Our Place in Canada

Summary Report

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Royal Commission on Renewing and Strengthening Our Place in Canada

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Cape Spear Wave II

1993, Oil on Canvas, 36" x 72"



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FOREWORD

The Royal Commission on Renewing and Strengthening Our Place in Canada has completed its work and has submitted its Report. **This summary document contains highlights of the main Report**. It is available in Inuktitut, Innu-aimun, Mi'kmaq, English, and French as well as Braille. The complete Report, research papers and polls are published in their entirety in separate volumes and are also available at www.gov.nl.ca/royalcomm.

In the past 14 months, it has been our privilege to meet with almost 3,000 Newfoundlanders and Labradorians throughout this province and in expatriate communities. We have received valuable insights from these meetings, from written submissions and from our research program. We now present a recommended Pathway to Renewal built on the foundation of a collaborative partnership between the Government of Newfoundland and Labrador and the Government of Canada.

It has been an honour to have served on this Commission. It is our hope that the work we have done will play a part in renewing and strengthening our province's place in Canada.

Victor Young, O.C.

Elizabeth M. Davis, RSM Commissioner

Elizabeth Davis

Hon. James Igloliorte Commissioner

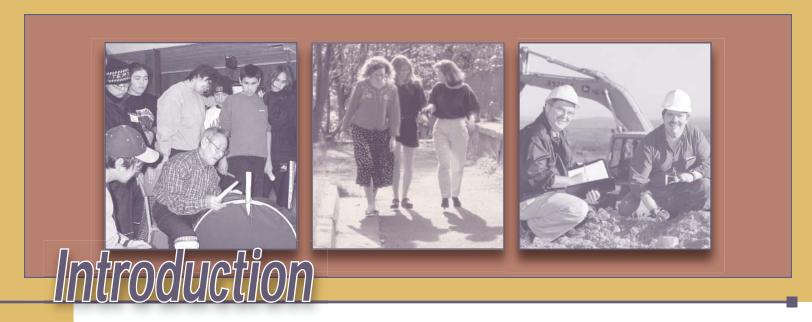
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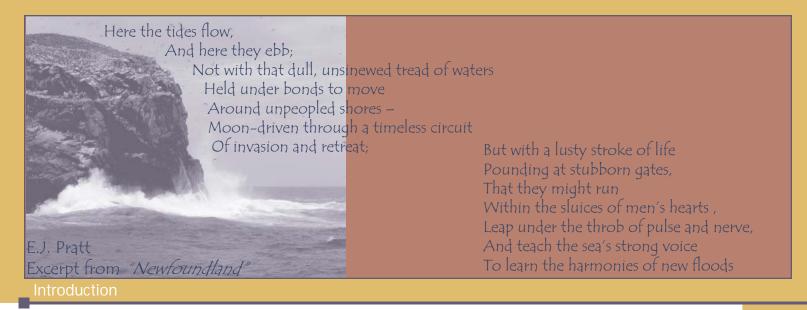
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The Royal Commission on Renewing and Strengthening Our Place in Canada was given the mandate to undertake a critical analysis of our province's strengths and weaknesses, and to make recommendations as to how best to achieve prosperity and self-reliance, with the final goal of renewing and strengthening our place in Canada (see Appendix A). In carrying out that mandate, the Commission listened to Newfoundlanders and Labradorians of all ages and backgrounds within and outside the province.

More than 2,500 Newfoundlanders and Labradorians met personally with the Commissioners as they traveled across the Island and Labrador and as they visited expatriates in Fort McMurray and Toronto. They met people in urban and rural settings, in schools and women's centres and public meeting places, in coastal and inland communities. The Commission brought together representatives from the length and breadth of the province in roundtables focused on specific issues and in dialogues centered on our future. It received written submissions from nearly 250 individuals and organizations. The Commission also developed a research program that produced twenty-eight research papers and two polls, one national and one provincial. The Appendices in the complete Report describe the processes used and list the research papers. Notes documenting the sources used in this Summary are to be found in the main Report.

The Commission identified six principles that permeated almost every conversation or written text. The principles can be expressed as follows: *a passion for this place* – the passion for Newfoundland and Labrador is the source of the energy we will need to renew and strengthen our place in Canada (see the Afterword at the end of this Report); *a new way of thinking* – everyone with whom the Commission spoke called for a new way of thinking about ourselves, our kinds of work and our place in Canada; *a new kind of relating* – we believe that we can work to create new alliances and partnerships within this province, with the federal government and with other provinces and other Canadians; *a belief in ourselves* – we are now ready to reclaim the spirit that commits us to "do it ourselves," to take responsibility for our own destiny and to have the courage to make hard choices for a better future; *a time for action* – the creation of a new, vibrant province that offers hope to its residents is the outcome of deliberate decisions and sustained action; and *a determined hope for the future* – with a vision for a renewed place and the hope that it can be attained, people will be able to build on the strengths that the Commission saw everywhere it traveled and in everyone it met. The intent of the Commission's Report is to assess the realities of the present moment in our province and to suggest a direction that will lead to a renewed and strengthened place in Canada.



"Getting rid of the "poor cousin" myth must start at home. It must start with a new mindset and vision for our future that is not simply held by government, but by all of us Newfoundlanders and Labradorians."

Excerpt from the Public Consultations

The assets [of Newfoundland and Labrador], or at least their relevance, may change over time, but at the moment they consist of very significant natural resources, some of which are available in only one or two other parts of Canada; a rapidly growing reputation as a centre of artistic, cultural and intellectual creativity; a geographical location which briefly had military importance, continues to be important in terms of the country's vision of itself; and might become interesting economically; and a collective place for Newfoundlanders in the Canadian national consciousness which, while impossible to quantify, is a major asset in itself ...

Gwynne Dyer, Opinion Piece for the Commission

The general tendency of many young people to leave, especially those with post- secondary education, combined with declining birth rates and the devastating effects of the collapse of the groundfish fisheries, with no recovery in sight, has depopulated many rural areas of almost their entire younger generations.

Chapter 4 of the main Report

"Without a doubt, I believe the next five to ten years will be a watershed for the province in all aspects of society. Analyzing our role within Confederation will serve as the genesis of a greater plan towards greater prosperity."

Excerpt from the Public Consultations





Our Place in Canada Today

When, after a popular referendum with a slim majority, the Dominion of Newfoundland joined the Dominion of Canada in 1949, it brought vast new riches into Confederation. It added the diversity of the Aboriginal and non-Aboriginal cultures, the openness and warmth of the people, the beauty of its geography and landscape and the skills of a workforce of talented women and men. Confederation was a moment of historic significance for Canada and of unprecedented opportunity for Newfoundland. In joining, this province became a partner with nine others, an equal in a growing and prosperous nation.

Although the people were few in number, only 350,000 at the time of Confederation, they entered with much to contribute. The new province had strategic airspace and geographic location, rich land resources and vast offshore waters. Its global position had attracted four American military bases, and the Island provided inherent security for the Gulf of St. Lawrence. It had a history of commercial trade, both with the United States and in Canada itself, and the fishing resources around its coastline and on the Grand Banks were globally renowned. Newfoundland brought forest resources on the Island and in Labrador, powerful hydroelectric resources (particularly on the Churchill River), offshore resources that would eventually encompass significant oil and gas reserves, and mineral resources, including the currently developing nickel deposit at Voisey's Bay. In total, Newfoundland and Labrador has made a magnificent contribution to Canada.

The people of Newfoundland and Labrador are also fully aware of the contributions Canada has made to the well-being of this province. Since Confederation, overall health in Newfoundland and Labrador has improved, real personal incomes are higher and education levels have increased significantly. New public infrastructure includes improved roads, schools and hospitals. People in this province now have better ongoing services such as health care, education and social services. Other large contributions to economic progress have come from the Government of Canada's significant development expenditures, including funding from the Atlantic Canada Opportunities Agency (ACOA) and its predecessor organizations, and from its investment in the Hibernia oil development. In total, Canada has made a magnificent contribution to Newfoundland and Labrador.

Nonetheless, while Newfoundlanders and Labradorians are proud to be Canadian, think the decision to join Canada was a good one and talk little of separation, the Commission has reached the fundamental conclusion that our participation in Canada has come nowhere close to reaching its full potential. There is a stark reality about our relative position in the country that underlies much of the current discontent in our province. Newfoundlanders and Labradorians have been on the end of a powerful set of circumstances, unique in the country, that places the province in a very disadvantageous position. Since Confederation, its hydroelectric resources in Labrador have been developed for the benefit of Quebec; its oil resources

How strange that they hadn't made today a holiday – after such an epic battle surely some celebration was in order but no, they were afraid, my father said, there might be riots if people were given time off. He had ruffled my hair on his way downstairs at seven o'clock, comforting me, or perhaps himself, for I didn't need comforting. "It may not be so bad... anyway it's done now and we're Canadians, we'll have to make the best of it!" He'd gone off to work, wearing the same overalls and carrying the same scraped, black lunch tin. What would change for him, I wondered.

Bernice Morgan

From the short story "To Mark The Occasion"

Chapter 1: Our Place in Canada Today

have been developed in a manner that makes Canada the primary beneficiary; its fishery has all but disappeared under the stewardship of the federal government; double-digit unemployment has persisted for the last 35 years, and in the last decade 12 per cent of its population has been lost to out-migration. All of this has manifested itself in a province which has the nation's highest unemployment rate, lowest per capita income, highest rate of out-migration, fastest declining population, some of the highest rates of taxation, highest per capita debt and weakest financial position. The Commission asks: How many alarm bells need to be sounded? How many arguments need to be made that Canada is not meeting the expectations of Newfoundlanders and Labradorians? How many pleas need to be made that something has to be done, that something has to change, that something has to give if Newfoundland and Labrador is ever to renew and strengthen its place in Canada?

