

## Endnotes

### Preface - What Is This Place That Holds Fast Our Hearts?

1. Title taken from the song "What Is This Place?" Gerard Blackmore, 1999. Used with permission of the author.
2. The Centre for Spatial Economics, *Newfoundland and Labrador: Toward an Assessment of the Benefits of the Canadian Economic Union*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
3. Much of the historical detail in this chapter is to be found on the Web site entitled *Newfoundland and Labrador Heritage*, developed by Memorial University of Newfoundland and the C.R.B. Foundation, 1997, see: <http://www.heritage.nf.ca>.
4. Sandra Gwyn, "The Newfoundland Renaissance," *Saturday Night*, April 1976, pp. 40-41.
5. Sandra Gwyn, 1976.
6. Gwynne Dyer, *The Strategic Importance of Newfoundland and Labrador to Canada*. Opinion Piece for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
7. POLLARA Inc., *A Report on Perceptions of Newfoundland and Labrador*. Prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
8. Gerard Blackmore, *Sense of Place*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
9. Gerard Blackmore, 2003.
10. Written submission to the Royal Commission on Renewing and Strengthening Our Place in Canada from an individual.
11. Association of Heritage Industries, Newfoundland and Labrador, written submission to the Royal Commission on Renewing and Strengthening Our Place in Canada, 2002.
12. Gerard Blackmore, 2003.

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### Introduction

1. Taken from the title of the book *This Marvellous Terrible Place: Images Of Newfoundland and Labrador* by Yva Momatiuk and John Eastcott, Camden East, Ont.: Camden House Publishing, 1988.
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### Chapter 1 - A New Partnership

1. Ryan Research and Communications, *Provincial Opinion Study*. Prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
  2. Ross Reid, *We Can Do Better, We Must Do Better*. Opinion Piece for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
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## Chapter 2 - Expectations As We Joined Canada

1. Melvin Baker, *Falling into the Canadian Lap: The Confederation of Newfoundland and Canada, 1945-1949*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
2. See also: Peter Neary, *Newfoundland in the North Atlantic World, 1929-1949*. Montreal & Kingston: McGill-Queen's University Press, 1988; and John FitzGerald, ed., *Newfoundland at the Crossroads: Documents on Confederation with Canada*. St. John's: Terra Nova Publishing, 2002.
3. Both Newfoundland and Canada were described as Dominions in the Balfour Declaration of 1926 and in the Statute of Westminster of 1931.
4. James Hiller, "Confederation Defeated: The Newfoundland Election of 1869," in Hiller and Neary, eds., *Newfoundland in the Nineteenth and Twentieth Centuries: Essays in Interpretation*. Toronto: University of Toronto Press, 1980, pp. 67-94, referenced in Melvin Baker, *Falling into the Canadian Lap*, 2003. Talks between Canada and Newfoundland regarding Confederation failed in 1895. See: Melvin Baker, *Chronology of Key Events*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
5. Melvin Baker, *Falling into the Canadian Lap*, 2003.
6. Peter Neary, 1988, pp. 8-15; S.J.R. Noel, *Politics in Newfoundland*. Toronto: University of Toronto Press, 1971, pp. 149-214, discussed in Melvin Baker, *Falling into the Canadian Lap*, 2003.
7. Melvin Baker, *Falling into the Canadian Lap*, 2003.
8. Newfoundland Act, 1933 (UK).
9. James Hiller, *Confederation: Deciding Newfoundland's Future, 1934 to 1949*. St. John's: The Newfoundland Historical Society, 1998, p. 8.
10. The election of a Labradorian to the National Convention marked the first time Labrador had its own representative in a local elected body.
11. Paul Bridle, ed., *Documents and Relations Between Canada and Newfoundland, Vol. 2, 1940-1949*. Ottawa: Supply and Services Canada, 1984, p. 198.
12. Melvin Baker, *Falling into the Canadian Lap*, 2003.
13. Peter Neary, 1988, pp. 311-312.
14. Peter Neary, 1988, p. 317.
15. A summary of this cost-benefit analysis is provided in Melvin Baker, *Falling into the Canadian Lap*, 2003.
16. Stephen May, *The Terms of Union: An Analysis of Their Current Relevance*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. A discussion of the dynamic of these negotiations is also provided in Melvin Baker, *Falling into the Canadian Lap*, 2003.
17. Term 2, as amended, says: "The Province of Newfoundland and Labrador shall comprise the same territory as at the date of Union, that is to say, the island of Newfoundland and the islands adjacent thereto, the Coast of Labrador as delimited in the report delivered by the Judicial Committee of His Majesty's Privy Council on the first day of March, 1927, and approved by His Majesty in His Privy Council on the twenty-second day of March, 1927, and the islands adjacent to the said Coast of Labrador."
18. Term 32(1) says: "Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles."

19. Terms 46, as amended, says: “(1) Oleomargarine or margarine may be manufactured or sold in the Province of Newfoundland and Labrador after the date of the Union and the Parliament of Canada shall not prohibit or restrict such manufacture or sale except at the request of the Legislature of the Province of Newfoundland and Labrador, but nothing in this Term shall affect the power of the Parliament of Canada to require compliance with standards of quality applicable throughout Canada. (2) Unless the Parliament of Canada otherwise provides or unless the sale and manufacture in, and the interprovincial movement between, all provinces of Canada other than Newfoundland and Labrador, of oleomargarine and margarine, is lawful under the laws of Canada, oleomargarine or margarine shall not be sent, shipped, brought, or carried from the Province of Newfoundland and Labrador into any other province of Canada.”
20. For example, Prince Edward Island’s Terms of Union obligated the Government of Canada to operate a ferry service between P.E.I. and the mainland.
21. J.G. Channing, *The Effects of Transition to Confederation on Public Administration in Newfoundland*. Toronto: The Institute of Public Administration of Canada, 1982, p. 41.
22. The grants assured by Term 28 were transitional for a period of 12 years.

