study by Jason Myers indicates that for the period 1992-1997, Newfoundland and Labrador led all provinces in increased labour productivity in manufacturing. In fact, this increase was not only the

best in the country, but was also greater than the U.S. average. Non-resource-based manufacturing in both rural and urban areas employs 6000 people full-time in 350 companies. More than 100 companies market their goods in other provinces or internationally.

Some examples include:

- FibreGlass Works of Centreville manufactures commercial and recreational boats
- Hi-Point Industries in Bishop's Falls manufactures horticultural and oil-absorbing peat products
- Acan Windows of Paradise produces solid vinyl windows and doors
- Genesis Organic in Corner Brook converts organic wastes (such as wood bark from the pulp and paper mill and fish wastes from fish plants) into commercial soil conditioner
- Highland Homes produces spruce flooring, log siding, panelling, lumber and log homes
- Restwell Mattresses of Harbour Grace makes box springs and mattresses
- Terry's Tents of Goose Bay makes tents, backpacks and specialised aircraft coverings

Fish & seafood, newsprint and petroleum products are the largest sectors, but manufacturing overall is advancing significantly. Our products are diverse.

Government is developing a small scale manufacturing strategy with an emphasis on non-resource based manufacturing. Technology-based industries are taking an increasingly important role, in sectors such as satellite communications, medical technologies and environmental

protection, as well as the more traditional footwear and furniture sectors.

Developing firms in our province are fostered by government policies and programs. Among these are:

- the EDGE program,
- research and development tax credits,
- the lowest corporate tax rates in the country for manufacturing,
- full input tax credits under the Harmonized Sales Tax,
- programs to assist small businesses with things like start-up and international marketing,
- the Manufactured Right Here program to boost local sales,
- incentives under various regional economic development programs

The \$81 million (Post-TAGS) Canada-Newfoundland Agreement on Economic Development and Fisheries Adjustment contains a Small and Medium Enterprise (SME) Element. This agreement is aimed at economic growth and diversification in rural areas.

25. *The Liberal government with a new mandate will increase and diversify manufacturing in our province, especially in rural areas, including by drawing on the SME Element of the \$81 million Post-TAGS economic development agreement.*

### **St. John's - The Most Cost-Effective City for Business**

There is a cost advantage to operating in our province, as illustrated by a KPMG study sponsored by the federal government. It compared the

cost of doing business in 42 cities in Canada, France, Germany, Italy, Sweden, the United States and Britain and found that St. John's is the most cost-effective city to do business in Europe or North America. This conclusion is based on a comparison of costs for initial investment, labour, transportation and distribution, electricity, telecommunications and taxation.

26. *The Liberal government with a new mandate will use the KPMG study that identified St. John's as the most cost-effective city in Europe or North America in which to do business as an effective tool for promotion of the city in investment prospecting.*

## **FABRICATION, SHIPBUILDING & REPAIR**

### **Marystown Shipyard - New Prosperity**

Friede Goldman International Inc. acquired the Marystown Shipyard and the Cow Head fabrication facility from the provincial government in January 1998.

As part of the agreement, the new owners committed to maintaining a minimum of 1.2 million person hours of work at Marystown for the next three years. They are investing up to 15 million to improve the facilities.

The Marystown shipyard, which before the change in ownership had 300 mostly part-time jobs, currently employs about 400 people; however, this number peaked at about 1100 people during 1998. The company provided 1.7 million person hours of work in 1998,



0.5 million person hours more than they had committed.

The prospects for the shipyard, which have been shaky for years given heavy financial losses and a lack of work, now seem very bright. This is good news not only for Marystown, but for the whole of the Burin Peninsula.

Friede Goldman is a leading provider of offshore drilling services and is aggressively pursuing work associated with the construction and conversion of offshore drilling rigs.

### **NEWDOCK - Subsea Fabrication**

The Terra Nova development requires Hinge Over Subsea Templates (HOST) systems to go in the glory holes. There are few facilities in the world that fabricate these systems; long-term demand for such specialised equipment is strong.

NEWDOCK has partnered with a Norwegian firm, KOS, which specialises in this work. Of the seven subsea template and manifold systems required by Terra Nova, the first four will be manufactured in KOS's Norwegian facility.

Employees from NEWDOCK have been in Norway since September 1998, acquiring the skills and expertise necessary to build the remaining three systems in St. John's starting in Spring 1999.

NEWDOCK's subsea fabrication capability will support Terra Nova and allow NEWDOCK to compete for similar work on other Grand Banks developments, as well as international projects. NEWDOCK will be the only North American fabricator with the proven skills

needed to manufacture the HOST systems.

### **Bull Arm - Constructing Terra Nova Topsides**

Terra Nova will be developed using a Floating Production Storage and Offloading Vessel (FPSO) to extract the oil and store it, until it is loaded on a shuttle tanker and taken to the trans-shipment facility at Whiffen Head.

The FPSO must be built in an overseas shipyard, given its very large size. However, two of the topsides modules (as well as the flare stack and deck assemblies) for the FPSO will be built at Bull Arm, where the Hibernia Gravity Based Structure was built. Hooking up and commissioning of the FPSO will also be done at Bull Arm.

In total, \$100 million in work will take place at Bull Arm, employing 700 people at the peak of construction this summer.

27. *The Liberal government with a new mandate will work with the operators of the Marystown Shipyard, the dry dock in St. John's, the Bull Arm site and other firms involved in fabrication, shipbuilding and repair to increase orders and employment at these facilities, especially related to offshore petroleum.*

## **CONSTRUCTION**

### **Non-Residential**

Non-residential construction grew 5% from \$1.462 billion in 1997 to

\$1.5 billion in 1998. The main reasons are a healthy manufacturing sector and government spending on new schools, roads and hospitals. This can be expected to increase in 1999, given the major government re-investments, particularly for new schools and hospitals, as well as work on the Terra Nova project.

Major projects in St. John's include expansion at Memorial University, the Civic Centre Project and the hospital redevelopment. Approval was given last year for the St. John's Health Care Corporation to spend almost \$130 million to renovate St. Clare's and the General Hospital, expand the Cardiac Surgery Ward at the General Hospital, and construct a new Janeway Children's Health and Rehabilitation Centre.

Other major projects throughout our province include construction of 16 new schools, refurbishing of almost a hundred more, as well as construction of seven new hospitals and nursing homes.

Government spending on capital projects totalled \$242 million in 1998 and similar levels are anticipated for 1999 (compared with \$214.5 million in 1997). Other major projects this year include: continuation of the Trans Labrador Highway, Trans Canada Highway upgrading, repairs and upgrading to regional and provincial roads, and municipal capital works including water and sewer, paving and road construction, and solid waste management.

28. *The Liberal government with a new mandate will continue to support a high level of construction to provide needed public infrastructure and create employment in the industry.*

## Residential

Housing investment has grown from \$453 million in 1996, to \$493 million in 1997 and to \$527 million in 1998. This the highest level since 1990. The mix of housing investment has changed over these years. Much of the increase is in renovations and, in places like St. John's, in conversions of apartments to condominiums.

## AGRIFOODS INDUSTRY

In 1996, the government made a commitment to the people of our province to

*work closely with the agrifoods sector to further develop production and marketing.*

Globalization means food products can be sold efficiently around the world. This is both a challenge and an opportunity. We must diversify and add value to the commodities we produce and the food products we manufacture.

## Secondary Processing

\$2 billion is spent annually on food products in our province. This is the base to build upon, to supply the local market and develop products for export. There are 100 secondary food processors in the province - over half of them started in the last five years. Our agricultural industry employs in the vicinity of 3,500 - 4,000 people.

More than half of farm cash receipts come from dairy and poultry production. These are at historic highs buoyed by continued marketing

efforts (like the School Milk Program) and product recognition (like Country Ribbon chicken).

Key areas for action include:

- an Agricultural Awareness Campaign to promote locally produced products,
- adding value to locally produced and imported raw products,
- research and development, and
- training for new technologies and business management.

29. *The Liberal government with a new mandate will work closely with the agrifoods sector to increase secondary processing in our province.*

## Poultry

Poultry production accounts for 37% of agricultural cash receipts in our province. Changing circumstances, notably the federal government's ending of its long-standing Feed Freight Assistance Program and the inability of the province to sustain losses from Newfoundland Farm Products, placed the industry in a position where it had to adopt new, more cost-effective means of doing business to carry on.

A local consortium of major chicken producers formed Integrated Poultry Limited (IPL) to integrate vertically their primary production with processing and feed manufacturing, and thereby streamline operations and increase competitiveness.

The St. John's poultry processing plant operated by Newfoundland Farm Products was transferred to IPL and various grants and loans were

made to help IPL get started. This should ensure a sustainable poultry sector for the future.

IPL invested more than \$20 million in 1998 as part of an ongoing effort to expand productive capacity and modernize existing operations.

### **New Growth**

Gains have been made in recent years in hogs, lambs and cattle. Production of small fruit - notably blueberries, partridge berries and bakeapples - has increased and production shows strong potential.

The long-term demand for cranberries holds great potential. Government, through the Canada/Newfoundland Safety Net Agreement, has initiated work to develop cranberry production in our province.

The fur industry has taken a proactive approach to expansion by developing a five-year strategic plan. The plan indicates that there are further opportunities for farming of fur bearing animals, notably mink. In the next five years, industry sales are anticipated to be around \$4 million, employing an additional 150 people.

30. *The Liberal Government with a new mandate will work with the agrifoods industry to provide a sound basis for important sectors like poultry to diversify and increase production and to foster sectors like small fruit and fur farming that have significant growth potential.*

# THE NEW ECONOMY

## First in Tourism Growth

In 1996, the government made a commitment to the people of our province to

*support the Cabot 500 celebrations as a major event to boost tourism in the province and highlight this historic anniversary.*

The Cabot 500 celebrations were a resounding success. An estimated 69,000 additional tourists arrived in the Province in 1997, a 22% increase from 1996 and a \$37 million boost to our economy.

Provincial hotels recorded the highest occupancy rate in Atlantic Canada and the largest year-over-year change in Canada. Tourism was up again in 1998, as those who visited during the Cabot 500 celebrations told their friends about our province.

We must now ensure that this increased tourism is not merely an "echo" of Cabot 500, but becomes the basis for increased tourism for the future. The Cabot 500 Year has proven we have the capability to successfully host a major, year long, international celebration.

This success and proven capability will ensure further success and overall tourism growth in the upcoming celebrations of the 50th anniversary of Confederation this year (Soiree 99) and the Viking Millennium in 2000.

