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| Terre- Neuve et Labrador | 42e | 3e | Discours du Trône | 16 mars 1995 | Frederick Russel | Lieutenant Gouverneur | Liberal |

**Mr. Speaker and Members of the Honourable House of Assembly:**

I take great pleasure in welcoming you to this Third Session of the Forty-Second General Assembly of the Province of Newfoundland.

In 1989 the people of the Province gave My Government a mandate to change the present order, to place Government on a sound financial footing, and to lay the basis for long term economic growth. We have accomplished a great deal since 1989 and during this Session My Government will continue to implement the progressive changes necessary to bring about prosperity and security for the Province.

In 1992 My Government released the Strategic Economic Plan. This Plan provided the basic principles and actions which continue to motivate My Ministers in carrying out the economic rejuvenation of the Province. The Strategic Economic Plan was based on a consensus for change displayed in widespread regional consultations and public debate. The Plan is girded by the following strong directions: recognizing the private sector as the engine of growth; focusing on strategic industries; improving the level and quality of education, training and retraining; diversifying the economic base of the Province; lifting the burden of regulation; building a co-operative labour relations climate; giving government policies a developmental focus; and ensuring sustainable development.

My Government has steadfastly delivered on these strategic directions, and will continue to bring forward new measures in the coming Session. I am pleased to observe that this strategic direction is already producing results.

The Newfoundland and Labrador economy has emerged from the recession with strong indications of growth. Despite the dampening effect of the closure of the groundfish fishery, the non-fishing economy recorded a 2.9 percent growth in employment in 1994, resulting in 4,000 additional jobs.

There is still a long arduous road ahead, made more challenging by the deep hole in the economy created by the closure of the groundfish fishery.

**Mr. Speaker and Members of the Honourable House of Assembly:**

Dealing with the problems in the fishing industry continues to be a major priority for the Government because it remains the economic underpinning of hundreds of rural communities. Our society, heritage and culture are a consequence of the fishery. Our attachment to the sea is the touchstone of our existence.

Honourable Members are all too aware of the magnitude of the groundfish crisis. The human face of this tragedy is reflected in the more than 30,000 people who have lost their jobs, and the thousands of family members and other citizens who have suffered a reduced standard of living. Groundfish landings in 1994 were a mere 29 thousand tonnes instead of the more than 450,000 tonnes a better managed fishery could have produced. This gap is equivalent to an annual economic loss to the Province of at least 700 or 800 million dollars. That loss represents a large void in employment and economic activity which we must strive to restore or replace.

The Government of Canada, with the co-operation of and some financial participation by My Government, is responding to the income assistance and adjustment needs of fishermen and plantworkers. The greatest challenge, however, is to renew the economy of the Province so as to ensure the development of employment opportunities for the thousands of our people who have lost employment due to the closure of the groundfish fishery. This problem is daunting, given that the economic impact is spread over 600 communities along 10,000 miles of coastline. The federal Task Force on Incomes and Adjustment in the Atlantic Fishery suggested a massive response by the Government of Canada, akin to a `Marshall Plan' for Newfoundland and Labrador.

My Government looks forward to a commitment from the federal government to join with the provincial government in taking daring and innovative action to deal effectively with the economic problems caused by the closure of the groundfish fishery. We need an extraordinary response to an extraordinary problem. Of greatest value to the Province would be economic development measures which improve the investment climate, complementing the measures My Government has already implemented. It is recognized that the federal Government faces serious fiscal problems at the present time. This does not, however, relieve it of the responsibility to deal with the economic consequences of its closure of the groundfish fishery.

My Government, for its part, is pursuing solutions using all the political and financial power it can muster. A Provincial appointee has been added to the Board which is overseeing capacity adjustment in the fishery. Of particular importance to My Government is that this Board will make recommendations on how to implement capacity reduction in the fish processing sector as well as how to sustain a viable and competitive fish processing industry into the future. My Government has placed a greater strategic emphasis on value-added food production by combining the Government's marketing and technical expertise in the area of fisheries and agriculture into the new Department of Fisheries, Food and Agriculture. We are urgently developing new growth opportunities in the seal industry, the aquaculture industry, and through an increased emphasis on underutilized species. My Ministers will also be insisting that the Government of Canada protect for Newfoundlanders and Labradorians the full economic benefit of resources adjacent to our Province.