Fifty-four years after Confederation, it is abundantly clear that our relationship with the Government of Canada is under considerable and understandable strain. Newfoundlanders and Labradorians feel ignored, misunderstood and unappreciated by their federal government and, to a lesser extent, by other Canadians. There is a deep concern that a future of prosperity and self-reliance is not achievable within the Canada of today. This concern, however, should not be mistaken for regret or loss of hope. The vast majority of people believe in the underlying premise of this Commission – that change, both in our circumstances and in our relationship with Canada, is possible.

The people have reported to this Commission that they want their aspirations affirmed within Canada by a change in the actions and attitudes of their provincial and federal governments. They are aware that some decisions will be difficult, but no more difficult than much of what has happened in the last decade. They want to find a pathway to renewal which will strengthen their place in Canada. They want to know that they are, as they deserve to be, respected partners in Confederation.

"The challenge is not to get out of Confederation but to get into it."

Excerpt from the Public Consultations

"It may not be a pleasant thought, but distance from the centre is, in far too many ways, for far too many people, the very measurement of this confederation's worth and meaning."

Rex Murphy, CBC Commentary "The East Coast Fishery", The National, May 6, 2003

Unlike the failure of the fishery, which is a resource disaster that has already occurred, the oil situation represents an impending but avoidable failure in the relationship between the federal and provincial governments. Urgent joint action is required. This difficult situation has arisen because development circumstances have changed substantially from those anticipated when the Atlantic Accord was negotiated almost 20 years ago.

Chapter 11 of the main Report

As George Rose has written, the Northern cod (and by extension most of the Atlantic groundfish stocks) is "... the icon for fisheries mismanagement in the world." We have lost, we trust not permanently, one of the world's great wild harvests. This was not inevitable: other major groundfish stocks in Norway, Iceland, Alaska and New Zealand have not been subject to the same mismanagement.

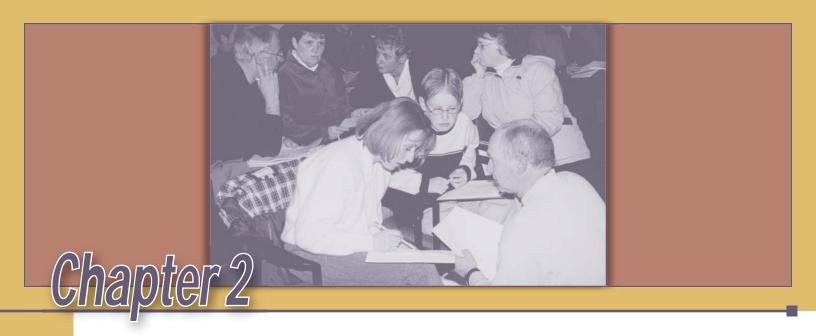
Chapter 10 of the main Report

"Let's not fall into the trap that some misguided souls may have by asking what have we done for Canada - the evidence is under our feet and in the Atlantic blue sky and on the broad ocean, and in the war graves of Europe and our proven generosity toward all, and in the skyscrapers of Ontario and Alberta and in the B.C. industries, and in the mainland universities and our music and stories."

Excerpt from the Public Consultations



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A New Partnership

The people of Newfoundland and Labrador want a change to a mindset that embraces the concept of being relentlessly present-minded in analyzing our challenges, and relentlessly future-minded in tackling them. This new state of mind means looking to the future and not dwelling on the past, taking more responsibility for ourselves and working cooperatively while promoting a culture of excellence. A poll carried out for the Commission found that 58 per cent of a representative group of people from Newfoundland and Labrador believe that it is neither the federal government, nor the provincial government, but the people themselves who need to take responsibility for the future prosperity of this province.

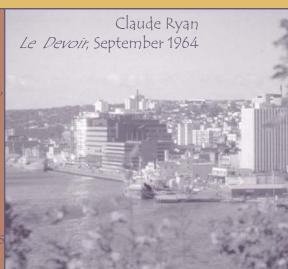
If seeing themselves through a new lens is the first step in renewing and strengthening their place, then developing a new relationship with the Government of Canada must be the second step. The current relationship between the federal and provincial governments has been characterized by blame and acrimony, confrontation and dismissiveness, legal threats and constitutional demands, lack of understanding and sensitivity and the failure to jointly address the major issues facing this province. The challenge is, therefore, how to ensure that the people of a small province with little apparent influence can envisage, and then create, a new relationship between their provincial government and their federal government. This was the challenge presented to the Commission as it deliberated on the information it had received.

Certain key qualities would have to characterize any new, effective relationship between the provincial government and the federal government. A true partnership would be based on collaboration between the governments and their senior officials, with an ongoing commitment to understanding each other's challenges, concerns and capacities. Their working relationships would transcend partisan interests, and would be marked by respect and an absence of dismissive or condescending attitudes. Such a partnership would be firm enough to withstand major crises, flexible enough to accommodate special circumstances and creative enough to find solutions to unique needs. Both governments would have to be transparent in their dealings with each other, and resolute if either feels that the other has violated values or agreements. Building on the values which have marked the history of Canada and the history of Newfoundland and Labrador, the partnership would operate within the framework of the federation while influencing the ongoing evolution of the federation. This kind of relationship does not exist today.

Many may suggest that seeking such a relationship would be futile, a waste of time and energy. Such a view is understandable, especially given the fact that the relationship to date has not resulted in a sufficient narrowing of the gaps we experience in unemployment rates, per capita income, taxation, per capita debt and rate of out-migration. It has not enabled us to effectively use the strengths of our natural resources to help us break out of our cycle of dependency. It has not given us the sense that we are respected as a fully

Ils envisagent cette réforme comme devant être le fruit de conversations et d'accords loyaux entre les deux groupes. Ils veulent atteindre l'objectif par le cheminement du dialogue plutôt que par la méthode des ultimatums. Mais ils reconnaissent, au départ, que le cadre politique canadien est celui à l'intérieur duquel ils cherchent une solution.

They see that this reform ought to be made up of conversations and faithful agreements between the two groups. They wish to obtain this objective by the road of dialogue rather than by the method of ultimatums. But they recognize at the outset that it is within the Canadian body politic that they look for a solution.



Chapter 2: A New Partnership

constituted province in this federation of ten provinces. Those holding this view believe it is unrealistic to expect that the federation will change or, indeed, that the federation is capable of changing. During the course of the Commission's deliberations, public anger manifested itself in voices calling for a strident approach in the Commission's final report. There were calls for (i) a referendum under the Clarity Act, (ii) a constitutional challenge of the adequacy of the current equalization program and (iii) a negligence action against the federal government for its mismanagement of the fishery.

The Commission understands both the intellectual and emotional basis for arguments in favour of a more militant approach, but it is also strongly of the view that militancy is not a basis for a successful long-term relationship with the federal government. It is entirely unrealistic to think that we could ever renew and strengthen this province without a positive relationship between our two elected governments. That is not to say that a respectful relationship between both governments rules out the need for strong actions from time to time. Indeed, inherent in a collaborative relationship in a federation like Canada is the inevitability of conflict and disagreement. Such conflict cannot form the basis of an ongoing relationship. The measure of the renewed relationship, however, will not be whether the two governments are simply getting along. Rather, it will be the extent to which they jointly deal with the key issues facing the province in the long-term best interests of the people of Newfoundland and Labrador. The Commission concludes that the building of a new relationship, rooted in the Canadian way of governance, is a risk worth taking.

The Commission believes that Canada is capable of and ready for the change in approach that Newfoundland and Labrador requires. Canada has a history of constantly renewing and adapting itself to new times and new circumstances. From 1867, when the first four provinces came together to constitute the foundation of this country, to 1982 when Canada's Constitution was patriated, to 1985 when the Atlantic Accord was signed, to 1999 when Nunavut became the newest Territory, Canada has always been open to, accepting of and growing through change. Today, many Canadians believe it is time for yet another transformation.

At the same time as many people in Canada are asking for significant change in the federation, there is an unusual coming together of new governments and new leaders, both federally and provincially. At the federal level, three of the party leaders are relatively new in their mandates, and the fourth party will have named its new leader in November 2003. A new prime minister will be in office in February 2004. Quebec, Manitoba and New Brunswick have recently elected new governments. It is likely that the provinces of Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador will go to their respective electorates within the coming year. Never, in recent memory, has there been such an opportunity for this country to renew itself to better respond to the hopes and dreams of Canadians in the twenty-first century and to ensure that Canada remains "the best country in the world." This is an opportune time for the people of this province to reflect with other Canadians on the kind of Canada we want and need. It

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is a time that offers exciting possibilities for a new relationship between governments as the first step in creating this new kind of Canada.

As it envisages this new partnership and pathway to renewal, the Commission is not suggesting that Newfoundland and Labrador can become an Alberta of the East, or that it can rapidly progress leaving other provinces in its wake. On the contrary, the provincial government must work hand in hand with the federal government, not only to ensure that the province does not fall further behind, but that it progresses at a reasonable pace. The unacceptable alternative is the status quo, entrenched by a federal system unable or unwilling to respond seriously and respectfully to the unique circumstances facing Newfoundland and Labrador. The cost of doing nothing is high, not just for Newfoundland and Labrador, but for Canada as well.

"I believe that Newfoundland and Labrador is at a crossroad in its history, and it is at this point that our government and its people must endorse a new approach in our relations with the federal government."