31. *The Liberal government with a new mandate will build on the 22 per cent increase in tourism during the Cabot 500 celebrations to generate increased tourism on a sustained basis in our province.*



## Soiree '99

1999 marks the 50th Anniversary of Confederation with Canada. The theme is *Celebrating Canada Our Way*. Soiree '99 includes a calendar of activities that invites all Canadians to commemorate this significant event.

Soiree '99 is intended not only to celebrate Confederation with Canada but also to encourage Canadians to learn more about Canada through Newfoundland and Labrador's experience and to express our commitment to the ideals of Confederation.

Building on the Cabot 500 Celebrations, Soiree '99 presents an opportunity to promote the province as a tourism destination to our fellow Canadians. Throughout the anniversary year, both tourism visits and tourism expenditures are expected to increase by approximately 10% from 1998. The federal and provincial governments recently announced \$1.5 million to promote Soiree '99 nationally.

32. *The Liberal government with a new mandate will use the recently announced \$1.5 million in funding to aggressively promote and support Soiree 99 as a celebration of the 50th anniversary of our entry into Confederation, aiming for a further 10 per cent increase in tourism in 1999.*

## Viking Millennium

The Viking Celebrations will commemorate the 1000th Anniversary of the Viking arrival in North America at L'Anse aux Meadows, a National Historic Site and UNESCO World Heritage Site. This milestone presents an opportunity to promote our natural and cultural

tourism product internationally, increase non-resident visitors to the province and thereby further establish the province as a “must see” destination.

The Viking Celebration is about building legacies and building capacity within our province to develop and deliver world class festivals and events. This focus on product development and special events promotion will lead to sustained tourism growth and continuing opportunity over the long term.

Planning and preparations for the Millennium Celebrations are being conducted through a partnership involving the Department of Tourism Culture and Recreation, the Viking Trail Tourism Association and Parks Canada.

33. *The Liberal government with a new mandate will aggressively promote and support the Viking Millennium to celebrate the 1000th anniversary of the arrival of the Vikings and as a major boost to tourism, especially on the Great Northern Peninsula.*

## Outlook

We hosted 383,900 visitors during the Cabot year. Through the Soiree 99 and Viking Millennium events, our goal is to have 500,000 non-resident tourists come to Newfoundland and Labrador by 2002. This would represent expenditures in our province of more than \$250 million annually.

34. *The Liberal government with a new mandate will target*

*500,000 non-resident tourists by 2002, generating more than \$250 million for our province's economy.*

## **Marketing**

To date, the focus of government has been to develop world-class interpretations centres, attractions and historic sites. This builds on our natural attractions, such as sightseeing and touring, hunting and fishing, adventure, culture and nature viewing.

Now, we must strengthen our marketing efforts to tell more potential visitors what we have to offer. We must use our resources wisely, targeting key groups in North America and Europe. These markets offer the greatest potential for growth.

*35. The Liberal government with a new mandate will increase our tourism marketing efforts, focussing on key markets in North America and Europe.*

## **Increased Capacity and Improved Quality**

One result of Cabot 500 is the increase in capacity and improvement in the quality of accommodations. Licensed properties increased from 409 in 1996 to 533 in 1997, a 30% increase. Even with this increase in the supply of accommodation, record levels of convention activity – up 220% – pushed hotel occupancy rates to the highest levels in Atlantic Canada.

Cabot 500 gave Newfoundlanders and Labradorians the confidence to invest. Those investments are now paying off and will continue to do so, in part because of a strong cooperative effort involving the industry,

government and local groups, notably the Tourism Industry Associations and Hospitality Newfoundland and Labrador.

Public/private partnerships have been formed to attract more national and international conferences to our province, as well as major sporting events and concerts. Such partnerships include the Avalon Visitors and Convention Bureau and the Western Newfoundland Visitors and Convention Bureau.

36. *The Liberal government with a new mandate will support the work of Tourism Industry Associations, Hospitality Newfoundland and Labrador, and the Avalon and Western Newfoundland Visitors and Convention Bureaus, to increase tourism throughout our province.*

### 1999 Canada Winter Games

In 1996, the government made a commitment to the people of our province to

*work with the committee for the Canada Winter Games in 1999, to highlight the athletic achievements of our citizens, to promote winter recreational facilities and to attract visitors to the Games.*

Corner Brook is the smallest city to host a Canada Winter Games. The 1999 Canada Winter Games promise to be the largest Games yet.

6000 volunteers will play host to some 3200 athletes, along with their coaches, trainers, friends and relatives. This is about 900 more athletes than the recent 1998 Winter Olympics in Japan.

The Games will shut down almost everything in the city, especially schools, the technical college, and the Sir Wilfred Grenfell campus. Municipal facilities, hotels, restaurants and taxis will be extended to the limits. Supermarkets and bakeries will be challenged to keep up with the needs of all these athletes and their contingents.

The provincial government is providing \$2.9 million in capital and operating support toward the total Games budget of \$17 million. As well, the Canada-Newfoundland Infrastructure Works Program provided \$21 million for the building of the Corner Brook Civic Centre.

In preparation for the Games, the government allocated \$445,000 in 1998 to support improvements to the Stephenville Training Centre and the Arts and Culture Pool in Corner Brook.

37. *The Liberal government with a new mandate will support the Canada Winter Games in 1999 to make the best games ever, promote winter recreational activities and attract tourism, especially to the West Coast of our province.*

### **Other Major Sporting Events**

The ITU (International Triathlon Union) World Cup held in Corner Brook on August 2, 1998, and watched by 200 million viewers around the globe, was the “best ever”, according to ITU officials. Based on this success, Corner Brook was chosen to host the event again in 1999 and 2000.

Canadian, American and international golf professionals played for the \$50,000 NewTel Atlantic Cup at the Admirals Green in August 1998.

The Commonwealth Judo championships are to be held in Stephenville in 2000.

38. *The Liberal government with a new mandate will promote the holding of major sporting events, to highlight the skills of our athletes and attract tourism to our province.*

### **Cruise Ship Authority**

The Cruise Ship Authority of Newfoundland and Labrador is a three-year, \$1.2 million partnership between government and the Johnson Family Foundation to pursue large-scale development of cruise ship business for our province.

39. *The Liberal government with a new mandate will work with the Johnson Family Foundation to use \$1.2 million in support of the new Cruise Ship Authority of Newfoundland and Labrador to promote this growing sector of the tourism market.*

## **ECOTOURISM**

### **The East Coast Trail**

Hiking is central to the growing "soft adventure" tourism market. The \$1.1 million East Coast Trail initiative will create an international calibre hiking trail along the East Coast of the Avalon Peninsula from St. John's to Cappahayden.

The 195-kilometre trail will include two National Historic Sites, 22 communities, two provincial parks, the Witless Bay Ecological

Reserve, the Avalon Wilderness Area, as well as other attractions and heritage sites.

### **T’Railway**

In July 1997, the Provincial Government declared the former CN mainline rail bed from St. John’s to Port aux Basques a provincial park under the Provincial Parks Act. Regulations were promulgated to ensure its safe use and to protect the land corridor.

The Newfoundland T’Railway is managed with the assistance of community partners as a multi-use, all-season recreation corridor. It will comprise the Newfoundland section of the Trans Canada Trail connecting the Atlantic, Pacific and Arctic oceans. The T’Railway Provincial Park stretches 900 kilometres across Newfoundland.

Working with the federal government, the Newfoundland T’Railway Council and the Grand Concourse Authority, government is upgrading sections of the T’Railway into recreational trails at Wreckhouse, Waterford River Valley and Cobbs Corridor.

The Newfoundland T’Railway Association is currently preparing a five-year plan to continue this development.

40. *The Liberal government with a new mandate will promote eco-tourism through such means as support for the extension of the East Coast Trail and development of the T’Railway and will pursue federal assistance to complete these two major projects.*

## Historic Sites

Provincial historic sites are an integral part of the province's tourism infrastructure. Several historic sites have received assistance, such as the Barbour House and Fish Store in Newtown, the Rose Blanche Lighthouse and the Garland House in Trinity. Others require improvements. These sites give tourists and residents alike a greater understanding of our rich heritage and culture.

41. *The Liberal government with a new mandate will refurbish important historic sites, like the Bonavista Lighthouse, the Hearts Content Cable Station, the Quidi Vidi Battery and the Commissariat House in St. John's.*

## Archaeological Sites

Archaeological sites are an important link to the pre-history of our province. The sites not only provide a greater understanding of our past. They also are increasingly popular with tourists and, therefore, provide opportunities for economic development.

There is considerable potential for archaeological research in our province. There are important opportunities for sharing knowledge, expertise, experience and interpretation regarding key sites.

42. *The Liberal government with a new mandate will develop and implement a strategic archaeological program to further enhance and market archaeological sites at places like Ferryland, Bird Cove, Cupids, Fleur de Lys and Port aux Choix.*



## **Snowmobile Trail Development**

Snowmobiling has excellent tourism potential. For example, recreational snowmobiling generates annually \$560 million in Ontario and \$650 million in Quebec. This creates jobs, especially in rural areas.

With federal government assistance, we have begun the first phase of a series of trails throughout the Island, 1800 km of trails from St. Anthony to St. David's in the west, and as far east as Clarenville.

Construction will extend over three years, employ almost 150 people and cost \$3 million. Another \$2.9 million will be invested in capital costs, such as signage, groomers and other equipment.

In Labrador, snowmobile trails are also important transportation links in winter. Trails are being built there, as follows:

- \$2.5 million for trails along the Northern and Southern coasts and inland to Happy Valley-Goose Bay
- \$1.4 million for the Ptarmigan and Rigolet trails
- \$200,000 to connect trails in Labrador West with the trails system in Quebec

A master plan for Labrador has been completed and will serve as a guide for further strategic investments to parallel the plan for the Island.

Government is developing a world-class snowmobile tourism product in partnership with REDBs, the Newfoundland and Labrador Snowmobile Federation and local snowmobile clubs.

43. *The Liberal government with a new mandate will support snowmobile trail development in our province (for which \$10 million is available), to promote their recreational use, facilitate winter transportation and increase winter tourism, thereby creating hundreds of new jobs, especially in rural areas.*

## **CULTURAL INDUSTRIES**

Cultural industries in our province employ about 2800 people, in areas such as sound recording, publishing, visual arts, music and museums. This sector contributes about \$200 million annually to the provincial economy.

Human Resources and Development Canada, in its 1994 report, "Creating Careers, Human Resource Issues in the Cultural Sector", highlighted the strong prospects for this sector: self-employed, entrepreneurial and highly motivated.