We applaud federal actions since 1992 to put tough conservation measures in place. My Government also strongly supports the forceful Canadian measures to bring a permanent end to foreign overfishing on the Grand Banks. In particular, saving the turbot stock is essential. It sends a signal to the world that marauding foreign fleets will not be permitted to thwart Canada's effort at conservation by their irresponsible overfishing.

**Mr. Speaker and Members of the Honourable House of Assembly:**

Over the last six years My Government has built the framework for a growth strategy, and is now moving at full speed in its implementation. One of the pillars in this strategy is improving the financial performance of the Government.

Early in this Session My Government will table the Provincial Budget for the coming fiscal year which will continue the progress we have made in strengthening provincial finances. The pursuit of this objective over the past five or six years has been burdened by both the severe economic recession and the closure of the groundfish industry. The impact of these economic difficulties upon the Province's finances, combined with the heavy debt load that has accumulated through decades of deficit financing, make necessary the difficult decisions to restore our financial strength. This reality is being faced by all governments in Canada. As My Government's forthcoming budget will show, this Province has made excellent progress. At the end of the present fiscal year the Government of Newfoundland and Labrador will be the only government in Canada to have reduced its deficit in four successive years.

For the 1994-95 fiscal year, My Government will show improvements over our Budget Estimates for both our current account, where we will likely witness a modest surplus, and our total budgetary requirements. For the 1995-96 fiscal year, the Budget will present a plan of action which will see us continue with our course of responsible financial management.

Honourable Members are aware that, even though the budgetary deficit is being reduced successfully, another important element of fiscal responsibility lies ahead. I am referring to the unfunded liability of public sector pension plans which has now reached critical proportions.

These difficulties have been caused by insufficient amounts being placed in the pension fund throughout the years. Prior to 1980, Government not only did not contribute to a pension fund but contributions from the various plan members were used as part of the general revenues of the Province. In addition, even though a fund was established in 1980, the contributions of plan members and their employers were not sufficient to meet the cost of pensions as they were being earned. Both of these factors resulted in the creation of large unfunded pension liabilities which now amount to $2.5 billion. This matter must be addressed and Government, plan members and their employers must be prepared to accept their fair share of the burden. Over the next several months My Government will be consulting with the various employee representatives to develop a financial program to resolve the situation, thereby ensuring that the benefits under these plans will be secured for the future and the financial stability of the Province will not be undermined. You will be asked to address these matters in this session.

**Mr. Speaker and Members of the Honourable House of Assembly:**

My Government's commitment to re-engineering government and creating an environment to attract business investment is further reflected in the regulatory reform initiative. Government regulations, growing on an ad hoc basis over many years, have created a web of administrative headaches and economic inefficiency which must be corrected. My Government has appointed a Regulatory Reform Commissioner to review every regulation in Government. The Commissioner has been directed to recommend the retention of only those regulations which: maintain or enhance public health, safety and order; protect the environment; contribute to innovation or competitiveness; and are necessary for the effective administration of the Government of the Province. During this Session, My Government will ask the House of Assembly to approve a Bill which will repeal every regulation not consistent with these important public purposes. This measure will ensure that businesses can respond to market demands rather than inefficient regulatory controls when making business decisions. It will also lift much of the unnecessary administrative burden from business which has accumulated over many years.

Governmental reform is proceeding on other fronts as well. Last year My Government undertook a Departmental restructuring to give greater focus to business promotion and investment, the rational management of our natural resources, and the development of food products from our fisheries and agriculture industries. This House will be asked to give legislative approval of these changes.

My Government has embarked on an ambitious "service quality" initiative, led by the Public Service Commission. Service quality is not just a management fad or passing fancy. It is a commitment to placing the citizen first by delivering public services in the most effective and efficient way possible. My Ministers are acutely aware that public services exist for the benefit and convenience of the public, not the organizations which deliver the services. Six test projects are now in operation within Government, primarily in support of economic development agencies and implementation of the economic zones approach to community development. The results of these test projects will allow us to expand service quality throughout the Provincial Government.

An example of My Government's determination to ensure higher levels of service to the public and the business community is the consolidation of many functions related to land use, building, permitting and inspection services into a single agency. This new service delivery agency will be officially established on April 1, 1995 and will be more cost-effective and more accessible to both the general public and the business community. The Government Service agency will open its first regional Government Service Centre in Gander this spring, and the other four regional Government Service Centres will be opened on a staggered basis shortly afterwards. This one-stop shopping approach to many of government's services to the public will prove to be a user-friendly resource for citizens throughout Newfoundland and Labrador. These services will be continually expanded through an ongoing consultation process with the agency's clients.