Excerpt from the Public Consultations

"It is when we compare Newfoundland of today, after a dozen years of what for us has been phenomenal progress, with the rest of Canada that we are brought up by a short turn to the realization of the fact that we have a quarter century at best, and even a half century at worst, to go before we catch up with today's general average in Canada."

> Hon. Edward S. Spencer, Minister of Finance Budget Speech, June 22, 1960

How the provincial government eventually deals with the challenges of rural sustainability and, indeed, how Canada eventually deals with them on a country-wide basis will speak clearly to what this country values and how it envisions its future.

Chapter 4 of the main Report

The whole of Section 36 [of the Constitution] should inform our financial arrangements. These constitutional principles mean that fiscal arrangements should help promote, not hinder, major economic development opportunities that can reduce disparities and promote equality of opportunity.

Chapter 9 of the main Report

"In the past 50 years the rise of a university-educated population in the province has resulted in a shift in the attitude of its people - from a willingness to accept imported leadership in many sectors of our society and economy to a demand that leadership must come from within - that economic and social decisions affecting Newfoundland and Labrador would be made by the people of this place."

Excerpt from the Public Consultations





The Pathway to Renewal

When Newfoundland and Labrador joined Canada, it expected to be a fully respected partner in the federation and to progress to the same standard of living as other Canadians. The province expected that it would not be dependent on the federation, but would derive its prosperity from its own abundant natural resources. It has been the Commission's challenge to take these expectations into account and to recommend a new pathway to renewal. This pathway, founded on the new relationship between the federal and provincial governments, is intended to tackle current realities and offer practical responses that are in the best interests of the people of the province.

The pathway to renewal deals with a comprehensive package of issues of paramount importance to the province. The Commission is confident that the elements in the pathway have great potential to renew and strengthen Newfoundland and Labrador's place in Canada if the political will exists to move forward. As a country, Canada has a history of adapting itself to new realities, not always through constitutional arrangements but often through negotiation and flexibility in government decision-making. It has a history of being guided by the shared values of equality, justice and respect. It is in this context that the Commission is hopeful that its Report will strengthen Newfoundland and Labrador's place in the federation.

In the pages which follow the Commission outlines its conclusions and recommendations that make up the key elements in the recommended pathway to renewal.

No to Separation! No to Status Quo!

- Newfoundlanders and Labradorians are proud to be Canadians. Based on all of its meetings, hearings, research and polling, the Commission has concluded that the issue of separation is not a priority for the large majority of people in the province. The poll indicated that only 12 per cent of respondents thought Newfoundland and Labrador should leave Canada and become an independent country. The overwhelming sentiment is against separation and in favour of improving our place within Canada.
- Newfoundlanders and Labradorians do not believe that the province has yet found its full place in Canada. There is a strong sense that the fundamental issues facing the province are not well understood by the federal government, and are too often ignored or dismissed as "regional" and far less important than concerns seen as "central." The overwhelming sentiment is that the status quo is totally unacceptable. Being entrenched at the bottom of the Canadian ladder in a cycle of dependency underscores the need to improve our place in Canada.

Dear Natash,

We have a lot of work to do in our community – our community is dying...Let us work together – we will be able to help our children and our grandchildren. We will be the ones to show them something beautiful about our lifestyle, our traditions – something beautiful that we can leave for them when we are gone.

Elizabeth Penashue Sheshatshiu, Labrador



Chapter 3: The Pathway to Renewal

• Under the Terms of Union, Newfoundland and Labrador accepted a place within Canada that was not materially different from that of other provinces. With the exception of Term 32(1), related to the Gulf ferry service, there are no significant clauses in the Terms of Union that can be called upon to renew and strengthen our place in Canada. What is needed is a new partnership, not changes to the Terms of Union.

A New Partnership - a Two-Way Street

- The current federal/provincial relationship is in disarray. It is simply not working, and the best interests of the people of the province are not being served. A changed mindset, characterized by inclusion, cooperation, respect and accommodation, must guide the development of the new relationship between the federal government and the provincial government. Both governments must agree to the need for a changed relationship and make a commitment to creating a new partnership.
- The recommended change to a collaborative relationship is not meant to apply only to Newfoundland and Labrador. The Commission believes such a change is being demanded by other provinces and by Canadians right across this country. The future strength of Canada depends on the ability of the provincial, territorial and federal governments to reshape the federation so that it works in the best interests of Canadians.
- It is in Canada's best interest that this province find the way to build on its own strengths and break away from its cycle of dependency. The recommended pathway to renewal is key to this province's achieving prosperity and self-reliance. Newfoundland and Labrador has an opportunity to be seen as a test case of whether the political will exists in both the provincial and federal governments to break the pattern of confrontational federalism.
- Since the members of the Canadian Senate are not elected, the Senate lacks the democratic legitimacy to represent the interests of the provinces. An elected Senate, with equal representation of the provinces, would ensure that provincial issues receive greater federal attention. While this is a longer-term objective, the provincial government should join other provinces in advocating Senate reform. The Commission supports the calls for an elected and equal Senate in order to improve the representation of provinces in the federal parliament.
- A properly balanced and well-functioning federation is the responsibility of both the federal and
 provincial governments. Currently, federal/provincial mechanisms are too ad hoc and dependent
 on the will of the federal government. Provincial and territorial governments should explore
 with the federal government more efficient mechanisms for strengthening federal/provincial

- relations. The Commission supports the need for more organized and regularly scheduled First Ministers' meetings for a better functioning federation.
- Provinces are increasingly frustrated because their interests are not understood by the federal public service or reflected in federal policies and programs. This is exacerbated by the perception of many Canadians that the interests of central Canada are of greater importance than those of the other provinces. In order to improve federal administrative sensitivity to Canada's regional diversity, the federal government should implement policies to ensure that the federal public service understands and reflects that diversity.

A New Way of Thinking and Relating

- An important step toward renewal would be the adoption of a new mindset which embraces the concept of being relentlessly "present-minded" in analysing challenges, and relentlessly "future-minded" in tackling them. It is time to adopt a new state of mind one which looks to the future, refuses to dwell on the past and takes more responsibility for working cooperatively as a society.
- Within Newfoundland and Labrador, the provincial government must build on initiatives related to social inclusion for all of its citizens. The pathway to renewal is based on a team effort involving Aboriginal and non-Aboriginal cultures, women and men, newcomers to this society, youth, seniors, businesses, unions and workers, and volunteers. The principles of social inclusion equality, openness, dialogue, respect and trust are seen as fundamental to renewal in governments' dealings with all aspects of society as well as in citizens' relationships with each other.
- Unfolding social and economic circumstances have, in many respects, different impacts on men and women. Stronger policies must be implemented by the provincial government to facilitate the inclusion of women in decision-making, improve women's access to training and education and improve gender equality in the workplace. The Commission supports those calling on the Government of Canada to revisit the 1970 Report of the Royal Commission on the Status of Women. Governments at all levels must work more diligently to ensure that women's values, experiences, knowledge and skills are better reflected in policy formulation.
- There is no single solution or template for the numerous complex issues confronting Aboriginal peoples. Priority attention should be given to the timely conclusion of Innu and Inuit land claims negotiations with the provincial and federal governments; the creation of federal reserves at the Innu communities of Natuashish and Sheshatshiu; access to federal programs by Mi'kmaq and Labrador Métis; and timely decisions by the federal government on the Labrador Métis land claims application. The federal government, working closely with the provincial government and Aboriginal groups, must act to bring clarity to the rights and entitlements of Aboriginal peoples in the province.
- The undercurrent of alienation that exists in Labrador cannot be ignored. There must be ongoing consultation and focus on issues of vital importance to Labradorians. In particular, the Commission is recommending that attention be directed toward accessing Labrador energy for domestic and commercial use in Labrador, completing the Trans-Labrador Highway and securing the future of the Goose Bay airbase. On these issues, governments must address the interests of Aboriginal peoples as well as environmental matters. The provincial government must demonstrate an ongoing strong commitment to meaningful consultation with Labradorians, and their inclusion on key issues.

Youth and Our Future

- With the out-migration of young adults and families with young children, many rural areas have lost almost their entire younger generation. This province needs young men and women if it is to build a stronger and more prosperous future and if it is to continue to have a strong culture and identity. It is recognized that some young people will always choose to move to broaden their horizons. The challenge for the province lies in ensuring that young people are not compelled to leave for economic reasons, but have a choice to stay or return home.
- The Commission was encouraged by the importance that young women and men attach to education. Nevertheless, there is a need for increased counselling services during high school to enable youth to make better choices about their future careers and post-secondary education in university or community college. There is also a need for improved access to apprenticeship programs and support for training programs for women in areas in which they are underrepresented. The Commission is aware of the irony that there is an imminent labour shortage in this province even as it experiences high unemployment. Young people are challenging government to find ways to ensure that they are fully aware of the employment opportunities existing in this province, and that the appropriate educational programs are in place for them to take advantage of these opportunities.
- While every person must be encouraged to pursue his or her full potential, opportunity must be
 provided for that potential to be realized within Newfoundland and Labrador. Too many talented
 young people have to leave this province to secure employment, often because their student debt
 loads leave them no choice. Student debt burden is becoming a significant contributor to outmigration, and federal/provincial programs must be adapted to deal with this reality.
- The Commission was reminded by young people that too much focus on the negative discourages them from believing in themselves and feeling confident about the future. They know that the image of the province will improve as the province's place in Canada improves. The optimism and energy of young men and women embody the new way of thinking needed to renew and strengthen our place in Canada.

