

Opposition warns N.L. budget is floating on oil

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Newfoundland and Labrador's opposition is having a hard time finding anything bad to say about the provincial budget released Tuesday, but Liberal Leader Yvonne Jones and NDP Leader Lorraine Michael said the province could have done more with its record surplus.

Jones said the good-news budget released by Finance Minister Tom Marshall is all because of the revenues of one industry — oil. She said if that industry was out of the equation, the budget would be much different.

"One of the things that is obvious to me is the lack of investment in the economic sectors outside of oil and gas," Jones said Tuesday. "If you look at the indicators in the tourism industry, in the forest industry, in the fishing industry, they're all down. We have fewer tourists, we have less export in the forest industry, we have less money being turned over in the fishing industry. These things concern me because our growth is really based on oil and gas."

Michael said the budget isn't doing enough to help the working poor. She was critical of the one per cent tax cut, saying it favors the rich.

Newfoundland and Labrador used a gusher of oil-based revenues Tuesday to slash its debt, cut taxes and bolster spending on health, roads and other public services.

Premier Danny Williams called the budget, which forecasts a surplus of \$544 million for the coming fiscal year, "unprecedented" and said it represents "an outstanding turnaround in four short years."

The government also disclosed that it finished the 2007-08 fiscal year with a surplus of \$1.4 billion, which was \$1.1 billion more than it projected in last year's budget.