**Mr. Speaker and Members of the Honourable House of Assembly:**

Improving industrial relations has also been a priority of My Ministers. Last September a public consultation document, "Exploring Options", was released to obtain the views of labour, business and the general public as part of a broad review of labour legislation. This review derives directly from the Strategic Economic Plan in which My Government stated that:

The Province will work to develop a stable, positive labour relations climate to maintain and attract investment to the Province and to ensure a vigorous and competitive environment for economic development.

Many briefs have already been received on the discussion paper, and direct consultations with affected stakeholders are still ongoing. My Government is pleased that the Labour Employer Advisory Committee has agreed to examine the "Exploring Options" document, and we look forward to receiving its views. My Government will then proceed to develop legislation on an amended Labour Code for the consideration of this House.

**Mr. Speaker and Members of the Honourable House of Assembly:**

While My Government has made tremendous progress in establishing the general climate for economic development and investment, it is not enough. We must also ensure that economic opportunities are distributed fairly throughout all regions of this Province so that people have access to job opportunities within reasonable commuting distance of their homes. This approach to community economic development was another fundamental aspect of the Strategic Economic Plan. That Plan provided for the creation of economic zones within which a new approach to community economic development would take hold. Recently, My Ministers announced there will be 19 such economic zones and that a greater proportion of available funding will flow directly to development projects rather than administrative activities. Regional Boards will enter into "performance contracts" with the federal and provincial Governments and they will be held accountable for the spending of public funds allocated to their areas. Honourable Members will review these contracts first hand as My Government will table all contracts in this House. These changes will provide the best opportunity to ensure that innovative and effective solutions are found to the economic problems besetting many regions of the Province, by putting people and communities in the forefront of planning for their economic future.

**Mr. Speaker and Members of the Honourable House of Assembly:**

My Government has worked hard at putting all of the fundamentals in place to facilitate long term economic growth. These measures are designed to ensure that growth will be sustained in a highly competitive global economy. During the last Session of this Assembly, you approved one of the vital measures to accelerate economic recovery. The Act to Promote Economic Diversification and Growth Enterprises allows My Government to aggressively promote this Province as one of the most attractive locations for new investment and business activity in North America.

With fundamental restructuring addressed, and this incentive structure in place, My Government has moved to a new stage of active promotion and marketing of Newfoundland and Labrador throughout the world. A public-private Board, providing independent advice, is reviewing the many applications received to date under the program. The high level of interest in the EDGE incentives has already resulted in two companies receiving EDGE designations. Two additional designations have been approved by the Board, and many other applications are under active consideration.

Throughout Canada, in the United States, in Asia and in Europe, My Ministers are telling investors and business people that Newfoundland and Labrador is the place to be. This type of promotion is essential because investment will not automatically come to Newfoundland and Labrador unless we sell ourselves in the major centres of the world. Our skilled people, our technological infrastructure, our central location between two major markets of the world, our tax and regulatory structure and our way of life combine to make Newfoundland and Labrador a highly competitive place for new business investment. My Government is also promoting our home-grown companies as they compete for business in other countries and create value-added jobs here in this Province. The economy of the future will be based on the enthusiasm and dynamic business talent which we are witnessing in the Province today.

In addition to promoting the Province's assets on the international stage, My Government continues to focus on industry development at home. The Province's privatization initiative has been consolidated within the Department of Industry, Trade and Technology, and will provide further opportunities for private sector investment and growth. My Government will promote "public-private" partnering to create new economic opportunities and improve the efficiency of government. A concerted effort has begun to strengthen the information technology sector. An industry-government task force has been given 180 days to develop an implementation plan to ensure this Province capitalizes on opportunities in the information technology sector. Newfoundland and Labrador already has strengths in rural networking, tele-health and tele-learning, marine and ocean industry technology applications, and cultural content applications. My Government will build on these strengths, with the co-operation and leadership of the private sector, to ensure a solid position for our Province in this highly competitive and swiftly changing global industry.

