



MEDIA RELEASE

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Fall financial update signals continued attention to debt payment; Board welcomes approach

Finance Minister Tom Marshall's fall update was a welcome exercise in gathering information about the province's finances, and a key indicator of government's direction for Budget 2010-11.

"We look forward to budgets which continue to facilitate prosperity," said Board Chair Bruce Templeton. "Those budgets have to balance social and economic investments, and payment of our burdensome public debt. Reading between the lines of today's financial update, it would appear that government understands the critical need to resist overindulging with our relatively new-found money, to manage expenses, and to save money on interest by paying off debt."

Businesses and residents experienced changing economic conditions throughout 2009 and required measured amounts of stimulus to protect employment and growth. In the long term, prudent management of public funds – including aggressive debt reduction – must be a priority for governments. Debt reduction will lead the province towards fiscal self-sufficiency and ensure that future generations prosper from the use of today's resources.

"Essentially, paying off the debt is almost like creating a renewable source of funds for the future," said 2010 Board Chair Derek Sullivan. "The millions saved on interest payments by reducing the principal of our public debt can be used year over year. We just have to make the decision today that some things we want to pay for will have to wait."

The Board of Trade will continue to advocate for debt reduction, and the use of resource revenues as a fair and equitable way to reduce the debt burden for all Newfoundlanders and Labradorians. The challenging economic events and federal budget decisions of 2009 had a major impact on provincial finances; however, responsible and cautious moves are required to strengthen the foundation; the Board welcomes these messages from government.

The St. John's Board of Trade is a non-partisan, business advocacy organization that is the principal voice of business for over 700 members in the St. John's area. Its mission is to improve the local business climate, enhancing its members' ability to do business through advocacy and member services.

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