Government assistance totaling \$6.25 million was invested in cultural industries 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 importance of cultural industries and their success, particularly in recent years, the government will pursue a new federal/provincial funding agreement to promote this sector. This will be done in consultation with the Newfoundland and Labrador Arts Council.

44. *The Liberal government with a new mandate will seek as a priority a new federal-provincial agreement to promote and support cultural industries.*

### **Living Interpretation**

The \$1 million Living Interpretations Initiative has supported theatrical interpretations of our province's history, building on the success of the Trinity Pageant. The government has also worked closely with communities and industry partners to develop festivals and special events.

45. *The Liberal government with a new mandate will support living interpretation projects, like Rising Tide's New Founde Lande Trinity Pageant and the Viking Encampment at L'Anse Aux Meadows.*

### **Festival of the Arts**

The Year of the Arts financed 70 projects in 1997, leaving a major artistic legacy from the 500th year. We will build on this success with the Festival of the Arts celebration this year to commemorate the 50th anniversary of Confederation.

46. *The Liberal government with a new mandate will support a Festivals of the Arts as part of the Soiree 99 celebrations.*

## TASK FORCE ON CULTURAL INFRASTRUCTURE

### Art Gallery of Newfoundland and Labrador

The Art Gallery of Newfoundland and Labrador is a showcase for works in the province's permanent collection and new works by local artists, as well as a place where traveling exhibits can be shown. All these functions are important. The current gallery at the Arts and Culture Centre is no longer adequate. We need a modern, larger art gallery.

### Provincial Archives

The provincial archives are currently housed in several locations, including the historic Colonial Building. The archives need a new home, at one location, where materials can be better maintained and research can more readily be carried out.

### Provincial Museum

The current provincial museum can no longer adequately preserve and exhibit the many artifacts that are part of our rich heritage. We need a larger, modern facility for this purpose.

47. *The Liberal government with a new mandate will create a Task Force on Cultural Infrastructure chaired by Mary Pratt to advise the Premier and the Minister of Tourism, Recreation and Culture on developing a larger, modern art gallery, museum and archives for the new millennium.*

## **Newfoundland and Labrador Film Development Corporation**

Television and film production are relatively new in our Province, but they offer exciting prospects for diversifying the economy, attracting investment and creating jobs. The Newfoundland and Labrador Film Development Corporation, created in 1997, is working to promote growth and development of our local film and television industry.

Since the establishment of the Corporation, telefilm production revenues in our province have grown to an estimated \$9 million in 1998, from historical averages of around \$2 million annually. Revenues are expected to rise to \$75 million over the next five years, generating 1000 new jobs.

The federal and provincial governments are contributing \$500,000 annually for the Corporation's operation and marketing initiatives.

## **Telefilm Equity Program**

The Telefilm Equity Program provides up to a 20% equity contribution for film and television productions. Since 1996, 17 projects from 12 companies have been approved through the program, for a total investment of \$2.2 million.

This investment has been instrumental in leveraging an additional \$12.4 million in investment from other sources. Given the success of this program, the annual budget has been recently increased from \$750,000 to \$1 million.

These initiatives, are giving rise to new productions in our province, including the movies "The Divine Ryans", "Misery Harbour" and

"Extraordinary Visitor" and television series such as "The Gullages" and "Dooley Gardens". Forthcoming productions include the television series "Random Passage", a docudrama titled "The Untold Story", a television special featuring Newfoundland female musicians, "11:11", and a television series "New Shoes".

### **Film Tax Credit**

A Film Tax Credit was announced in the March 1997 Budget. In Nova Scotia, a similar initiative helped increase the industry there from \$17 million to \$65 million in two years. The Newfoundland and Labrador Film Tax Credit offers the most attractive tax regime in Canada, with a 40% tax credit on local labour costs.

48. *The Liberal government with a new mandate will promote tele-film production in our province through the Newfoundland and Labrador Film Development Corporation, the Tele-Film Equity Program and the most attractive Film Tax Credit in Canada.*

### **Art Procurement**

Under its Art Procurement Program, government purchases works of art by local artists (many of them aspiring) and exhibits these works in public buildings throughout the province.

49. *The Liberal government with a new mandate will maintain the increased funding (\$200,000) provided in 1998 for art procurement by the provincial government, in order to support the work of local artists and to display their work.*

## ADVANCED TECHNOLOGIES

In 1996, the government made a commitment to the people of our province to

*work with the private sector to develop and promote business opportunities in telecommunications and information technology.*

Today, there are 200 information technology firms, with annual revenues in excess of \$500 million, employing 6000 IT professionals and support personnel in our province. Employment of IT professionals has grown 23% in the past 12 months.

From 1987 to 1992, growth in the Computer and Related Services Industry averaged 1.5% per year. From 1992 to 1997 growth in this sector averaged 10.4% per year.

In 1996, the federal and provincial governments created Operation ONLINE and gave it a five year mandate to develop the IT sector in our province. Operation ONLINE has been successful in assisting in the development of local expertise in telecommunications, digital marine technologies, health care, distance education and software development.

Many small and medium-sized companies export their products:

- Zedd-Comm Incorporated - a software development firm has developed products for the health care sector.
- Stratos Global provides satellite/telephone communications services around the world. It specializes in long-range

mobile communications for oceanic, aeronautical and land based markets.

- Guignée Technologies Limited's Space-DRUM technology will be used on the International Space Station (ISS).
- IDON-East has developed TeleMeet, real-time visual software for distance education and corporate intranets
- INNOVA Multimedia Ltd. of Stephenville is selling its "A Whale of a Tale(r)" educational software around the world
- X Wave Solutions has offices in Nova Scotia, Alberta and the U.S.

Prospects for growth are promising as more IT firms in our province market their products and expertise worldwide.

50. *The Liberal government with a new mandate will work with advanced technology companies to maintain recent high levels of industry growth (more than 10 per cent per annum during 1992-1997).*

### Government Services On-Line

In recent years, government service centres have brought services more conveniently to the people. It is now time to go a step further by bringing services (like licence applications) to the people over the Internet. This is now possible because of public access to the Internet through schools and libraries under the Community Access Program, as well as through personal computers in the home.

51. *The Liberal government with a new mandate will move progressively to offer services to the public through the Internet.*



## Softworld 98/Technology Exhibitions

From September 20-23, 1998, St. John's was the site of Softworld '98. With over 750 of the world's top information technology executives, Softworld '98 was among the world's most successful IT conferences. Interest in Softworld'98 was unprecedented. Delegates attended from Europe, Asia and North America. This was an exceptional opportunity for firms based in our province to promote their products and find new partners to expand their capabilities.

From November 26 - 29, 1998, the Newfoundland and Labrador Association of Technical Industries (NATI) hosted a technology exhibition in St. John's. The event consisted of 58 exhibitors and attracted over 5000 people. The event's success demonstrates the value of technology exhibitions.

52. *The Liberal government with a new mandate will support technology exhibitions that enable Newfoundland and Labrador IT firms more effectively to market their expertise.*

## Advanced Infrastructure

The economic development of a society will no longer be measured by who has more roads or skyscrapers, but who has more Internet users or data-transmission lines. We need the right "infostructure" so our people can connect with the rest of the world and participate fully in the global economy.

Our province is on the leading edge in advanced infrastructure for high speed data communications, including:

- NewTel's high speed ADSL (Asymmetric Digital Subscriber Line) connections, and
- Cable Atlantic's hybrid fibre optic-coaxial (HFC) network, which is among the most advanced in the world.

This advanced infrastructure will create new opportunities for firms in our province to do business nationally and internationally.

53. *The Liberal government with a new mandate will work with service providers, like NewTel and Cable Atlantic, and with users to ensure that we gain the greatest possible advantage from the advanced information technology infrastructure in our province.*

### Online by 99

The Internet is "the death of distance", providing people with a wealth of resources and tools no matter where they live. This is especially important for our rural communities.

Community groups, using e-mail, can communicate throughout the province economically and efficiently. Small businesses, using the Web, can promote their products inexpensively and reach global markets.

Newfoundland and Labrador was the first jurisdiction in North America to provide every school with Internet access and the first to provide every teacher with an e-mail account. Now it is time to take a further step - to provide Internet access to all our people.

To do this in November 1998, the provincial and federal governments agreed to contribute \$3 million each over the next three years towards a Community Access Program.

The number of libraries (and, in smaller communities, schools) with public Internet access will increase from 84 to 154 and the number of communities that will have this service will increase from 200 to 550. In access to the Internet in our schools and in our communities, our province is on the leading edge. We are not merely following the example of others in North America, we are setting the example.

54. *The Liberal government with a new mandate will use the \$6 million Community Access Program to ensure that all Newfoundlanders and Labradorians have access to the Internet through our schools and libraries.*

### Operation Online

In 1996, the government made a commitment to the people of our province to

*vigorously pursue new opportunities relating to the information highway under the strategy being finalized by the Operation Online (government-private sector) Task Force.*

Operation Online is supporting a variety of initiatives, notably:

- Education Market Access Fund, to introduce locally-produced multimedia software into our classrooms
- Year 2000 Training Programs to address the demand for skilled IT professionals to work on Year 2000 solutions
- Health Care Initiative to promote innovative health-related IT products
- Information Supplier Development Initiative to match our IT industry with research and development opportunities

- Digital animation studio at the College of the North Atlantic in Stephenville
- IT Graduate Employment and Internship Program

In April 1998, Premier Tobin led an IT Business Venture to Ottawa and Toronto to attract investment and encourage partnerships with our IT sector. The trip generated national exposure for our IT industry.

55. *The Liberal government with a new mandate will use Operation Online to work with the private sector and Memorial University to promote the development, application and marketing of information technologies.*

## IT SKILLS

Providing our children and their teachers with the most current technological tools is essential to prepare our students for success. Computers in kindergarten to grade 12 classrooms in our province will soon be equipped with state-of-the-art Corel software. This will allow students to do word processing, create spreadsheets, send and receive e-mail, produce graphs, access the Internet and prepare presentations that can then be placed on the school's Web Site.

The project is the result of an agreement between the Department of Education and the award-winning software developer, Corel Corporation of Ottawa.

56. *The Liberal government with a new mandate will promote information technology skills, especially among young people, through means such as the recent agreement to put Corel*

*software on computers in classrooms throughout our province.*

## **Cold Oceans Research**

Newfoundland and Labrador is a world leader in marine and cold ocean research. The facilities and expertise in this province are among the best in the world.

For example, the Centre for Cold Ocean Resources Engineering (C-CORE) researches ice engineering, remote sensing, seabed geophysics and geotechnical engineering. These add to our ability to develop our offshore resources and train our engineers and scientists to work in the offshore.