**Mr. Speaker and Members of the Honourable House of Assembly:**

The next few years will be active ones for tourism in this Province. As the Province prepares for such international events over the next five years as the Cabot 500 celebrations, the Canada Winter Games, the 50th Anniversary of our Province joining Canada, and the 1000th Anniversary of the Vikings landing in Newfoundland, many improvements are being made to our tourism product. This year development will begin on a state of the art tourism information management system which will provide immediate tourism information to our travellers and possess the capability to make reservations. As well, themed touring routes have been designed for the entire Province. Better interpretation of our existing heritage and cultural resources will be developed and our winter product, particularly with on-going improvements to Marble Mountain, will continue to be enhanced. Recently, My Government acted on the recommendations of the Task Force on Provincial Parks, giving this important product a renewed and focused mandate. You will be asked to consider legislation to give effect to some of the matters addressed by this Task Force.

My Government continues to help prepare for the 500th Anniversary of John Cabot's arrival in Newfoundland which will take place in 1997. Events of international interest will be held throughout the year bringing us many visitors. This will set the stage for the type of tourism product for which My Government wants this Province to be known. These events will demand a wide range of quality services which will bring economic benefits to all regions of the Province.

**Mr. Speaker and Members of the Honourable House of Assembly:**

In 1993, the House of Assembly approved legislation governing the redrawing of electoral boundaries in the Province. Since that time, extensive public consultations have taken place. My Government is now undertaking the final phase of study before bringing back to the legislature a proposal for electoral boundaries. A Commissioner has been appointed to define and draw the boundaries of electoral Districts by following guidelines developed from the recommendations of the Electoral Boundaries Commission.

The Commissioner will make his report to My Government by April 30, 1995, after which My Ministers will bring forth a proposal for consideration and approval by this House.

**Mr. Speaker and Members of the Honourable House of Assembly:**

My Government remains committed to expediting the settlement of Aboriginal land claims in Labrador. Recent events surrounding the mineral exploration in Voisey Bay, Labrador demonstrate the importance of achieving settlements with the Inuit and Innu of Labrador so that development may proceed to the economic benefit not only of the Innuit and Innu but all residents of the Province.

During the past year, steady progress was made defining the parameters of an Agreement in Principle to settle the claims of the Labrador Innuit. Furthermore, Government has agreed to begin discussions with the Labrador Inuit Association and the Federal Government on Inuit self-government. This will include practical arrangements to replace the Federal/Provincial Agreement for the Native Peoples of Labrador and negotiations to give the Labrador Inuit responsibility for the management of many government programs and services.

My Government has not been as successful in its negotiations with the Innu Nation which has taken a more confrontational approach to achieving its objectives in Labrador. The Innu Nation's opposition to development in Labrador and inflexibility in its demands have made it difficult to achieve the compromises necessary to reach agreements to benefit not only the Innu people but all residents of Labrador. My Government is hopeful the issues of policing and administration of Justice in the Innu communities can be resolved, so that negotiations on achieving a Framework Agreement with the Innu Nation can continue this year.

During the coming year My Government will institute a public information process concerning aboriginal land claims in an effort to ensure that all citizens have a full understanding of what is included in the settlement of these claims.

**Mr. Speaker and Members of the Honourable House of Assembly:**

In My Address to this Honourable House on February 28, 1994, I reaffirmed the strong commitment of My Government to the development and implementation of a Strategic Social Plan for Newfoundland and Labrador as announced a year earlier. Much work has been accomplished by the team of senior officials who had been examining data, researching social trends locally and nationally, and reviewing the policies and activities of all government departments engaged in the delivery of social programs. A public consultation paper was being prepared, and it was the intention of My Government to have this process completed by the fall of 1994.

Regrettably, the course of events during the past year precluded conducting meaningful public consultation on this important long-term social strategy in the time frame which had been designated. The social reform consultations of the federal government captured public attention and had direct bearing on the Province's social planning process. The direction of the Government of Canada with respect to future social program restructuring and funding had to be known before effective planning could proceed at the provincial level, which made it necessary to await the delivery of the recent federal budget.

Notwithstanding this unfortunate delay, the commitment of My Government to the social planning process has never wavered. Indeed, the social changes under way in Canada and the economic challenges within our Province make it all the more important that an effective strategy be developed. We must maintain essential social services in the face of reduced financial resources, identify and address emerging social needs, protect our values as a society which cares and shares with respect for human dignity and individual rights, and undertake innovative approaches to dealing with many of the ills which threaten this society.

