




Two new **JOBS AND GROWTH** initiatives

Two new venture capital tax credit investment programs were introduced by Ernie McLean, acting Minister of Development and Rural Renewal, and Lloyd Matthews, Minister of Finance, on October 30. The Direct Equity Tax Credit and Labour Sponsored Venture Capital Tax Credit programs were developed as a result of recommendations made during public consultations held by the Cabinet Committee on Jobs and Growth and are expected to enhance the investment climate in the province.

"Our consultation with the business community revealed the need for both programs. They are complementary and respond to the demand of capital requirements for businesses at various stages in their development," Mr. Matthews said.

The new programs will complement other measures taken by government earlier this year to stimulate growth of the small business sector. The Direct Equity Tax Credit program will provide a tax credit of 20 per cent for private investors in an eligible business activity on the North East Avalon area, and a 35 per cent tax credit to investors who make a direct investment in an eligible business activity in the remainder of the province.

The Labour Sponsored Venture Capital Tax Credit provides a pooled source of venture capital for businesses in the province. A venture capital corporation will be selected through a public call for proposals and authorized to issue shares which offer investors a 15 per cent provincial tax credit, combined with a 15 per cent federal tax credit.

Both programs target companies engaged in small business -- a sector which the jobs and growth consultations identified as a major area of economic potential. Small businesses have created more than 80 per cent of all new jobs in Newfoundland and Labrador since the 1980s and account for one-third of all employment in the province today. More information is available at www.gov.nf.ca/releases/2000/fin/1030n01.htm 


Premier provides UPDATE

Premier Beaton Tulk reviewed the economic and social growth of Newfoundland and Labrador in the past few years and provided a glimpse of the future in his speech to the St. John's Board of Trade on November 8.

In his speech, Premier Tulk addressed the need to work with the federal government to revise the equalization formula and for government to continue moving forward in its economic and social agendas.


The premier also highlighted government initiatives for economic development, including:

- Labour Market Development Council;
- Small Business Seed Capital Equity Program;
- Small Business Market Development Program;
- Labour Sponsored Venture Capital Tax Credit;
- Direct Equity Tax Credit;
- a review of the workers' compensation system;
- and, elimination of the payroll tax for businesses with payrolls of \$400,000 or less.

The premier's speech is available under Speeches in the News Release section at www.gov.nf.ca. 

Lest We Forget

On Remembrance Day, residents of Newfoundland and Labrador observe a moment of silence in memory of all war veterans. The "Fly the Flag of Remembrance" Flag Raising ceremony honouring the Newfoundlanders and Labradorians who fought and died in Canada's wars was held on November 1, at Confederation Building.

Officials of the Provincial Command of the Royal Canadian Legion and Premier Beaton Tulk participated in the event. The ceremony featured the traditional March on the Colours and performances by the Singing Legionnaires. The ceremony commenced Remembrance Week throughout the province, which is being observed from November 1 to November 11. 



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Again, thank you for your feedback. We hope that *Noteworthy* will continue to be a valuable resource for you and your organization.