C-CORE - as well as the Centre for Earth Resources Research, the Institute for Marine Dynamics, the Marine Institute, the Oceans Sciences Centre, the Canadian Centre for Marine Communications, and Seabright Corporation - make an important contribution to our high technology companies. Many of the marine technologies developed at these Centres of Excellence have been commercialized, creating employment and investment in our province.

57. *The Liberal government with a new mandate will promote applied research and development into cold ocean technologies and marine sciences, and the transfer of technology to the private sector.*

## Distance Education

In 1996, the government made a commitment to the people of our province to

*support initiatives to enhance and extend the reach of distance education by creating a Chair of Distance Education at Memorial University and establishing a Distance Education Centre of Excellence to provide leadership and direction.*

In 1996, the Canada/Newfoundland Agreement on Economic Renewal (ERA) allocated \$11 million for Post-Secondary Distance Education and New Media Learning. This funding supports development of the learning network, the Open Learning and Information Network, development of courses for distance delivery and commercialization of educational products and services.

While Memorial University already has a significant presence in the distance education arena, many courses are still in a traditional delivery format (print, audio/video). With funding from the ERA, a number of courses/programs are currently being converted to web-based new media format for distance deliver via the Internet.

Future directions include the conversion of existing, and the development of new, courses/programs in the following areas for Memorial University, the College of the North Atlantic and the Fisheries and Marine Institute.

Examples of such courses/programs include:

- Masters Program in Information Technology (MUN)

- Masters in Education - Information/Communications Technology (MUN)
- Workplace Training Initiatives (College of the North Atlantic)
- Post-Journeyperson Training (College of the North Atlantic)
- Certificate in Fisheries Development (Fisheries & Marine Institute)
- Responsible Fishing (Fisheries & Marine Institute)
- Master of Marine Studies (Fisheries & Marine Institute)

58. *The Liberal government with a new mandate will continue to enhance and promote distance education initiatives and curriculum in our province's schools and post-secondary institutions.*

### Telemedicine

In 1996, the government made a commitment to the people of our province to

*work closely with Memorial University, educators and health care providers to promote the use of the distance education and telemedicine networks in our province.*

The Telemedicine Centre/TETRA is the longest standing telemedicine program in North America. Telemedicine allows for the transmission of patient medical data from rural and remote sites to the General Hospital in St. John's, as well as services like remote nuclear medicine, tele-EEGs, tele-ultrasound, and tele-radiology.

Memorial's Telemedicine research has been applied in Uganda, Kenya, Scotland, the West Indies and the Phillippines.

Some telemedicine research projects that government is funded include:

- a teleconsultation system to link the nursing station in Black Tickle to doctors in Goose Bay
- consultations from Hibernia Platform medics to shore-based physicians
- high-speed transmission of nuclear medicine images between hospitals

As telemedicine expands and evolves, it will provide improved services to our citizens in remote parts of our province, as physicians, nurses and patients will have more ready access, to better diagnosis and treatment with less travel.

59. *The Liberal government with a new mandate will promote telemedicine through means such as support for teleconsultation links to remote nursing stations.*

## **AQUACULTURE**

In 1996, the government made a commitment to the people of our province to

*provide financial and marketing assistance to new and existing aquaculture enterprises, and support coastal zone aquaculture planning, education in aquaculture technologies, research and*



*development, and extension services to assist aquaculture operators.*

Aquaculture production is increasing dramatically, from 1800 tonnes in 1997 to 4,500 tonnes in 1998. Forecasts for growth include:

- Steelhead trout production increasing 400%
- Blue mussel production increasing almost 90%
- Salmon production increasing by two-thirds

Production of Arctic char and scallops will increase sharply over the next four years. By 2000, aquaculture's export value could reach \$40 million and provide employment for 900 people in rural areas.

### **Aquaculture Research**

Newfoundland is in the forefront of cold ocean aquaculture species research. With world class research capability available through the Oceans Sciences Centre and the Marine Institute of Memorial University, coupled with researchers in the private sector and the Department of Fisheries and Aquaculture, aquaculture research in our province is focused on cold tolerant species resident in our coastal waters. These species include giant scallop, blue mussel, Atlantic halibut, Atlantic salmon, steelhead trout, cod and yellowtail flounder.

The Department of Fisheries and Aquaculture established the Belleoram scallop hatchery in 1995 to complete pre-industrial research on commercial production of giant sea scallop spat (juveniles) to enable the development of scallop farming in the province. With funding assistance from the Aquaculture Component of the Agreement on Economic Renewal, research problems have been overcome and the facility is preparing to commence commercial production.

A new Arctic char production facility was commissioned in 1998 to commence production of 100 tonnes of culture char annually. This facility has used genetic mapping to identify the best brood stocks in a joint research program with Memorial University.

Through funding provided by the Aquaculture Component of the Agreement on Economic Renewal, a state of the art Cold Ocean Research Centre has been established at the Ocean Sciences Centre. This facility will continue research in production techniques for Atlantic halibut, yellowtail flounder and cod to enable establishment of commercial culture facilities for these species.

The mussel and salmonoid sectors have benefited from two detailed research programs designed to determine the maximum environmentally sustainable production capacities for these species. This pioneering research has provided industry and governments with models to plan current and future production of these species in our province and meet both economically viable and environmentally sound production limits.

### **Mussel Marketing Strategy**

With government support, the Newfoundland Mussel Marketing Company has been formed, with 19 mussel growers as shareholders. It will concentrate on increasing production and building a reputation for quality in North America and Europe.

### **Working Capital Fund**

A source of working capital is vital to our aquaculture industry. For most shell fish producers, it takes at least three years before their

product can go to market. Before then, debt must be serviced and salaries and other operating expenses paid.

Despite numerous representations by government and industry, commercial banks are not willing to provide working capital loans for aquaculture operations. In June 1998, a \$5 million federal-provincial Aquaculture Working Capital Fund was announced.

This fund will lever an additional \$10 million from industry. Only companies making a significant investment and whose business plans are promising will be eligible for assistance for shellfish commercialization under the fund.

These are strategic investments in a growth industry. They are investments in rural communities. Our aquaculture sector is becoming a major player in a rapidly growing and internationally competitive industry.

60. *The Liberal government with a new mandate will assist industry to develop the full potential for aquaculture in our province, with a target of \$40 million in production and 900 jobs, through such means as \$9 million for research and development, a \$5 million working capital fund and \$1 million for sectoral marketing strategies.*

## **ENVIRONMENTAL INDUSTRIES**

Environmental industries continue to expand and develop expertise to take advantage of business opportunities at home and abroad. Newfoundland and Labrador has over 200 companies working in the environmental sector. Employing over 1600 people, the sector

contributes an estimated \$80 to \$100 million to the provincial economy annually.

There are three areas of expertise and future growth:

- Environmental protection companies mitigate the impacts of environmental degradation from past natural resource development and industrialization. These firms provide technologies, products and services such as air and water quality control, environmental assessments and hazardous waste management.
- Conservation companies assist the forestry, mining and petroleum industries to integrate environmentally-friendly operating practices from the outset of a project.
- Environmental Education, Communications and Research firms ensure that programs aimed at improving environmental quality are sufficient, efficient and properly promoted.

There are prospects for significant growth for our environmental industries, especially given the development of major resource projects in our province.

61. *The Liberal government with a new mandate will promote our environmental industries particularly in regard to opportunities from natural resource projects within our province and foster the export of their services outside our province.*

# **Opportunities For Our Rural Communities**

## Regional Economic Development Boards

In 1996, the government made a commitment to the people of our province to

*establish a Department of Rural Renewal and Economic Development, focussing on the 19 economic zones, as outlined in the report of the Task Force on Community Economic Development in Newfoundland and Labrador.*

The Department of Development & Rural Renewal was established in March 1996. Twenty economic zones have been established, each with a Regional Economic Development Board (REDB).

The REDBs have each developed a Strategic Economic Plan for their zone. This is an important element in decentralizing decision-making and moving the planning process closer to the grass roots.

The work of the REDBs is a cornerstone of the government's policy for economic development and diversification throughout the province, especially in rural communities.

The REDBs are working with partners in their zones and the provincial government to implement the economic development activities outlined in their plans. For example:

- The Southwestern Marine and Mountain Zone Corporation (Port aux Basques) and Corner Brook Pulp and Paper Limited have established a forestry management system for sustainable harvesting.

- Western and Central Newfoundland REDBs and the Snowmobile Federation are working on the snowmobile trail initiative.
- The Labrador Straits Development Corporation and the Department of Fisheries and Aquaculture are partnering to develop a diversified, sustainable fishery in the Straits.
- The Kittiwake Regional Economic Development Corporation (Gander-Bonavista North) is working with the Department of Forest Resources and Agrifoods on development opportunities in agrifoods, notably blueberries and cranberries.
- The Exploits Valley Economic Development Corporation has focused on promoting small scale manufacturing through a region-wide marketing and investment strategy modeled on the successes of the Bishop's Falls Development Corporation.
- The Hyron Regional Economic Development Corporation (Labrador West) is promoting small business opportunities in services and manufacturing related to mining, as well as developing (with the College of the North Atlantic) a provincial Mining Technology Centre.

REDB's throughout the Province are building strong links within their communities with businesses, government departments and agencies, associations and other community organizations.

REDB's will play an important role in setting priorities for the use of the \$81 million funding under the (Post-TAGS) Canada-Newfoundland Agreement on Economic Development and Fisheries

Adjustment. This fund is to be used to grow and diversify the economy in rural areas of our province.

62. *The Liberal government with a new mandate will work closely with REDB's to identify and act on development opportunities, particularly under the \$81 million Post-TAGS economic development agreement which is directed at economic growth and diversification in rural areas.*

### **Cabinet Committee on Rural Revitalization**

In 1996, the government made a commitment to the people of our province to

*appoint a Committee of Cabinet on the Revitalization of Rural Communities*

The Cabinet Committee on Rural Revitalization has been appointed, chaired by the Minister of Development and Rural Renewal.

The Committee is meeting with all 20 REDBs to discuss the top five development priorities identified by the REDB for its zone and to promote those priorities, for example:

- snowmobile trails on the Northern Peninsula to extend the tourism season
- an information technology Centre of Excellence in Clarenville
- eel aquaculture in Robinsons
- pharmaceutical applications for seaweed in Ile-aux-Morts
- trade opportunities at Gander International Airport



63. *The Liberal government with a new mandate will use the Cabinet Committee on Rural Revitalization to give priority to and support initiatives that will create jobs and growth in our rural communities.*

### **Access to Outdoor Resources**

Newfoundland and Labrador enjoys an outdoor heritage that is the envy of the nation. We have a relationship with the sea and the land that is unique. That relationship is fundamental to our history, culture and traditions.