My Government is proceeding with this task without delay, and is determined that the essential full-scale public consultation will be carried out and the final Strategic Social Plan developed over the coming months. Implementation should commence as originally scheduled in the 1995-96 fiscal year.

**Mr. Speaker and Members of the Honourable House of Assembly:**

Education reform is an essential underpinning of economic growth and attaining efficiency in the delivery of public services. In June 1993, My Government established the Royal Commission Implementation Secretariat in the Department of Education with a mandate to carry out the necessary activities leading to a reformed system. As a result, approximately 20 percent of the Commission's recommendations have already been implemented and work on more than 50 percent of the remaining recommendations is well under way.

Public attention has tended to focus on the proposed structural changes but significant progress has been made on such substantive educational issues as revision to the high school graduation requirements, refocusing and strengthening of the curriculum, and the establishment of student performance standards, consistent with Government's policy statements outlined in the Strategic Economic Plan. Government's blueprint for education reform has been outlined in two "Adjusting the Course" documents which, together with the Royal Commission recommendations, form the basis for the twelve major implementation projects and more than 30 activities being conducted by the Implementation Secretariat.

Many of the reforms in the education system require a co-operative approach with the various religious denominations. My Government recognizes the important and long-standing role of the churches and their contribution to education. I believe we all recognize that changes are necessary if our educational system is to contribute in the future, as it has in the past, to the economic and social development of our Province.

My Government is endeavouring to find a way to reform education in a manner that reasonably accommodates the positions to which the churches are committed. My Government is still hopeful that this can be done through continued discussions which the Premier and My Minister of Education and Training are presently pursuing with the churches. We must, however, achieve the essential changes desired by the people of this Province who, by all indications, want to see improvements and expect leadership from those in a position to proceed with reforms. You will be asked to address these matters during this Session.

**Mr. Speaker and Members of the Honourable House of Assembly:**

One of the social issues that is of great interest to My Government is the general well-being of children. To that end, the House of Assembly appointed a Select Committee to examine and report on the current legislation and policies with respect to services to children, changes which may enhance the well-being of children and any other directly related matters.

The Committee will be researching a wide variety of issues relating to services to children such as the effects of poverty, actions necessary in order to identify children at risk, the consequences of culture and gender on the development of children and co-ordination, to name a few.

The Committee anticipates a public hearing process later this year to ensure the people of the Province have an opportunity to give their views on this important subject.

The Committee has been directed to report to the House of Assembly by December 31, 1995. My Government looks forward to the results of the Committee's efforts and the valuable input that the Report will provide Government in the policy development process.

**Mr. Speaker and Members of the Honourable House of Assembly:**

Our Province will mark a number of important anniversaries in 1995. May 8, 1995, will be the 50th Anniversary of the end of World War II.

In the six years of conflict, Canada and Newfoundland had enlisted more than 1 million men and women in its armed forces. Of these, more than 46,000 gave their lives in the cause of peace and freedom.

During part of World War II, I served as a fighter pilot in the Royal Canadian Air Force and when the war ended, I was stationed in Holland. This spring, although on a private visit to Europe, I am privileged to say my wife and I will attend memorial services at Groesbeek Canadian Cemetery near Arnhem in Holland on May 8th, where I will represent the Province. It will be a very moving experience.

I feel that these two anniversaries and the ceremonies in Europe will remind all Canadians, and especially young Canadians, that the freedom we have in Canada today came at a heavy cost in young lives, but I hope that those who died did not do so in vain, and that the same values and strengths that brought about success in war will enable us to deal successfully with the many challenges that face Canada today.

I take pleasure in noting that 1995 also marks the 200th Anniversary of the forming of the Royal Newfoundland Regiment, and the 80th Anniversary of the battle of Gallipoli. The Royal Newfoundland Regiment was the only North American Regiment to serve in the Turkish Campaign of World War I. We take just pride in remembering their magnificent contribution to the cause of freedom and peace.

**Mr. Speaker and Members of the Honourable House of Assembly:**

During this Session My Government plans to place a number of other important legislative proposals before you in addition to the measures to which I have already referred. A full listing of My Government's legislative agenda for this Session of the House of Assembly will be tabled at the earliest opportunity so that all Members can properly prepare for the upcoming proceedings.

**Mr. Speaker and Members of the Honourable House of Assembly:**

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

May Divine Providence guide you in your deliberations.