Fiscal House in Order

- Since Confederation, successive budgetary deficits in Newfoundland and Labrador have led to an accumulation of debt which, combined with unfunded pension liabilities, results in an overall taxpayer-supported debt burden in excess of \$10 billion. In 2003, the province budgeted for a deficit that is double the previous year's, and incorporates a shortfall of over \$100 million on current account. Newfoundland and Labrador's budgetary deficit trend is unsustainable.
- The prospect of significant reductions in program spending presents major challenges to the government's ability to maintain existing service standards. Tax levels in this province rank amongst the highest in the country, and further tax increases would be counterproductive. *The fiscal options are extremely difficult, but they must be addressed.*
- Offshore oil revenues are projected to increase significantly in the coming years. However, the
 net benefit of these revenues to the province will be substantially diminished through the loss of
 equalization payments, even after fully reflecting the revenue-protection arrangements set out in
 the Atlantic Accord. Offshore oil revenues under the current structure cannot be expected to
 eradicate the serious fiscal challenges confronting the province.
- The Commission urges the provincial government to commit itself, through legislation, to balanced budgets within a specific time frame, and to take action to ensure that appropriate

arrangements are in place to address its significant unfunded pension liabilities. Once fiscal balance is restored, there is still the need to address debt and ease tax burdens. Fiscal prudence dictates that the provincial government take the necessary steps to get its fiscal house in order.

Fiscal Federalism

- The purpose of equalization is to ensure that provinces can provide reasonably comparable levels of social services at reasonably comparable levels of taxation. While it has been enormously beneficial, the equalization formula is not working as it was intended. The reinstatement of the ten-province standard, the inclusion of accommodation for population changes and the preservation of the generic solution are all critical if the equalization program is to meet its stated objectives.
- The Canada Health and Social Transfer (CHST) is designed to support social programs in the provinces and territories. Despite the additional federal funding provided this year, CHST cash entitlements for this province remain below the level in effect in the mid-1990s. The Commission supports the position of the provinces and territories that, in order for social programs to be sustainable, the federal government must provide greater financial support. In addition, the Commission is recommending that accommodation be made to enable provinces to adjust for declining population over a reasonable period of time. Funding under CHST should be increased, and the arrangements altered to ensure that population loss can be equitably accommodated.
- After many decades of federal and provincial governments cooperatively planning and jointly funding regional economic development programs, the federal government has abandoned this approach. Those cost-shared agreements provided critical funding for many strategic government and industry-specific initiatives in Newfoundland and Labrador. The Commission encourages the Government of Canada to reconsider its position and negotiate new cost-shared agreements with the provincial government.

Last Chance for the Fishery

- The collapse of the groundfish fishery and the vulnerability of the crab and shrimp fisheries are critical issues for the people of rural Newfoundland and Labrador and for the economy of the province. Priority must be given to the rebuilding of fish stocks. This requires a renewed emphasis on fisheries science through the restoration of adequate federal funding for the Department of Fisheries and Oceans. There must be a collaborative approach to resource recovery that focuses on conservation, science and industry reform, and gives the province a meaningful say in its fishery.
- The rebuilding of groundfish stocks, the long-term sustainability of shellfish stocks and the restoration of fisheries science are of the highest priority. An action plan is urgently needed

¹ The reference set of provinces used to determine the standard for the equalization formula was initially two provinces, then all ten provinces, and, since 1982, five provinces (British Columbia, Manitoba, Ontario, Québec and Saskatchewan). In the main Report, Chapter 9 explains the equalization formula in more detail.

² The generic solution is a component of the equalization program. If a province has 70 per cent or more of a single revenue source, then 30 per cent of that province's revenue from that source is excluded from the calculation of its fiscal capacity. In some years, the generic solution has applied to potash and heavy oil in Saskatchewan, offshore gas in Nova Scotia, asbestos in Québec and offshore oil in Newfoundland and Labrador. For this province, the generic solution ensures that equalization losses from offshore oil revenues cannot exceed 70 cents on the dollar.

to address these issues. This plan would be based on existing extensive research, and would incorporate a strategy to restore funding for fisheries science. The Commission recommends the establishment of an Action Team jointly appointed by the Prime Minister and the Premier, with a six-month mandate to develop a comprehensive action plan.

- The provincial government must have direct participation in the management of its most important resource. The Commission recommends the negotiation of a new fisheries-management relationship between the two governments, leading to the development of mechanisms for joint management of the fishery, integrated policy development and implementation. Achieving joint management does not require constitutional amendment, and could follow the same route that led to the current joint management regime for offshore oil and gas.
- The Commission recommends that the federal government develop a forceful plan to address foreign overfishing based on the reality that NAFO (Northwest Atlantic Fisheries Organization) simply is not working. It recognizes, however, that unilateral action by Canada to assume custodial management for areas such as the Nose and Tail of the Grand Banks poses serious legal, diplomatic and enforcement risks. Canada, therefore, should make a determined effort to strengthen NAFO. At the same time, Canada should prepare itself and the international community for the reality that strong unilateral action, including custodial management, will be necessary should efforts within NAFO fail.

Rural Sustainability - an Unresolved Challenge

- The most significant social and economic challenge facing the province today is the survival of rural Newfoundland and Labrador. Any efforts to openly address this challenge are complicated by memories of the 1960s resettlement program, by fears that even discussing the issue will signal the end of rural communities, or by mistrust that decisions will be imposed on people in rural areas. Ignoring the challenge, however, discourages in-depth exploration of more creative approaches to rural sustainability. The people of the province must become engaged in an informed public dialogue on the future of rural Newfoundland and Labrador as preparation for the development of a rural strategy.
- In developing a rural strategy, the provincial government will need to go beyond a focus on jobs alone and explore more fundamental questions and options concerning the future of the province. These future options would include, but not be limited to, the pursuit of an urban agenda, a regional agenda or a rural agenda. Each of these options presents its own opportunities, comes with its own costs and has implications for public policy decisions and public expenditures. There are many possible models of citizen engagement that can be used by the provincial government to bring about informed public dialogue. It is imperative that the provincial government articulate a strategy for rural Newfoundland and Labrador.

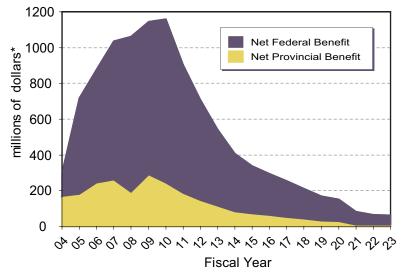
Regulation of Natural Resources

• The provincial government must constantly challenge itself to ensure the greatest possible returns from the development of the province's natural resources. The provincial government's current review of electricity policy provides a valuable opportunity in this regard. A key component of this review must be a careful consideration of the province's powers under the Constitution of Canada, including those added by Section 92A, to derive important and needed benefits from electricity generated on the Island and in Labrador.

Offshore Oil - Principal Beneficiary

- The stated intent of the Atlantic Accord is that Newfoundland and Labrador is to be the principal beneficiary of oil and gas resources off its shores. The protection in the Atlantic Accord against equalization losses was based on the overly optimistic expectation that Newfoundland and Labrador would become a "have" province in a relatively short period of time. This situation did not materialize. Today, the federal government's income tax revenues, coupled with its savings on equalization, are projected to total 75 to 80 per cent of combined federal/provincial oil revenues over the life of existing projects. The provincial government will be the net beneficiary of only 20 to 25 per cent of these revenues. *Under existing arrangements, the principal beneficiary of offshore oil will be the Government of Canada and not the people of Newfoundland and Labrador*.
- The current arrangements yield a startling revenue split (see Figure 13.1). It defies all logic to say that the spirit and intent of the Atlantic Accord will be honoured under present sharing arrangements. The Commission recommends that the federal and provincial governments enter into immediate negotiations to revise the Atlantic Accord to ensure that a far greater net share of government revenues will be retained by the province.

Net Sharing of Government Revenues from Offshore Oil



Source: Projections based on the existing projects (Hibernia, Terra Nova and White Rose). Data extracted from projections provided by the provincial Department of Finance.

• The amended arrangements should ensure that the province will realize a higher net share of combined federal/provincial government oil revenues until it reaches the Canadian average on agreed-upon fiscal and economic measures. This is an essential ingredient to renewal. The existing revenue-sharing arrangements of the Atlantic Accord are no longer a valid means of achieving the objectives of the Accord, and they must be amended to enable Newfoundland and Labrador to become the principal beneficiary.

^{*}Note: Constant dollars adjusted for inflation.

Churchill River

- The Churchill Falls development has profoundly shaped Newfoundlanders' and Labradorians' perception of their place in Canada. Nevertheless, it is crucial that the development of the Gull Island site on the Lower Churchill proceeds in a way that builds new relationships, both with Québec and the federal government. After 30 years of unsuccessful negotiations, the time has come to develop the Gull Island hydroelectric site on the Lower Churchill River.
- The development of the Gull Island site must result in this province's taking fair and reasonable benefits from the development of its resource. The federal government can bring balance to negotiations between Québec and Newfoundland and Labrador by agreeing to be a substantial financial backer of the project. Such a constructive role for the federal government would be entirely consistent with its constitutional commitment to "furthering economic development to reduce disparity in opportunities" under Section 36(1)(b) of the Constitution Act, 1982. The Government of Canada should be a key participant in the development of the Gull Island energy resource.
- In moving forward with the Gull Island development, the provincial government must ensure that it takes no action that could prejudice its future ability to regulate more effectively the Churchill Falls resource for the benefit of the people of Newfoundland and Labrador. In the view of the Commission, issues related to the Churchill Falls development should not be directly linked with negotiations to develop the Gull Island site.