In preserving and protecting access to outdoor resources, the government will be guided by the following principles:

- It is not and never will be this government's policy to privatize the outdoors.
- Public access to our natural resources must be maintained, subject to conservation and sustainable usage.
- Our outdoor resources exist for the use and enjoyment of all citizens of Newfoundland and Labrador.
- Government is committed to negotiating equitable land claims agreements with aboriginal peoples.
- We should develop our tourism potential through the use of our outdoor resources, but not at the expense of access and use by Newfoundlanders and Labradorians.

64. *The Liberal Government with a new mandate will not privatize outdoor resources, but instead will take steps, in consultation with the people of our province, to ensure that our outdoor resources continue to be available for the use and enjoyment of all our citizens.*

# **Support For Our Communities**

## Municipal Operating Grants

The provincial government provides Municipal Operating Grants (MOGs) to municipalities to assist them in providing local services. In the March 1997 Budget, as part of an overall package of expenditure restraints, the provincial government announced that MOG's would be reduced by 20% a year for three years.

This would have resulted in a reduction from \$30.7 million in 1997 to \$12.3 million in 2000. The first reduction of \$6.1 million was made in 1998. Municipalities have budgeted for 1999 based on a further reduction of \$6.1 million.

In order to ease the burden on municipalities and provide more financial ability for them to provide local services, the \$6.1 million reduction scheduled for 1999 is being cut in half. This will provide over \$3 million more to municipalities in 1999 than they had budgeted for.

As well, the further MOG reduction of \$6.1 million scheduled for 2000 is being canceled. This will result in municipalities receiving \$9.1 million more in 2000 than they had expected.

65. *The Liberal government with a new mandate will not proceed with reductions to Municipal Operating Grants as scheduled, resulting in \$3 million more for municipalities in 1999 and \$9.1 million more in 2000.*

## Continued Assistance for Communities in Need

Some communities in our province continue to face difficulties with their municipal finances. The government has provided a total of \$12

million for a Debt Relief Program to assist municipalities with debt refinancing and restructuring.

66. *The Liberal government with a new mandate will provide assistance in the form of debt relief for those municipalities that have taken reasonable measures to raise revenue and reduce expenditure, but still need assistance in order to provide basic public services.*

### **Water Taxes**

The provincial government will pay the full level of water tax on public buildings, educational facilities and health care facilities to the City of St. John's. This is in fulfillment of a commitment made in March, 1997, to review water tax rates on public buildings in the province.

Government will pay the City of St. John's for water consumption for provincial buildings at the rates currently applied to commercial enterprises, federal government properties and the provincial buildings that have water meters.

Where buildings are not metered, the province will work with the City of St. John's to ensure fair payment of the water tax. This will translate into roughly \$700,000 of tax revenue to the City in addition to the \$174,000 that government currently pays.

67. *The Liberal government with a new mandate will pay water rates to St. John's on the same basis as the federal government and commercial users, resulting in an additional payment of \$700,000 per annum to the City.*

### St. John's Civic Centre

St. John's attraction as a centre for major conventions and meetings was demonstrated by the increase in convention activity during the Cabot Year. As well, large events last year, like Softworld '98 demonstrated the need for a larger convention space. A Civic Centre that includes a convention centre and arena space for the St. John's Maple Leafs will be an important addition to our province's infrastructure.

68. *The Liberal government with a new mandate will provide \$16 million toward the construction of the Civic Centre in St. John's.*

### St. John's Harbour Clean-Up

The clean-up of St. John's Harbour is needed. To get work underway, the provincial government provided \$3 million for Phase II of the clean-up; this is in addition to \$4.5 million provided under the Canada-Newfoundland Infrastructure Works Program.

Overall, this will be a \$150 million to \$200 million project, including construction of a sewage treatment plant for St. John's, Mount Pearl and Paradise.

69. *The Liberal government with a new mandate will continue to work closely with St. John's, Mount Pearl, Paradise and the federal government to ensure the clean up of the St. John's Harbour proceeds.*

## INFRASTRUCTURE

### Accelerated Funding for Municipal Capital Works

Some municipalities have a need to build major public works (like water and sewer systems) that can best be done in a year or two, but provincial capital funding would ordinarily be received over a much longer period. This results in delay and additional cost.

Where this is the case and a municipality has the necessary fiscal capacity, the government will consider providing accelerated capital contributions for these public works.

70. *The Liberal government with a new mandate will work with the Federation of Municipalities to put in place this year a program for accelerated funding for capital works by municipalities that can demonstrate the need and the necessary fiscal capacity.*

### Post-TAGS Economic Development Agreement

The (Post-TAGS) Canada-Newfoundland Agreement on Economic Development and Fisheries Adjustment has a Strategic Infrastructure Element. This agreement is aimed at economic growth and diversification in rural areas.

71. *The Liberal government with a new mandate will draw on the Strategic Infrastructure Element of the \$81 million Post-TAGS economic development agreement to support infrastructure investments that demonstrate a significant economic impact.*

## Canada-Newfoundland and Labrador Infrastructure Works Program

Since 1994, \$184 million (including a 1997 top-up) has been invested in our province under the Canada-Newfoundland and Labrador Infrastructure Works Program. One-third funding came from the federal government, with the remaining funding coming from the provincial government and municipalities.

The following projects were funded:

- 218 water and sewer projects, such as \$3.9 million for a new water supply for Happy Valley-Goose Bay
- 110 paving or road reconstruction projects, such as \$12 million for Forest Access Construction to enable increased silviculture and logging access
- 33 sports facilities, including \$21 million for the Corner Brook Civic Centre to host the Canada Winter Games
- 40 other projects, including \$7.5 million towards the cost of a power line to eliminate dependence from St. Anthony to Roddickton/Englee on diesel generation

72. *The Liberal government with a new mandate will seek from the federal government a new Infrastructure Works Program to provide needed infrastructure to cities and towns throughout our province.*

## ROADS

Over the last two years approximately \$165 million has been spent on transportation infrastructure throughout the Province. In 1998, a

record expenditure of \$108 million was spent improving over 700 km of roads. This represents the largest road construction year in our history.

The Outer Ring Road in St. John's represented the largest single road construction project in the island portion of the province. Additional investments include: work on the Conception Bay North and Conception Bay South bypass roads, the divided four lane highway from Pasadena to Corner Brook, the new road from Main Brook to St. Anthony Airport and the new Goulds Bypass Road.

In 1999, approximately \$55 million has been budgeted under the Federal/Provincial Transportation Initiative. This includes \$32.5 million for the Trans Canada highway and \$22.5 million for Regional Trunk Roads.

Projects highlighted under these initiatives include: continuing with four lane Trans Canada Highway development towards Whitbourne, paving the Pasadena Bypass, resurfacing and paving portions of the Trans Canada Highway and improving regional highways in Bonavista and on the Burin Peninsula.

73. The Liberal government with a new mandate will spend \$56 million in 1999 on improvements and repairs to the Trans Canada Highway and Regional Trunk Roads. Additional money will be provided for other roads.

### **Trans Labrador Highway**

In 1997, the government negotiated an agreement under which \$340 million was received from the federal government in return for its



withdrawal from operating the coastal boat service to Labrador. This money did not go into general revenue.

Instead, it went into a Labrador Transportation Initiative Fund. The fund will be used exclusively to build the Trans Labrador Highway and provide marine services to Labrador. Work on the Trans Labrador Highway is proceeding in three phases.

In 1999, we expect to complete Phase I between Goose Bay and Churchill Falls.

Following environmental assessment, tenders for Phase II of the Trans-Labrador Highway will be called to build a road (over six years) between Red Bay and Cartwright.

Phase III will involve completion of the Trans Labrador Highway from Happy Valley-Goose Bay to Cartwright.

The Trans-Labrador Highway was discussed for over 20 years. This government is making it a reality.

74. *The Liberal government with a new mandate will spend \$46 million this year on the Trans-Labrador Highway to complete the section between Labrador West and Happy Valley-Goose Bay and begin the section from Red Bay to Cartwright.*

## **FERRY SERVICES**

In 1998 the provincial government assumed responsibility for marine services to Labrador from Marine Atlantic and has made positive

changes to coastal Labrador ferry rates and schedules through the following initiatives:

- There have been no rate increases for the first time in five years;
- In most cases, minimum rates for shipping freight and vehicles have been reduced;
- The rates charged to ship heavy equipment to Community Councils on the Labrador Coast have been cut in half.

The Captain Earl Winsor is now serving Fogo-Change Islands. Since acquiring the vessel some \$2 million has been invested to prepare the ferry for this service. The Beaumont Hamel has joined the Flanders to serve Bell Island. These changes are providing a more efficient and reliable service.

75. *The Liberal government with a new mandate will work with communities around the island and on the Labrador Coast to ensure good quality marine services.*

### **Air Freight Subsidy for the Labrador Coast and Great Harbour Deep**

Those living on the Labrador Coast and in Great Harbour Deep must pay higher costs for perishable foods that have to be flown into their communities in winter. Government provides a \$300,000 subsidy to help offset this.

There have been major changes in this program from previous subsidy programs. Government has listened to and acted on the requests of the people of Labrador.

The previous subsidy was provided to southern residents of Labrador and Great Harbour Deep. There is now an air freight subsidy to all residents of the Labrador Coast, including the North Coast, and Great Harbour Deep.

While government funds the program, it is administered locally by the Southeastern Aurora Development Corporation. The subsidy is given at the retail level, to give consumers the greatest benefit

76. *The Liberal government with a new mandate will maintain the \$300,000 airfreight subsidy for the Labrador Coast and Great Harbour Deep.*

# **A Commitment To Health & Education**

## EDUCATION

### Education Reform

In 1996, the government made a commitment to the people of our province that

*Educational reform will proceed.*

Government proceeded in good faith with reforms. This was challenged constitutionally by certain of the churches. This led the government to call a second referendum on education reform.

The people were asked a clear question and given a clear proposed amendment. The people gave a clear answer. Government acted quickly based on the people's mandate. Educational reform did proceed.

Today, we have a single new school system where all our children, regardless of their religion, attend the same schools. Our teachers are hired because they are competent, caring and committed, not because of their religion.

Now, it is time to concentrate our energy, our imagination and our commitment on giving our children the best education we possibly can.

77. *The Liberal government with a new mandate will build on opportunities from education reform to achieve a higher quality of education for our children.*

## **School Board Debt**

The government recognized the many financial requirements of the province's new school boards as they organized their districts. Government placed the new school boards on a solid financial footing by providing \$24 million in 1997 to pay off both the capital and operating debts of former school boards.

Eliminating the debt for the new school boards gave them a fresh start and enabled them to provide additional resources where they count most, in the classroom.

## **Investments in Education: New and Improved Schools**

In recent years, capital investment in our schools, because of fiscal restraint, has been reduced to as low as \$4 million annually. New schools needed to be built; others needed repairs. Air quality also needs to be addressed. Our students need clean air in every classroom, in every school in our province.

In 1998, government committed \$125 million for school construction and upgrading. In all, 16 new schools are being built, six are being redeveloped and over 100 are being refurbished.

This is the most significant school construction program ever undertaken in our province. It is evidence that school reform is working and that this government is delivering on its commitment. The work includes:

- new schools in Hopedale, Rigolet, Norman Bay, Pollard's Point, Buchans, Clarenville, Blaketown, Happy Valley-Goose Bay,

Plum Point, Roddickton-Englee, Burgeo, New World Island, Lethbridge-Musgravetown, Arnold's Cove, Old Perlican and Pouch Cove-Flatrock

- extensions and renovations to schools, such as St. Joseph's/Our Lady of Mercy in St. George's, St. Peter's in Black Tickle, Dunne Memorial Academy in St. Mary's, Belanger Memorial in Upper Ferry, Bayview Heights Academy in Gambo, Greenwood High School in Campbellton, Peninsula High School in Picadilly, Jens Haven Memorial in Nain and Mountain Field Academy in Forteau

The new schools will contain heating and ventilation systems that will ensure good air quality. The buildings will be accessible to students with physical disabilities and will contain specialized areas designed to provide necessary care for these students. Gymnasiums will be included in the new schools.

78. *The Liberal government with a new mandate will invest more than \$125 million to build and upgrade schools to ensure that the quality of school facilities is conducive to a good learning environment for our children.*

Government has invested almost \$8 million in air quality related projects in more than 200 schools to ensure good air quality in our children's classrooms.

All this is in addition to \$2 million provided to school boards in 1998 to expand their normal repair and maintenance programs. This funding enabled boards to paint classrooms and exteriors, repair floors, siding, entrances, walkways, heating systems and washrooms, improve playgrounds and generally repair 150 school buildings.

79. *The Liberal government with a new mandate will make the investments necessary to ensure good air quality in our schools (\$8 million) and proper maintenance of school buildings (\$2 million) to create a good learning environment for our children.*

### **Investments in Education: Well-Equipped Schools**

Students not only need good schools. They also need well equipped classrooms. The new schools will be equipped with:

- a library-resource centre with computers connected to the Internet
- a technology lab, with necessary computers, for schools with high school grades
- a local area network to transfer of data from one computer to another within the school

The new rural schools will have:

- a satellite dish to connect to the Internet
- equipment to access distance education and a specially designed space for this

The goal is to provide in all schools the means for students to have computers, local area networks, Internet access and, where needed, distance education to create an enriched learning environment, wherever they are in our province.

80. *The Liberal Government with a new mandate will ensure that the quality of equipment in classrooms, especially computers,*



*is conducive to a good learning environment for our children.*

### **Standards for Achievement**

Good schools and well-equipped classrooms are only means to an end. The goal is the best possible education for our children. We must make a commitment to that goal. The measure of our success is our students' achievements.

An analysis of test results over time shows that basic skills, notably reading, writing, language skills and work study skills, are at or above the national average and are improving. However, there are still subject areas, notably mathematics, in which our students have not yet reached national and international averages.

81. *The Liberal Government with a new mandate will work with educators and parents to continue to improve student achievement, especially in mathematics.*

### **Students with Disabilities**

Some students need specialized instruction to overcome learning disabilities. In 1998, government provided funding for an additional 50 teachers for these special needs students.

Other students with mental or physical disabilities require student assistants to attend school and participate in school activities. In 1998, the government provided an additional \$600,000 for student assistants.

As well, a committee involving representatives of parents, the School

Board Association, the Teachers Association, School Councils, the Newfoundland Association of Public Employees, the Association for Community Living and the Department of Education is working on recommendations regarding the student assistants program for the 1999-2000 school year.

82. *The Liberal Government with a new mandate will take the steps necessary to meet the educational needs of those students with learning disabilities and with physical and mental disabilities.*

### **First Francophone School Board**

Newfoundland and Labrador is proud of its Francophone citizens and culture. There is now a French-language school board established in 1997. This has been a long-standing request of the Francophone community in our province.

### **Memorial University**

Memorial University of Newfoundland is the largest university east of Montreal, with a student population of about 18,000, a faculty of 800 and 1,500 staff.

Memorial University is one of the most important research facilities in the Atlantic provinces. In addition to research in a broad spectrum of academic disciplines, Memorial has developed world class expertise in many aspects of ocean and fisheries related research. In addition, the university has research strengths in engineering, medicine, education (including distance education) and social sciences.

Memorial University plays a critical role in the economic development of our province, as an institution of higher learning, as a centre for research and as a focus for a variety of innovative services, like tele-medicine and distance education.

83. *The Liberal government with a new mandate will ensure that Memorial University remains a key element of our educational system, as well as a major contributor to economic growth in our province.*

While Memorial University, like other public institutions, must share in the task of expenditure restraint, it should also be provided with sufficient funding to carry out its mandate. In this regard, government is increasing its grant to the university for the next two years by \$7 million, from \$99 million to \$106 million annually.

Among other things, this will allow the university to avoid any tuition increases for at least two years. This freeze on tuition will be reviewed no earlier than 2001. This will encourage students to pursue studies at the university, with greater certainty about the cost of their education and less debt on graduation.

84. *The Liberal government with a new mandate will provide an additional \$7 million annually to Memorial University. This will allow the university to continue to provide instruction and support study in its various faculties without increasing tuition. This tuition freeze will be reviewed no earlier than 2001.*

## College of the North Atlantic

A skilled workforce is critical to our economic future. Key to providing our people with needed skills is the public system of post-secondary education. The College of the North Atlantic is central to that system.

The college is partnering with the Regional Economic Development Boards to focus on emerging sectors and develop specialized programs to match local needs with course offerings. An example is training in shrimp harvesting offered in St. Anthony in partnership with the Marine Institute.

Other examples where the College is focussing on emerging sectors through its Centres of Excellence include, offshore petroleum at Seal Cove, information technologies at Clarendville, avionics at Gander, mining at Labrador West, forest research at Corner Brook and digital animation at Stephenville.

85. *The Liberal government with a new mandate will ensure that the College of the North Atlantic remains a key element of the post-secondary education system in our province.*

While the College of the North Atlantic, like other public institutions, must share in expenditure restraint, it should also be provided with sufficient funding to carry out its mandate. In this regard, government is increasing its grant to the college for the next two years by \$4.9 million, from \$40.5 million to \$45.4 million annually.

Among other things, this will allow the college to avoid any tuition increases for at least the next two years. This freeze on tuition will be reviewed no earlier than 2001. This will encourage students to pursue

studies at the college, with greater certainty about the cost of their education and less debt on graduation

86. *The Liberal government with a new mandate will provide an additional \$4.9 million annually to the College of the North Atlantic. This will allow the college to continue to provide instruction in its various programs without increasing tuition. This tuition freeze will be reviewed no earlier than 2001.*

### Private Colleges

Private colleges also play an important role in ensuring our students receive training they need to avail of opportunities in our province's developing economy.

To ensure that the interests of students are fully protected, government asked Dr. Phil Warren to carry out a legislative review of the private college system. Dr. Warren presented recommendations that were incorporated in legislation in December 1998.

Key elements are:

- (1) increased bonding requirements for private colleges
- (2) increased monitoring by the Education Department, to identify problems earlier
- (3) a "train-out" fund to cover the cost of students completing their course of study in the event that a private college closes

These measures will give greater confidence to students that they can successfully complete their course of study in the private college system.

87. *The Liberal government with a new mandate will regulate private colleges so that students are protected and can be confident they can complete the courses of study for which they enroll.*

### Student Aid

Post-secondary education is more important than ever for those entering the job market or seeking a better job. Beyond academic qualifications, there are the practical needs of paying for tuition, books and living expenses.

An important source of funding is summer employment. The prospects for summer employment for young people have improved in the past three years, but many still find it difficult to find a job to help pay for the coming year's studies.

That is why the government has put in place the Student Work and Service Program (SWASP). In 1998, 2200 students got jobs through SWASP, at a cost of \$3 million. In addition to a weekly stipend, students in the community service component receive a \$1400 voucher for their tuition. SWASP has received national recognition.

88. *The Liberal government with a new mandate will continue the Student Work and Service Program to help students pay for their tuition in post-secondary studies.*

Scholarships and bursaries are another important source of funding for post-secondary students. The federal government is putting in place for 2000 the Millennium Scholarship Fund. In order to provide support to students in our province until then, the provincial government is providing \$4 million over two years for an Awards Program. In 1998-1999 and 1999-2000, about 2500 students each year will be receiving awards ranging from \$500 to \$1000.

89. *The Liberal government with a new mandate will continue the Newfoundland and Labrador Awards Program to help post-secondary students meet the financial needs for their studies.*

A major cost to students is tuition. Tuition at Memorial University is \$1650 per semester; at the College of the North Atlantic it is \$726 per semester. This is in the mid-range for universities and public colleges across Canada.

In order to limit the debt burden of our students and to encourage them to pursue post-secondary education, government will provide funding to Memorial University and the College of the North Atlantic to allow them to freeze tuition. This freeze will be reviewed no earlier than 2001.

90. *The Liberal government with a new mandate will provide funding to Memorial University and the College of the North Atlantic to allow them to freeze tuition. This freeze will be reviewed no earlier than 2001.*

Some students face difficulty repaying their loans upon graduation. To

assist people with this, government will continue its loan remission and interest relief programs.

91. *The Liberal government with a new mandate will continue to assist students who face difficulty repaying their student loans through the loan remission and interest relief programs.*

### Literacy

Opportunities for good, well-paying jobs for Newfoundlanders and Labradorians are increasing every day. But to avail of these opportunities, people need to acquire the necessary skills. Fundamental to this are basic literacy skills.

That is why in 1998 government established a Literacy Strategic Planning Unit to develop a new Literacy Strategic Plan, under the guidance of the Literacy Development Council.

This new Literacy Strategic Plan will be an important component of the Strategic Social Plan. A new position of Assistant Deputy Minister Literacy has been created in the Department of Education to carry forward this initiative.