The Location Challenge - Global Competition

- Newfoundlanders and Labradorians expect that they should be connected through effective transportation and communication systems to the rest of Canada. The provincial government, as part of its renewal strategy, should seek new funding arrangements with the federal government for improvements to the transportation and communications infrastructure. These arrangements must address a new generation of highway investments and broadband Internet access in rural areas. Joint federal/provincial funding for the improvement of key transportation and communications infrastructure in Newfoundland and Labrador is crucial to the province's future economy.
- Under the Terms of Union, the federal government is required to provide a quality and affordable Gulf ferry service, without interruption and at a level capable of meeting demand. This important service, however, should not be viewed just as a constitutional commitment to be enforced and respected. A renewed focus by the federal government on improving the Gulf ferry service is essential to strengthening the province's economy.
- The Commission recognizes the significance of education and research in the ability of the province to participate in the knowledge-based economy. Efforts to make federal research funding programs less tied to past research success, and more tied to developing research strengths, are also required. Enhanced federal support arrangements for research will augment the province's ability to compete in the knowledge-based economy.

Intergovernmental Relations Strategy

• The Government of Newfoundland and Labrador needs a strengthened and well-resourced intergovernmental affairs department with advisers who are knowledgeable and experienced in federal/provincial and interprovincial issues and relations. *The building of a productive*

- relationship with the federal government and the other provinces and territories requires a strong team led by the Premier or a member of Cabinet designated as Deputy Premier.
- Forging partnerships with other provinces in areas of mutual concern is in the best interest of the province. For example, the Commission encourages the building of a tripartite partnership with Newfoundland and Labrador, Québec and the federal government on new hydroelectric developments in Labrador. Building alliances with individual provinces on matters of mutual interest should be an important element in the provincial government's intergovernmental strategy.
- The Commission believes that a well-considered, long-term comprehensive intergovernmental strategy with clear goals and objectives is required. The first action within the new strategy would be an early presentation by the provincial government to the federal government on "our place in Canada," using the Commission's recommended pathway as its foundation.

Assessment of Progress

• If the pathway to renewal is having an impact, progress will be evident in the short term. It will be important, therefore, that a full assessment of the extent of progress be undertaken. The findings, conclusions and recommendations of the Commission can be used to benchmark such progress. The Commission recommends that the provincial government undertake such an assessment and make a progress report to the people of the province on or before June 30, 2005.

"There can be no peace in a country or a province or a community where there is no economic justice."

Excerpt from the Public Consultations

"Clearly Newfoundland [and Labrador] is not the primary or principal beneficiary of the offshore resources, nor of offshore revenues, but a minor beneficiary when compared to the federal government. The importance of this is that, unless the Atlantic Accord is honoured and implemented as to its original intent, Newfoundland [and Labrador] is unlikely ever to become a self-sufficient province within the Canadian federation."

John Crosbie, Research Paper for the Commission

"Respect for the languages and cultures of aboriginal peoples is essential to their survival."

Chapter 4 of the main Report

As we become more sensitive to the value of diversity and more open to its presence in Newfoundland and Labrador, we will also become a more welcoming and supportive society for those who have too often been marginalized or deemed "different". Differences in race, colour, ethnic origin, sexual orientation, physical ability, mental ability, religion and age must come to be seen as sources of strength in our province. Celebrating diversity can only result in a province which gives our traditional values of community, generosity and hospitality a new expression in this twenty-first century.

Chapter 5 of the main Report

"Small island economies such as Newfoundland have the opportunity and, generally, the necessity, of being open and connected to the rest of the world. The ocean has always been Newfoundland's medium, metaphorically its highway, railway, airline, shipping, literary, telegraph and satellite connection. The sea does not represent a vast emptiness bordering the coast isolating and marginalizing a society. The sea has always been a prime measure of freedom and opportunity."

Excerpt from the Public Consultations





A Better and Brighter Future

The recommended pathway to renewal puts forth compelling arguments on how Newfoundland and Labrador can renew and strengthen its place in Canada. Much of the success of the pathway depends on renewed political will by both the Government of Canada and the Government of Newfoundland and Labrador to embrace the concept of accommodation. The pathway represents an unprecedented challenge to both governments to take into account the difficult set of circumstances that has faced Newfoundland and Labrador since Confederation, and to pursue a renewal strategy based on doing the right things in the right ways for the right reasons for the people of Newfoundland and Labrador.

The Commission believes the pathway to renewal can be the first step towards Newfoundland and Labrador's achieving prosperity and self-reliance over the long term. If the federation is going to work, it is incumbent on the federal government to be just as concerned about the disparities facing Newfoundland and Labrador as is the provincial government. There are no magic or simple solutions within the pathway. It deals with the issues that require change if Newfoundland and Labrador is to improve its current and unacceptable place in Canada.

It will be the responsibility of the provincial government to make the case for renewing the province's place in Canada. That case should start with a comprehensive presentation to the Government of Canada outlining where Newfoundland and Labrador stands after 54 years in Confederation, where the challenges lie and where the solutions exist. The Report of the Commission can be used as the basis for that presentation. It will then be the responsibility of the provincial government to pursue a strategy of renewal in a comprehensive, cohesive and consistent manner. The provincial government must organize from a ministerial and public service point of view so that it can effectively pursue the strategy of renewal through reasoned argument and with a resolute approach.

The time for making the case is now. The Commission feels that arguments relating to renewing our place in Canada must be based on merit. It is essential to get on with making the case and to relentlessly pursue it to a successful conclusion. The people of the province have told the Commission that the status quo must now be challenged, and they expect no less from their provincial and federal governments.

It is the goal of this Report to provide each Newfoundlander and Labradorian with a greater understanding of the key issues that define their place in Canada, as well as a fuller acceptance of the kinds of things that have to be achieved in order for Newfoundland and Labrador to break out of its cycle of dependence. The pathway has been created in the expectation that this federation has the ability to accommodate change, to recognize the unique situations facing various provinces and territories, to honour the spirit and intent of national programs, to partner in major projects and to break the pattern of competitive and dismissive federalism. The pathway assumes that a better and brighter future for the country can be built

I'm sittin' on my stage-head lookin' out at where Skipper Joe
Irwin's schooner is ridin' at her moorin'... thinkin' about how
weak are the things that try to pull people apart – differences
in colours, creeds and opinion – weak things like the ripples
tuggin' at the schooner's chain. And thinkin' about how
strong are the things that hold people together – strong, like
Joe's anchor, and chain, and the good holdin' ground below.

Ted Russell, The Holdin' Ground (1954)

Chapter 4: A Better And Brighter Future

on collaborative and cooperative federalism. This is a future worth pursuing with all the passion and intellect we can muster.

Consider these five examples from the pathway to renewal. First, the current environment of competitive - indeed, combative - federalism seldom works to the advantage of the people of Newfoundland and Labrador. Confrontation by the provincial government is more often than not a response to the dismissiveness of the federal government. Reason dictates that both sides should commit to ending this counterproductive relationship. Second, it is unforgivable that, after more than a decade of moratoria on cod and other fish stocks, a plan for rebuilding has yet to be put in place. There is no conceivable reason why an Action Team, jointly appointed by the Prime Minister and the Premier, should not be created immediately. Third, it is distressing to see that, after 30 years of unsuccessful negotiations to get the Lower Churchill developments underway, the Government of Canada remains on the sidelines. It is entirely realistic to expect that Canada will partner with Newfoundland and Labrador and Québec in a joint effort to ensure that the Lower Churchill sites are developed as soon as possible. Fourth, it defies all logic to suggest that the principal-beneficiary objective of the Atlantic Accord will be met under current circumstances. Given this unanticipated outcome, there is every reason to expect that both levels of government would see the necessity of revisiting the Atlantic Accord. Fifth, it is distressing to see the province's continuing lack of direct involvement in managing its own fishery. Both governments must put aside political rhetoric in favour of immediate and realistic negotiations on joint management.

The pathway is built on the expectation that new accommodations can be reached based on fairness, equity, dignity and respect on the many issues requiring urgent action. These accommodations are not only between the two governments, but must involve Newfoundlanders and Labradorians pulling together to put an end to Labrador alienation, to meet the challenges of rural sustainability, to make social inclusion a way of life, to give young men and women the freedom to remain in or come back to the province and to accept responsibility for the decisions necessary to put the province's fiscal house in order. The Commission has emerged from its deliberations with a renewed sense of hope and with realistic expectations that the key issues, pursued in an environment of reason and collaboration, will point the way in renewing and strengthening Newfoundland and Labrador's place in Canada.

That is what this pathway to renewal is all about. It is about getting on with those things that need to be done in a collaborative, cooperative and accommodating manner. It is about ending the kind of confrontational and dismissive federalism that has marked the relationship between the two levels of government for too long. It is about progress towards prosperity and self-reliance. It is about a better and brighter future for Newfoundlanders and Labradorians. It is about making certain that, after 54 years, Newfoundland and Labrador finds its rightful place in Canada.

"When I said I was coming to NL, more than one person said "what did you do wrong?". I wish they could experience what I have experienced ... the quality of life, emphasis on spirituality, the education system. We need to somehow raise our profile in the rest of Canada."

Excerpt from the Public Consultations

A country is nothing other than people and we are no stronger than the weakest. Each of us and all of us are better when we make decisions that reflect our long held values of compassion, fairness, respect and decency. We bring this message around the world; it is time we brought it home.