92. *The Liberal government with a new mandate will establish and implement a Literacy Strategic Plan as part of the Strategic Social Plan.*



## HEALTH

### Stabilizing Health Care

In 1996, the government made a commitment to the people of our province regarding health care.

*To govern is to choose. Health care is a priority. There will be no across-the-board expenditure reductions to health care.*

Funding for health care was increased in the May 1996 Budget, the March 1997 Budget and the March 1998 Budget. Funding for health care will also increase in the 1999 Budget. In 1997, health care institutions received an additional \$20 million. In 1998, an additional \$10 million was provided for this purpose. This year a further \$15 million will be provided for health care institutions.

This will bring the total increase in funding for health budgets for health care institutions since 1997 to \$45 million. This is a major commitment of additional funding to sustain the health and community services system.

Health spending continues to be the largest expenditure of any government department. Maintaining the quality and accessibility of health services is government's highest priority.

93. *The Liberal government with a new mandate will maintain and, where necessary, increase funding to ensure that good quality health care is available to all our citizens. Funding for health care institutions in 1999-2000 will be \$45 million more than in 1997-98.*

## Federal Funding for Health Care

The ability of the provincial government to provide quality health, education and social services to our citizens is linked to the federal government providing adequate funding through transfers to the provincial government.

Now that the federal Budget is balanced, it is time for the federal government to return federal transfers to higher levels to ensure an adequate health care system throughout Canada.

94. *The Liberal government with a new mandate will continue to press the federal government to fulfill its responsibility to provide adequate funding to support social programs, especially Medicare.*

## Physician Recruitment and Retention

In 1998, government entered a five year agreement with physicians that will largely close the gap between salaries and fees paid in our province and in the Maritime provinces. This will assist in the recruitment and retention of physicians, particularly specialists. Bonuses paid to physicians in rural areas will further assist in physician recruitment and retention, there as will increased remuneration for emergency room physicians.

As well, a Physician Recruitment and Retention Co-ordinating Committee has been established to advise and assist government; it includes representatives from the Medical Association, the Medical Student Association, the Health and Community Services Association, the Medical Board, the Professional Association of Interns and

Residents, the Medical School, rural physicians and the Department of Health and Community Services.

### **Rural Medicine**

The shortage of medical professionals in rural areas is being addressed through a series of initiatives:

- \$2.6 million in salary increases for rural physicians,
- increased compensation for doctors providing emergency room coverage,
- other increases in salaries and fees for physicians, particularly specialists,
- the Nurse Practitioner Program,
- Rural Multi-Disciplinary Service and Teaching Units in Port aux Basques, Twillingate and Happy Valley-Goose Bay
- re-instatement of bursary programs for allied health professionals
- establishment of a Provincial Human Resource Committee

95. *The Liberal government with a new mandate will ensure there is an adequate supply of health care professionals throughout our province.*

### **Modern Health Care Facilities**

Government is investing more than a quarter of a billion dollars in new and improved health care facilities:

- in St. John's, renovations at St. Clare's and the General Hospital, expansion of the Cardiac Surgery Ward at the General

Hospital and construction of a new Janeway Children's Health and Rehabilitation Centre

- a new hospital in Happy Valley-Goose Bay
- a new hospital in Harbour Breton
- redevelopment of the James Paton Memorial Hospital in Gander
- the Blue Crest Nursing Home and the hospital in Grand Bank will be replaced by a new multi-purpose facility for long-term and acute care
- the Carmelite House Nursing Home in Grand Falls-Windsor will be replaced by a new long-term care facility
- the cottage hospital in Old Perlican will be replaced by a new community health centre
- new multi-purpose health care centres for Fogo Island and Bonne Bay will replace older facilities
- a new hospital for the Stephenville/Port au Port/Bay St. George area, and
- planning and design work to address needs at the Dr. G. B. Cross Memorial Hospital in Clarenville.

With these investments, government will have replaced all the Commission of Government-era hospitals.

96. *The Liberal government with a new mandate will make the investments needed to provide good quality hospitals and nursing homes throughout the province.*

### Hospital Equipment

Modern hospital equipment is needed, as well as modern hospital facilities. In 1997, an additional \$2.5 million was provided for the

purchase of new medical equipment; local hospital foundations raised funds to match government's contribution.

As well, in Central Newfoundland, local service groups and organizations raised funds to purchase equipment for renal dialysis. Government is funding the cost of operating this service in the region. This is an example of government and community partnerships.

In January 1999, government announced a further special expenditure of \$5 million for medical safety and emergency equipment. This is over and above normal funding provided to health institutions for medical equipment.

97. *The Liberal government with a new mandate will make the investments needed to provide good quality medical equipment for our health institutions.*

### **Other Investments in Health Care**

Other strategic investments have been made to improve our health care system. Examples include:

- \$4 million in additional funding for community health in 1997 and 1998
- \$2.8 million in additional funding for the Provincial Prescription Drug Program, for new drugs to treat multiple sclerosis, schizophrenia, HIV and for chemotherapy drugs.
- \$500,000 for a Non-Emergency Medical Transportation Assistance Program, to assist those who must travel to another part of our province or outside the province to receive health care

- \$300,000 to establish a seniors care program
- \$562,000 to provide increases to ambulance operators

Through increased investments in health professionals, institutional and community health budgets, equipment, services and new facilities, government is continuing to provide for the health care needs of the people of Newfoundland and Labrador.

### **Prevention**

The best form of health care is prevention. This is emphasized in the Strategic Social Plan examples of prevention initiatives to date include:

- Canada Prenatal Nutrition Program
- Provincial HIV/AIDS Strategy
- Comprehensive School Health
- Provincial Injury Prevention Coalition
- Provincial Breastfeeding Coalition
- Prescription Drug Monitoring Program
- Cervical Cancer Screening Pilot Project
- Breast Screening Pilot Program

Two major initiatives are the Child Youth and Family Services Act and the Child Care Services Act. These two initiatives, along with others aimed at early intervention and prevention, constitute a major new approach to supporting families and children in our province.

Groups involved in child care support the Child Care Services Act as a means to improve the accessibility and quality of child care. This new approach demonstrates government's willingness to work with communities to improve the current child care system.

The Child Youth and Family Services Act supports an array of responses to meet the needs of children, youth and families, with the last alternative being removal of the child from the home. The Act also addresses the gap in services to youth age 16 and 17.

Newfoundlanders and Labradorians need to adopt healthy lifestyles. This includes not smoking. This is especially true for teenagers, as studies show that if you don't smoke in your teens, you are unlikely ever to do so.

98. *The Liberal Government with a new mandate will launch a major campaign against teenage smoking.*

Of course, many people in our province did start smoking. For some of them this has resulted in disease or even death. Government will support legal action against tobacco manufacturers to seek compensation for this. Our province will be the second jurisdiction in Canada to do this, along with British Columbia.

99. *The Liberal Government with a new mandate will support a lawsuit against cigarette manufacturers to seek compensation for the deaths and diseases caused by tobacco use.*

# **Social Reform**



## Strategic Social Plan

1996, the government made a commitment to the people of our province to

*develop a Strategic Social Plan following the process used to develop the Strategic Economic Plan.*

Like the Strategic Economic Plan, the Strategic Social Plan (SSP) was developed through an extensive process of public consultation.

In 1996, the 15-member Social Policy Advisory Committee held 100 meetings throughout the province. They spoke to and heard from more than 1500 people from 130 communities and received 685 submissions, questionnaires, letters and telephoned comments.

This process was highly successful. It generated new ideas and helped bring various groups to a consensus on ways to achieve common goals.

The Report from the Social Policy Advisory Committee was submitted to government in March 1997. Government developed an integrated plan based on the report.

Introduced in August 1998, "People, Partners and Prosperity: A Strategic Plan for Newfoundland and Labrador" positions our province as a leader in strategic social policy development. The SSP focuses on three overall strategic directions:

- Building on Community and Regional Strengths by ensuring that key services are available and accessible and supporting community involvement in decision making.

- Investing in People through prevention and early intervention initiatives and integrating programs and services tailored to individual client needs and community circumstances.
- Integrating Social and Economic Development by building links between social and economic development, and investing in employment opportunities in the community-based sector.

This is a long-term vision founded on the values of self-reliance, collaboration, equity, fairness and social justice.

Government has already implemented many initiatives in keeping with the SSP such as education reform, redesign of income support, development of a Strategic Literacy Plan, and the creation of two new government departments: Health & Community Services and Human Resources & Employment.

To support further program development consistent with the SSP, government is allocating up to \$2 million in 1999-2000 for flexible initiatives in prevention, early intervention and community capacity building.

The new "Premier's Council on Social Development" will play an important advisory role to government on implementation of the SSP.

The Strategic Social Plan will be phased in over two years. Government has committed to a social audit to measure social policy developments.

100. *The Liberal government with a new mandate will implement the Strategic Social Plan, in partnership with groups across our province.*

### A New Strategic Economic Plan

The current Strategic Economic Plan was released in June 1992. It was based on the circumstances of our province shortly after the groundfish moratorium and the views expressed by citizens in 1991. The plan was intended to operate over five years.

It is now time to prepare a new Strategic Economic Plan, based on the circumstances that our province faces as we are entering the new millennium and based on the views of our citizens today.

The new Strategic Economic Plan also needs to be integrated with the Strategic Social Plan, to create an overall strategic plan for the social and economic development of our province.

101. *The Liberal government with a new mandate will consult with the public on the preparation of a new Strategic Economic Plan and integrate it with the Strategic Social Plan to create an overall strategic plan for the social and economic development of our province.*

### Children and Families

One in four children in our province lives in a family that receives social assistance. In 1996, 72 per cent of single parent families in this province lived below the poverty line, the highest rate of any province.

All the children of our province should have a basic level of opportunity. That is why the government has made major investments in assisting poor children and their parents. The National Child Benefit is a key part of the government's plan.

The National Child Benefit is Canada's first new social program in 30 years. The federal government has committed \$1.7 billion for three years commencing in July 1998 to increase the Child Tax Benefit received by low income families with children.

Provinces can subtract this increase in the Child Tax Benefit from their income support. While total income support for low income families would remain the same, provincial funds would be freed up for strategic, long term investments in services and benefits for children in low income families.

The Government of Newfoundland and Labrador decided that in 1998 it would not subtract the amount of the increased Child Tax Benefit from the level of social assistance.

This resulted in an increase in income to over 13,000 families who receive social assistance. They now have more money to meet their children's basic needs. Families with two children have received an increase of \$84 per month.

This had the effect of providing about a 13 to 14 per cent increase in the basic rate that most social assistance families receive. It represents the largest income increase that social assistance families have received in close to 25 years.

Even though it did not make the savings in spending for social

assistance that many other provinces did, the Government of Newfoundland and Labrador still made the equivalent level of investments in services and benefits for children.

These investments are major steps toward reducing child poverty in our province. Examples of these and other initiatives to assist low income families include:

- The Department of Human Resources and Employment is partnering with the Single Parent Association to pilot a Single Parent Earned Income Supplement Program to assist single parents receiving social assistance prepare for and find employment (\$500,000)
- Increased earnings exemption for social assistance families to \$150/month to provide a greater incentive for individuals to gain skills that will help them achieve long-term employment (\$500,000)
- The child care expense deduction has been increased for social assistance families moving into employment (\$600,000)
- Drug card benefits have been extended for social assistance families moving into employment (\$1 million)
- Contribution to the School Children's Food Foundation (\$1 million)
- Additional family resource centre sites will be developed (\$1.5 million)
- Regional youth service networks are being developed in partnership with existing community programs with provision for Mental Health Services and Residential Support (\$2.8 million)

102. *The Liberal government with a new mandate will promote the well-being of our children through \$10 million in re-investments related to the National Child Benefit and through other initiatives.*

As part of its on-going effort to remove barriers to employment and to encourage and support people in their efforts to become self-reliant, government is amending its policy on Income Tax refunds to social assistance recipients.

Effective January 1, 1999 for the 1998 taxation year, the first \$500 of an Income Tax refund will not be considered as income for the purposes of social assistance eligibility. This will allow clients to benefit from their Income Tax refund.

103. *The Liberal government with a new mandate will allow social assistance recipients to keep the first \$500 of any Income Tax refund they receive.*

### **Aboriginal Land Claims**

In 1996, the government made a commitment to the people of our province to

*give priority to negotiation of aboriginal land claims.*

After years of deadlock, the outline of a land claim agreement was arrived at in late 1997 by the Labrador Inuit Association (LIA), the province and the federal government. This included land, resource royalty sharing, Voisey's Bay and self-government. This has now been captured in an agreement in principle. The LIA agreement is as good

as, if not better than, any other modern land claim agreement in Canada.

A Framework Agreement on negotiation of land claims was signed with the Innu Nation in March 1996. A Framework Agreement on self-government was signed in February 1997.

*104. The Liberal government with a new mandate will continue land claims negotiations toward agreements with aboriginal peoples that are as good as or better than comparable agreements anywhere in Canada.*

### Human Rights Act

In December 1997, an amendment to the Human Rights Code was approved unanimously by the House of Assembly to include sexual orientation as a prohibited ground of discrimination. This will give gays and lesbians protections against discrimination provided by the Human Rights Code.

# **Sound Public Finances**



## New Economic Growth

In 1996, the government provided the people of our province with a realistic outlook for our economy.

*1996 and 1997 will be difficult years for our province's economy. They will be difficult years for the provincial government's finances. The outlook for the years that follow is for a much improved economic and fiscal situation. Strong economic growth is expected in 1998, 1999, 2000 and thereafter.*

1996 and 1997 were difficult years. GDP declined by two per cent in 1996 and a further 1.3 per cent in 1997. Now, there is new economic growth. In 1998, our province led the country with 4.4 per cent growth.

Many national forecasting agencies, such as the Conference Board of Canada and the major chartered banks, are predicting that Newfoundland and Labrador will lead the country in economic growth in 1999, as well.

Economic growth has translated into new jobs. The number of people employed in our province has increased from 188,100 in February, 1996 to 199,400 in December 1998. The average rate of unemployment in 1996 was 19.4 per cent; in 1998 it was 17.9 per cent.

1996 and 1997 were difficult years for our province. 1998 saw a turn-around. 1999 and the years to follow hold the promise of continued growth in jobs and the economy.

## A Three Year Fiscal Plan

In 1996, the government made a commitment to the people of our province to

*maintain a sound fiscal position in 1996 and 1997 and continue to move toward a balanced budget during its term of office.*

The May 1996 and the March 1997 Budgets included stringent expenditure reductions. These stringent measures eliminated a budget shortfall of over \$200 million and stabilized our fiscal situation. Because of this hard-won stability in our fiscal situation we can approach the uncertainty in the global economy with a degree of confidence.

The May 1996 Budget set a deficit target of \$45 million. The March 1997 Budget set out a three year fiscal plan with a deficit target of \$20 million for 1997-98, \$10 million for 1998-99 and a balanced budget for 1999-2000.

Through careful fiscal management, the deficit in 1996-97 was \$18.6 million, rather than the projected \$45 million. In 1997-98, it was \$6.7 million, rather than the projected \$20 million. This year, rather than the projected \$10 million deficit, we expect to achieve a small surplus as a result of favourable Equalization adjustments.

The slowing of economic growth in Canada and globally, low commodity prices, as well as uncertainty around exchange rates means that achieving a balanced budget in 1999-2000 may not be realistic, unless government does one of two things: raise taxes or cut spending for things like health and education.

The government did not impose any tax increases in 1998 - 99, nor will it impose any tax increases in 1999 - 2000. We simply cannot ask the taxpayer to pay more. We will not reach into the pockets of Newfoundlanders and Labradorians for more money.

The other alternative is to reduce expenditures. Stringent expenditure reductions were made by this government when a serious fiscal situation required it. However, having made those reductions in 1996-97 and 1997-98, the province's fiscal situation is such that we can increase borrowings slightly, rather than face the prospect of cutting expenditures for things like health and education.

This government's fiscal track record is the best in our province's history. The total of projected deficits from 1996-97 to 1998-99 was \$75 million; the actual deficits recorded in that period will probably total less than \$20 million. This has never occurred in any three year period since Confederation.

Put another way, on total expenditures approaching \$10 billion over the past three years, government has limited the total deficit (\$20 million or less) to about one-fifth of one per cent. This is fiscally prudent and indicates careful financial management.

Because of this we have the leeway to incur modest deficits, if this is necessary, rather than imposing tax increases or cutting expenditures for needed public services.

*105. The Liberal government with a new mandate will maintain a sound fiscal position and will put in place a new three year*

*fiscal plan with a priority on health, education and other vital social programs.*

### **Pre-Budget Consultation**

In 1996, the government made a commitment to the people of our province to

*release a pre-budget document setting out fully the state of the provincial government's finances and hold public meetings across the province to receive the views of [those] interested in contributing to the budgetary process.*

In 1996, the expected budgetary position was placed before the public for the first time, in the Government's Pre-Budget Consultation Paper. The Minister of Finance held a series of public meetings throughout the province.

Public consultations were also held for the 1997-98 and 1998-99 Budgets. They will be held again for the 1999-2000 Budget.

This provides the people of our province with a valuable opportunity to make their views known before Budget decisions are taken. An example of this has been the strong message from citizens that expenditure reductions should not be made to health care.

This was heeded by the government, which has increased funding for health care in every Budget since it took office, while making the necessary choices in other areas to find the funds to do so.

## **Harmonized Sales Tax (HST)**

On April 1, 1997, there was the largest tax cut in our province's history, with a reduction from almost 20% to 15% on retail sales when the Harmonized Sales Tax replaced the Retail Sales Tax and the Goods and Services Tax.

This led to a 6.6 % increase in retail sales and a 32.6 % increase in car sales in the next 10 months. It has helped to maintain increases in consumer spending by lowering prices for most consumer goods, thereby making these goods more affordable and stretching the consumer dollar. Increased consumer confidence has helped boost consumer expenditures.

As well, the HST has benefitted businesses by making available input tax credits, thereby removing an imbedded tax from the price of goods and services produced in our province. This makes our province's goods and services more competitive with imported goods and services. It also makes our goods and services cheaper in export markets.

## **Reduced Taxes**

One of the best contributions government can make to the economy is to leave more money in the hands of taxpayers. Newfoundlanders and Labradorians pay among the highest taxes in North America. This must change.

The HST represents the single largest tax break this province has seen since Confederation. The harmonization of the provincial and federal sales tax systems has reduced taxes by more than \$100 million a year.

First steps have been made to eliminate the payroll tax. The annual payroll costs exemption from the payroll tax was raised from \$100,000 to \$120,000. This has removed about 225 small businesses from the payroll tax rolls and approximately \$1 million will be put back into the hands of the business community.

Beyond this we need to address the high rate of personal Income Tax. Currently, the provincial government taxes 69% of the amount a taxpayer pays the federal government.

*106. The Liberal government has not raised taxes since its first Budget in 1996 and with a new mandate will not raise taxes in its Budget this year*

*107. The Liberal government with a new mandate will continue to take steps to reduce the payroll tax and will begin to reduce personal Income Tax rates when it is fiscally prudent to do so.*

### **Seniors Tax Credit**

1999 is the International Year of Older Persons. In recognition of the contribution that older persons have made to our society and the difficult financial circumstances that some older persons, especially women, face, the government in the next Budget will introduce a Seniors Tax Credit for low income seniors.

*108. The Liberal government with a new mandate will introduce in the next Budget a Seniors Tax Credit for low income seniors.*

## Upgrade in the Bond Rating

In July 1998 , the provincial government received the first upgrade of its bond rating in 25 years when the Dominion Bond Rating Service (DBRS) upgraded both the short term and the long term debt of the provincial government.

DBRS stated in its announcement that:

*The upgrades reflect the government's commitment to fiscal discipline, stabilizing levels of debt and strong prospects for improvements in economic conditions.*

Regarding the economic outlook for the province, DBRS stated that:

*Recent economic performance has exceeded expectations and future prospects for improving conditions are compelling. Economic growth for the next several years is projected to be amongst the strongest of any province.*

The analysis by the Dominion Bond Rating Service reflects the government's careful stewardship of our province's finances and the degree to which its efforts to promote the creation of jobs and growth have begun to bear fruit.

# National Unity



The House of Assembly was the first provincial legislature to endorse the Calgary Declaration, which it passed unanimously. These principles for a united Canada were the result of a meeting of federalist Premiers and territorial leaders on September 14, 1997, one in which Premier Tobin took a leading role.

109. *The Liberal government with a new mandate will work to strengthen our province by maintaining a strong and united Canada.*

The provincial government has consistently promoted the need for a strong national government, especially regarding Canada's social programs.

110. *The Liberal government with a new mandate will work to ensure that national standards will be maintained in social programs, especially for health care, pensions and income security.*

Printed for the Liberal Party of Newfoundland and Labrador by Robinson-Blackmore, St. John's, Newfoundland

  
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