Ross Reid, Opinion Piece for the Commission

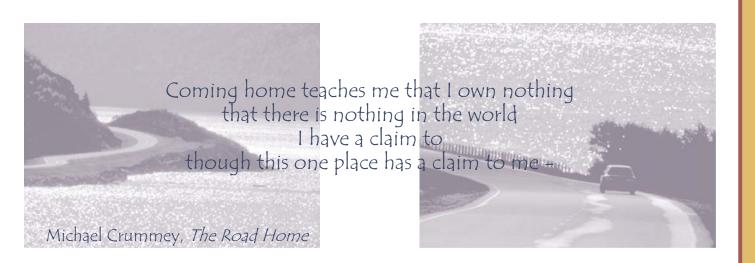
"As for our young people, the problem is that no one is articulating the dream."

Excerpt from the Public Consultations

The new global economy is creating opportunities based on instantaneous communications, information and human resources. Newfoundland and Labrador has a cluster of strengths that, in a relatively small society, interact with one another to respond to this new generation of opportunity. They consist of the following: valuable and strategic natural resources, a potentially sustainable environment of natural and human ecology that is unique in the world, and a determined people, with strong entrepreneurial drive and diverse work skills.

Chapter 12 of the main Report







We love thee, smiling land... We love thee, frozen land... We love thee, windswept land... God guard thee, Newfoundland.

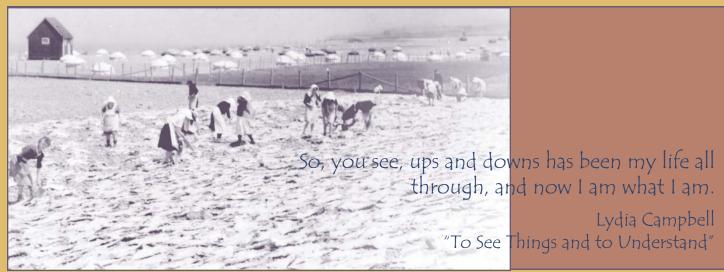
- Sir Cavendish Boyle

These words from the "Ode to Newfoundland," still sung by Newfoundlanders and Labradorians long after Confederation with Canada, reflect the strong bonds between this place and the people who call it home. The bond is powerful; it remains no matter how far away we go, or how long we stay.

Relentless seas, barren landscapes, fertile valleys, stark mountains and rugged, ragged coastlines – these

mark the geography of this place at the mouth of the Gulf of St. Lawrence in the northeast corner of North America. An island of 111,390 km², a coastal mainland region of 291,330 km² and an offshore of 1,820,000 km² define the geography of a province with a population of approximately 512,000 people. The Newfoundland and Labrador expatriate community is estimated at 220,000, with most living in other parts of Canada and tens of thousands in the United States and elsewhere. Labrador is the easternmost part of the Canadian Shield and has some of the oldest rocks on Earth, while the island of Newfoundland consists of three areas of the prehistoric world melded by continental drift. The coastline is only about 12 per cent of the Canadian total, but this represents more than one-third of the Canadian coastline that is ice-free for at least six months of the year. The south-flowing, cold Labrador Current, the northwest-flowing, warm Gulf Stream, dramatic storms, fog, variable winds and flowing pack ice and icebergs add to the unique character of this place shaped by the sea.

Our history reflects the importance of the sea and its riches; it was this that first brought our ancestral peoples to these shores. The Palaeo-Indians, likely our first settlers, came to Labrador about 9,000 years ago. They developed the Maritime Archaic culture, which emerged in Labrador about 7,500 years ago, and on the Island about 5,000 years ago. A thousand years later the Palaeo-Eskimos reached Labrador, and about 3,000 years ago came to the Island. The Intermediate Indian culture is visible about 3,500 years ago in Labrador. Later, the Recent Indian culture developed and may have been the foundation of the Innu in Labrador and the Beothuk on the Island. The ancestors of the Labrador Inuit are the Thule, who came from the Canadian Arctic about 800 years ago. For reasons not entirely clear but certainly related to the coming of the Europeans, the Beothuk culture became extinct in the early nineteenth century. Loss of access to the vital resources of the sea, unknown and deadly illnesses such as smallpox, violence and competition with the settlers for hunting all contributed to their demise. The last known Beothuk was Shanawdithit, who died in 1829, having left the only written records of Beothuk life. Oral tradition suggests that the Mi'kmaq were living in Newfoundland long before the arrival of Europeans; however, archaeological evidence for prehistoric occupation is scarce, and we are not exactly certain when the Mi'kmaq first came to the Island. We do know that by the 1600s the Mi'kmaq frequented the Island from Bay St. George to Placentia Bay, and, during the 1760s, many moved to Newfoundland from Nova Scotia as a result of English conquests there.



Afterword: "What IsThis Place That Holds Fast Our Hearts?"

The Norse arrived circa 1000 AD, but left soon after. The next wave of Europeans came in the sixteenth century, not for furs or gold as in other parts of North America, but for the vast resources of the sea. The Basques were primarily interested in whale oil; the other Europeans came mainly for cod.

The first official settlements began in the early 1600s, but extensive settlement did not occur until the later 1700s and early 1800s, really the last time this place has seen considerable immigration. Gradually, small fishing communities appeared all along the coastline, often isolated from each other. At first, the governance of this emerging colony was in the hands of fishing admirals, governors and English merchants. Representative government, a way to make this power base more responsive, was established when an elected Assembly was granted by the British Crown in 1832. Initially, only resident men on the Island voted. Women would not be given the right to vote until 1925, and Labradorians would first vote in 1946. The colony became self-governing in 1855 with responsible government. Although some believed that Newfoundland would become part of the Canadian Confederation in 1867 (indeed, Newfoundland delegates attended both the Charlottetown Conference in July 1864 and the Québec Conference in October 1864), union with Canada would not occur until more than eight decades later. The Dominion of Newfoundland would have its own coinage and bank notes, flag, stamps and ode. On the Island and in southern Labrador it had, and still maintains today, its own distinctive mid-Atlantic time-zone, which is one half hour earlier than the closest North American zone.

Newfoundland and Labrador began the twentieth century with great promise. The opening of the Bell Island mines in the 1890s, and the later establishment of pulp and paper mills in Grand Falls, Bishop's Falls and Corner Brook, led to a much more diversified economy. The railroad, necessary for land-based economic development, was finally completed – although at great cost to the public treasury. The Island, given its geographic location, became key to the development of transatlantic flights. The Balfour Declaration (1926) and the Statute of Westminster (1931) confirmed Newfoundland's status as a Dominion. In 1927, the Privy Council ruled in Newfoundland's favour in the dispute with Canada over Labrador's boundaries.

In the two world wars, Newfoundland and Labrador distinguished itself both by commitment to the cause and by the bravery of its people. Names such as Tommy Ricketts, John Shiwak, Frances Cluett, John Ford and Margot Davies remain in our memories of those wars. The Newfoundland Regiment fought bravely in World War I, first at Gallipoli and later at the Battle of Beaumont-Hamel, where more than 90 per cent of its soldiers were killed or wounded – a tragedy we remember and mourn every July 1. The Dominion was represented in the Imperial War Cabinet and at the Versailles peace talks. In World War II, men and women from Newfoundland and Labrador served with distinction in the British and Canadian Forces, as well as in the Newfoundland-based Escort Force, which protected convoys of supply ships crossing the Atlantic. The Dominion also provided land for American bases at Goose Bay, Stephenville, St. John's and Argentia. The people of St. Lawrence and Lawn showed their bravery and generosity in the rescue of the



Natuashish Makkovik Aniapskwoj L'Anse au Clair Bristol's Hope Treland's Eye Loch Lomond Conception Harbour Isle aux Morts Bay D'Espoir Heart's Delight Fox Harbour Swift Current Come-By-Chance St. John's

sailors and soldiers from the American destroyer USS *Truxton* and the supply ship *Pollux*, which went aground and were wrecked during a heavy storm.

The optimism of the earlier part of the century came to an end with the Great Depression of the 1930s. The devastation it caused, coupled with the heavy debts incurred by the war effort and the railway, made the finances of the Dominion untenable. As a result, Newfoundland's legislature voluntarily gave up self-government in 1934 and was replaced by a Commission of Government appointed by Britain. Its task was to administer Newfoundland until it become self-supporting again. In 1948, by referendum, the people chose union with Canada as an alternative to a return to responsible government or the continuation of the Commission. In 1949, the Dominion of Newfoundland became the tenth province of Canada. In 2001, the name of the province was changed to Newfoundland and Labrador.

In the 54 years since Confederation, Newfoundland and Labrador has become a modern place with characteristics common to any Western society. The people of the province enjoy the benefits of a social system with publicly funded health care and education. Manufacturing industries, mines and oil wells use the most advanced technologies. One of the fastest growing industries is information technology. Strong unions, a dynamic voluntary sector and a growing business sector have strengthened our social fabric. Sophisticated telecommunications, modern forms of entertainment and urban fashions mirror lifestyles found elsewhere in Canada. Today, in addition to the descendants of the Innu, Inuit, Mi'kmaq, French, English, Irish and Scottish, there are small numbers of immigrants from diverse ethnic and cultural backgrounds, who live mainly in urban centres. More than 95 per cent of the communities in which 90 per cent of the people live, from St. John's to Corner Brook to Forteau to Nain, are situated on coastal waters.

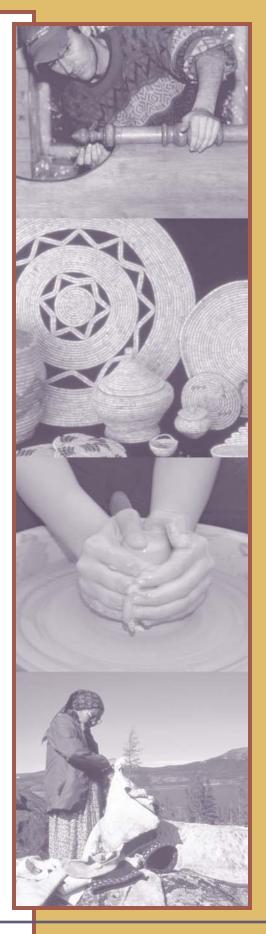
Our challenging geography and our history of hardship and struggle have created a people who have enormous pride in this place. We are confident in the gift we have brought to Canada. We celebrate the women and men who have built this home for us: the countless explorers, reformers, religious leaders, politicians, Aboriginal people, health care providers, musicians, artists and everyday Newfoundlanders and Labradorians have contributed to the making of this place. People such as Gudrid, Shanawdithit, John Cabot, Lord and Lady Kirke, William Carson, Armine Gosling, William Coaker, Bishop Michael Howley, Bishop Edward Feild, Emma Dawson, Philip Little, Robert Bond, Helena Strong Squires, Joseph R. Smallwood, John Joe Drew, Catherine Joe, Maniane Ashini, Lawrence Benoit, Mary Frances Webb, Martin Martin, Lydia Campbell, Elizabeth Goudie, Amos Voisey, Margaret Duley, Cassie Brown, Percy Janes, E.J. Pratt,

Ted Russell, Tommy Sexton, Minnie White, Emile Benoit, Rufus Guinchard, Joan Morrissey, Harry Hibbs, Robert Bartlett, Mose Morgan, Myra Bennett, George Story and hundreds more have imprinted their spirits on this place. The men, women and children who carved the face of this land have left us a legacy of hard work, hope in difficult times, strength in working together, creativity in facing overwhelming odds and joy in celebrating our uniqueness.

Religion has always played a significant role in the lives of the people in this place. Aboriginal traditions often exhibit a deep spirituality intimately connected to the land. Submerged for many years, these traditions are today finding a new place in the lives and dreams of the Innu, Inuit, Labrador Métis and Mi'kmaq. Christianity has had a profound influence on the history, politics and culture of the communities settled by the Europeans. Christian organizations played key roles in the development of the education, health and social systems in the province. Today, our religious traditions are constantly being expanded with the arrival of immigrants who bring the richness of other world religions and spiritual beliefs to our culture.

Unlike other parts of North America, the Newfoundland and Labrador community did not rely on specialized artisans and artists to create its culture; rather, much was made by ordinary people. "Newfoundland art is vernacular art; it speaks directly to the condition of ordinary Newfoundlanders; most of it is about their everyday lives." Newfoundlanders and Labradorians built their own houses, boats and furniture; they knit clothing, stitched quilts and baked bread. In many cases, what is unique to Newfoundland and Labrador furniture, hooked mats, house decorations, fences, mitts and so many other things is that they were made through a combination of ideas from the individual, the community and the outside world.

The artists here have always expressed themselves through storytelling, recitations, songs and ballads, traditional dance and the music of the accordion and the fiddle. Themes from Newfoundland and Labrador folklore and folklife have furnished much of the subject matter for our plays and other theatrical performances. Novels, short stories and other literary forms often deal with the values and characteristics associated with outport life. We celebrate our unique heritage in old songs such as "Let Me Fish Off Cape St. Mary's," "I's the B'y," "Squid Jiggin' Ground" and "Star of Logy Bay." But we also celebrate it in newer compositions like "Sonny's Dream," "Woman of the Island," Saltwater Joys" and "Sea of No Cares." Think of the names of some of our most famous musical groups: Figgy Duff, the Wonderful Grand Band and Great Big Sea. Look to the paintings of visual artists such as David Blackwood, Christopher Pratt, Helen Parsons Shepherd and Gerald Squires. And, of course,



literary works such as Bernice Morgan's *Random Passage* or E. J. Pratt's *Newfoundland* triumphantly explore our vibrant culture and history.

In the first two decades of Confederation, Newfoundland and Labrador faced the subtle but very real threat of assimilation into the Canadian culture. During that same period, there was a strong American influence on those living near the American bases. But in the 1970s, a nationalistic revival led to a cultural "renaissance," which has evolved today into internationally renowned music, art and literature. In the words of Newfoundland-born, London-based independent journalist, Gwynne Dyer:

... the intellectual and artistic capital of the province has been growing at a faster rate than almost anywhere else in Canada ... writers, painters, musicians and films are making Newfoundland's special history and character known on the national and international stage as never before, and creating an attraction that brings artists here from all over the world ...

The diversity of our ancestry and the melding of struggle and hope in our relationship with the land and seas are often reflected in our unusual place names. The Innu (Sheshatshiu, Utshimassit, Natuashish), the Inuit (Makkovik, Okak, Nutak), the Mi'kmaq (Miawpukek, Aniapskwoj, Pekwatapaq), the French (Port aux Basques, Port au Choix, L'Anse au Clair), the English (English Harbour West, Bristol's Hope, Windsor), the Irish (Ireland's Eye, Waterford Valley) and the Scottish (the Highlands, Loch Lomond) have imprinted their identities on this place. The strong influence of religion is seen in community names such as St. John's, St. Brendan's, St. Mary's, Mount Carmel, Conception Harbour, Angel's Cove and St. Lawrence. Our emotional response to the struggle and hope inherent in settling here is reflected in names such as Isle aux Morts, Port de Grave, Misery Point, Famish Gut, Bay D'Espoir, Heart's Content, Heart's Delight, Heart's Desire, Hopedale, Little Heart's Ease, Paradise and Harbour Grace. Our bond with nature is evident in names such as Fox Harbour, Gander, Deer Lake, Rose Blanche, Swift Current, Swan Island, Muskrat Brook, Corner Brook and Grand Falls. Our imagination and artistic bent have found expression in names like Come-By-Chance, Broom Point, Ladle Cove, Cape Onion, Bumble Bee Bight, Blow Me Down and Random Island. Above all, the sea permeates our imagery, as almost every community is named as Harbour, Bay, Cape, Tickle, Cove, Arm, Port, or Island.

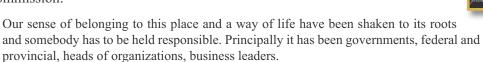
Our provincial emblems reflect our ancestors' humour and resilience in facing the challenges of living in this place. We have the Atlantic puffin, which makes its home on the ocean and in the rugged cliffs; the pitcher plant, which lives in boggy marshes and is nourished by the insects it traps; Labradorite, or firestone, which combines an iridescent glow with the durability of ancient rock; the black spruce, which is a hardy and durable coniferous tree flourishing in a short growing season; and the endangered Newfoundland pony, possibly the oldest breed of domesticated livestock in North America. Our flag, designed by Christopher Pratt and adopted in 1980, captures the colours of snow and ice (white), the sea (blue), human effort (red) and confidence in ourselves (gold). As it seeks to link our past heritage with our present reality and future promise, the flag has visible links to the Innu and Beothuk cultures, our Commonwealth heritage, the Christian tradition and the Canadian maple leaf.

Despite life in the postmodern age, Newfoundlanders and Labradorians have retained an important sense of identity, a sense of place, that links the past with the present. We have a deep sense of belonging. We care about community and value a lifestyle that balances work and time with family and friends. We have a passionate appreciation of our cultural and artistic heritage, and enjoy a strong sense of connection to the land and the sea. Our sense of attachment to this place remains remarkably strong. This was evident when the Commission visited with young people. A predominant message, in both urban and rural communities, was the crucial importance of their sense of identity and their attachment to Newfoundland and Labrador as home. We know our culture is special and even unique. And other Canadians know it, too. In a Commission poll, 72 per cent of Canadians viewed Newfoundland and Labrador as culturally distinct from Canada.

One event in the recent past that serves as an example of our character and sense of humanity was the province's response to the tragedies of September 11, 2001. By hosting thousands of airline passengers from around the world and providing them with a "home," we did instinctively what we thought should be done. "There is a tendency on the part of some of us not to recognize the event for what it was – singular and revelatory. This gentle openness of heart is a manifestation of the Newfoundland and Labrador spirit nurtured over time and insinuated into our character, and we often forget it is that spirit which fires our sense of belonging."

Our identity and sense of place are, and perhaps have always been, vulnerable. The impact of the loss of responsible government on the young generation of the time has never been fully examined, but it's not difficult to conclude that it must have left a changed self-image, a fear of failure and a loss of confidence. Some argue that we experienced another significant loss in 1949. One expatriate told the Commission, "We have not found that identity in Canada, because our belonging began with a loss of who we were in the moment of Confederation. We are still, I believe, stuck in that moment ... the threat of losing ourselves altogether is very real."

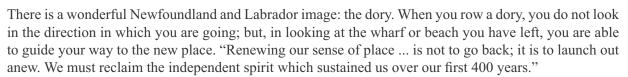
Others see in the closure of the cod fishery, with which our identity is so involved, a terrible impact on the attitude and spirit of our people. We blame others, and we blame ourselves. Have we accepted what has occurred in many of our rural communities? Are we in denial? Consider the following two statements received by the Commission:



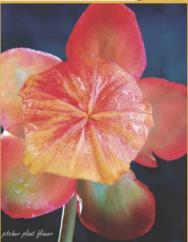
... Laying blame at the feet of governments, big business, or other impersonal forces creates a milieu of victimization and erodes local agency and responsibility.

This loss of confidence, the feeling of powerlessness, may suggest that a less enduring sense of place threatens to emerge unless we all work together to fight it.

"We must ... [allow] people to learn that the story of their past, despite its perceived shortcomings, is largely one of resilience, survival and even success over the centuries." The need to maintain and revitalize our sense of self and sense of place is fundamental to renewing and strengthening our place in Canada. As one person told the Commission, "We haven't figured out how to use our culture and identity to our social and economic advantage, to transform us from being proud of who we are to being confident in who we are."



Newfoundlanders and Labradorians are very much part of today's world. In our lifestyles, our ways of work, our music, our art, our connections around the world and our interests, we are a modern people enjoying the same experiences and facing the same challenges as Canadians everywhere. We name ourselves Canadians, proudly celebrating the values that make this country great. We have no desire to live in the past or to go back, but we have a deep conviction that the spirit which our ancestors brought here was special and lives on in each one of us. That spirit, that sense of identity, is the source of our belief



that we can make a better future for ourselves and all who will follow us. And that spirit is the unique gift we bring to the Canadian federation.

When Newfoundland and Labrador joined Canada, our nation finally became complete from sea to sea to sea. It remains to Newfoundlanders and Labradorians at home and abroad to ensure that all Canadians know our rich history, rejoice in our uniqueness and understand our challenges. Only in this way will we feel that Canada is made complete by our presence, and that in Canada we have truly found a place of respect and dignity.

Ode to Labrador

Dear land of mountains, woods and snow
Our Labrador
God's noble gifts to us we know
Our Labrador
Thy proud resources waiting still
Their splendid task will soon fulfil
Obedient to thy Maker's will
Our Labrador

E minasshkuat shash tshekat tshe utnakant (Thy stately forests soon shall ring)
Ninan Napatau (Our Labrador)
Tshe tshemekeishkanut
(Responsive to the woodman's swing)
Ninan Napatau (Our Labrador)
And might floods that long remained
Their raging fury unrestrained
Shall serve the purpose God ordained
Our Labrador

Kaƙƙangit Pisugianga
(We love to climb the mountains steep)
Labradorvut (Our Labrador)
Ubvalu Imaƙƙuluta
(Or paddle on the waters deep)
Labradorvut (Our Labrador)
Our snowshoes scar the trackless plains
We seek no city streets, nor lanes
We are thy sons while life remains
Our Labrador

Labradorvut

Ninan Napatau

Dr. H.L. Paddon wrote the lyrics for this song to the well known tune of "O Tannenbaum". Shirley Montague composed an original melody in 1988, incorporating the Inuktitut translation by Margaret Metcalfe and the Innu-aimun translation by Ann Rich (Nuna)

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TERMS OF REFERENCE

Royal Commission On Renewing and Strengthening Our Place in Canada

WHEREAS 53 years ago the people of Newfoundland and Labrador merged their destiny with the people of Canada, a decision they took after vigorous debate and with firm faith in the future;

AND WHEREAS the people of Newfoundland and Labrador have a fierce determination to improve their province and all who live in it by striving to achieve prosperity and maintaining the spirit of self-reliance and belief in themselves which have sustained them for hundreds of years;

AND WHEREAS the Province of Newfoundland and Labrador has an ideal geographic location between two of the world's leading trading blocks, and the ability through natural resources, technology, reduced borders and other factors to seek opportunities in a more globalized world;

AND WHEREAS the people of Newfoundland and Labrador are determined to do so by developing all of their resources, human and natural, and by renewing and strengthening their place within the Canadian Confederation;

AND WHEREAS it is timely for the people of the Province to develop a broad consensus on a vision for the future and identify ways for Newfoundland and Labrador to achieve prosperity and self-reliance, and renew and strengthen our place in Canada.

NOW THEREFORE by Commission under the Great Seal and under the authority of the *Public Inquiries Act*, the Lieutenant Governor-in-Council appoints as Commissioners: Mr. Victor Young (chairperson), Sister Elizabeth Davis, and Judge James Igloliorte.

AND BE IT ORDERED that the Commissioners undertake a critical analysis of our strengths and weaknesses and make recommendations as to how best to achieve prosperity and self reliance.

AND IT IS FURTHER ORDERED, that in the process of making recommendations and without limiting the generality of the foregoing, the Commissioners specifically examine and report on:

- the expectations of the people of Newfoundland and Labrador prior to joining Canada, and how Newfoundland and Labrador has changed since Confederation, with a review of how the prosperity and self-reliance of our people has been affected over time;
- how Newfoundland and Labrador is viewed in Canada, in particular by the federal
 government and its institutions, and to recommend ways in which Canadians may obtain
 a better understanding of our Province;

- 3. the effect on the province of the Terms of Union as embodied in the Constitution of Canada and the evolution of these arrangements since 1949;
- the special and unique contributions Newfoundland and Labrador has brought to Canada;
- 5. any arrangements with Canada which have or may hamper or detract from the ability of the people of Newfoundland and Labrador to attain prosperity and self reliance including, but not limited to, federal jurisdiction over natural resources; federal/ provincial fiscal arrangements; and the application of federal government policies as they pertain to Newfoundland and Labrador;
- demographic changes and the impact of these trends as they relate to challenges and opportunities for our youth and the future of the province; and
- 7. the means by which Newfoundland and Labrador can take maximum advantage of its strategic location between the North American and European trading blocks and the challenges which must be met and the opportunities which can be seized by Newfoundland and Labrador in a global economy.

AND THAT, the Commissioners undertake their mandate in three phases:

- a research phase, to be guided by public input, during which the Commissioners may enter into research contracts with qualified, objective groups and individuals and thus provide an information base for further discussion and a stimulus to that debate;
- 2. a roundtable consultation phase, during which the Commissioners shall consult with pertinent constituencies on relevant matters; and
- a formal public consultation phase, during which the Commissioners will use the necessary means and methods to ensure that meaningful consultation occurs with citizens of the province.

AND THAT the Commission shall consider whether a Newfoundland and Labrador Conference should be held prior to the submission of a final report.

AND THAT the Commissioners, are vested with the powers and authority set out in the *Public Inquiries Act*;

AND BE IT FURTHER ORDERED THAT, the Commission may provide interim or specific issue reports as appropriate and shall submit its final report with recommendations to the Lieutenant Governor-in-Council on or before June 30th, 2003.

April 19, 2002

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STAFF OF THE ROYAL COMMISSION ON RENEWING AND STRENGTHENING OUR PLACE IN CANADA

COMMISSIONERS

Victor L. Young, O.C. (Chair)
Elizabeth M. Davis, RSM
Hon. James Igloliorte

DEPUTY MINISTER

Barbara Knight

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Rhonda Burke		
Jodi Oliver		
PRODUCTION TEAM		LOGISTICS
Ronalda Steele		Roger Samson
Gerard Blackmore		

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ACKNOWLEDGEMENTS

Many people provided assistance, support and advice to the Commissioners as we prepared this Report. We owe our deepest gratitude to the men, women, youth and children who attended our 25 public hearings, our meetings with women's groups and our school visits; the businesses who welcomed us to their premises; the participants in the three dialogues and the eight roundtables; the individuals and organizations who forwarded written submissions; the individuals and groups who met with us informally; the many people who sent e-mails or visited us at the office to give their support; the researchers who worked in such short time frames and produced such fine work; the individuals who gave us analysis and insight on our draft report; the many people who helped us prepare, organize and record our public hearings, dialogues and meetings in Newfoundland and Labrador, Ottawa, Toronto and Fort McMurray; the many friends who hosted us in their communities and their homes; the Sisters of Mercy, who generously gave us the ongoing use of their conference room; the RCMP, who provided transportation for us from Nain to Happy Valley-Goose Bay; the translators, proofreaders, editors and printers; the Provincial Archives and the Art Gallery of Newfoundland and Labrador for providing the imagery used in the Report; the writers and artists who gave us permission to use their works to reflect the messages in the Report; and the many officials from the public service who provided us with needed data and so graciously gave us the wisdom of their experiences.

Through the generous giving of your time, hard work and commitment to our province's future, you have played an important role in the completion of our task. While we take full responsibility for any inadequacies in the quality of the analysis and conclusions in the Report, we want to acknowledge our indebtedness to you for the insights, energy and encouragement you have provided to us.

We want to say a very special word of thanks to the people who worked most closely with us on a daily basis: Barbara Knight, Doug Brown, Jacquie Brown, Rhonda Burke, Jim Feehan, Mabel Macpherson, Brent Meade, Jodi Oliver and Adam Sparkes. We express gratitude to Ged Blackmore, Tim Madden, Dave Norris, Roger Samson and Ronalda Steele. Thank you for being such an incredible team, who gave well beyond the call of duty, created an enjoyable and sometimes hilarious work atmosphere and lived a collaborative effort every day.

Finally, we express appreciation to the Premier and the Government of Newfoundland and Labrador for placing their confidence in us, and for giving us the privilege of learning so much more about this wonderful place in Canada that we call home.

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PHOTO CREDITS

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7	Left: Strategic Social Plan, Labrador Region Middle: Newfoundland and Labrador Tourism Right: Opening Doors Program, Government of Newfoundland and Labrador
8	Photo: Newfoundland and Labrador Tourism Text: University of Toronto, E. J. Pratt
11	Left: Natural Resources Canada Middle: Grand Concourse Authority Right: Canadian Press (photographer: Jonathan Hayward)
12	Newfoundland and Labrador Tourism
17	James Igloliorte
18	Photo: Newfoundland and Labrador Tourism Text: Le Devoir
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47	Ode to Labrador: Dr. H.L. Paddon/Butter and Snow Productions
Voices of	the People collage: Northern Pen, Newfoundland and Labrador Tourism, Memorial

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