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### Chapter 3 - Experiences Within Canada

1. Statistics Canada, *Labour Force Survey*, May 2003.
2. The number of people employed in the province did increase somewhat, rising from 211.3 thousand in 2001 to 213.9 thousand in 2002. However, that increase in employment is only a little over 1 per cent. The unemployment rate increased because that modest employment growth was smaller than the increase in the size of the labour force.
3. Government of Newfoundland and Labrador, Strategic Social Plan Office, *From the Ground Up*. St. John’s: Government of Newfoundland and Labrador, 2003.
4. Lawrence Felt, *Small, Isolated and Successful: Lessons from Small, Isolated Societies of the North Atlantic*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
5. Miriam Wright, *Newfoundland and Labrador History in Canada, 1949-72*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
6. Jerry Bannister, *The Politics of Cultural Memory: Themes in the History of Newfoundland and Labrador in Canada, 1972-2003*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
7. For the most recent data, see the results reported by Ryan Research and Communications, *Provincial Opinion Survey*. Prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
8. The following is based on the discussion in Peter Neary, *Newfoundland in the North Atlantic World 1929-1949*. Montreal & Kingston: McGill-Queen’s University Press, 1988, Chapter 12. See also Roger Gibbins, *Assessing Newfoundland and Labrador’s Position on Canada’s Evolving Federalism Landscape*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
9. See: Rand Dyck, *Provincial Politics in Canada*, 3<sup>rd</sup> edition. Scarborough: Prentice-Hall, 1996, p. 646.
10. Christopher Dunn, *Federal Representation of the People and Government of Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
11. For the annual figures from 1981 to 2000, see Figure 4 in The Centre for Spatial Economics, *Newfoundland and Labrador: Toward an Assessment of the Benefits of the Canadian Economic Union*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
12. The Centre for Spatial Economics, 2003.

13. The Commission is aware that there is a considerable range for this estimate, and the paper by The Centre for Spatial Economics does incorporate lower-end and higher-end estimates. Nevertheless, this estimate is reasonable, and it is consistent with the findings of other independent studies that also conclude that the windfall resource revenues are several hundred millions of dollars annually. Jean-Thomas Bernard (*Hydroelectricity, Royalties and Industrial Competitiveness*. Discussion Paper No.93-04, School of Policy Studies: Queen's University, 1993), reports on the results of two such studies; one by Zuker and Jenkins (*Blue Gold: HydroElectric Rent in Canada*. Ottawa: Economic Council of Canada, 1984), and the other by Bernard, Bridges and Scott (*Our Evaluation of Potential Canadian HydroElectric Rents*. Resource Paper No. 78, Department of Economics, University of British Columbia, 1982).
14. Gwynne Dyer, *The Strategic Importance of Newfoundland and Labrador to Canada*. Opinion Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
15. See: Peter Leslie and Richard Simeon, "The Battle of the Balance Sheets," in Richard Simeon, ed., *Must Canada Fail?* Montreal & Kingston: McGill-Queen's University Press, 1977.

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## Chapter 4 - Population Loss, Out-Migration and Rural Newfoundland and Labrador

1. Economic Council of Canada, *Newfoundland: From Dependency to Self-Reliance*. Hull, Quebec: Ministry of Supply and Services Canada, 1980, p. 5. This report points out that in 1942 there was full employment, which was sustained by a revival of export markets after 1945.
2. John N. Cardoulis, in his book entitled *A Friendly Invasion II: A Personal Touch* (Creative Publishers: St John's, 1993, p. 67), places this number at 25,000 women, while Joey Smallwood (*The Book of Newfoundland, Volume IV*. Newfoundland Publishers: St. John's, 1967, p. 534) places this number much higher, at 31,000 by the year 1958.
3. Since 1949, only one other province has had a significant decline in population. From 1968 until 1974, Saskatchewan's population fell. It also fell again from 1987 to 1991. The proportional declines were in each case less than Newfoundland and Labrador's. In addition, the declines were reversed after a few years, whereas this province's population is projected to decline modestly for the next 15 years (Government of Newfoundland and Labrador, *Demographic Change: Newfoundland and Labrador Issues and Implications*. St. John's: Economic and Statistics Branch, Department of Finance, April 2002).
4. Craig Brett, *Demographic Trends and Implications for Public Policy*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. A striking statistic about the loss of our educated young involves those who attend university outside the province. According to Brett (2003), only 11.5 per cent of the 1986 cohort of those graduates were residing in Newfoundland and Labrador five years after graduation, and the figures for the 1982 and 1990 cohorts were not much better at just over 20 per cent.
5. Leslie Bella, *Newfoundlanders: Home and Away*. St. John's: Greetings from Newfoundland Ltd., 2002, pp. xiii-xiv.
6. Craig Brett, 2003.
7. Government of Newfoundland and Labrador, *Overview of Demographic Change*. St. John's: Economics and Statistics Branch, Department of Finance, June 2002.
8. Craig Brett, 2003.
9. Economic Council of Canada, 1980, p. 25.
10. Parzival Copes, *The Resettlement of Fishing Communities in Newfoundland*. Ottawa: Canadian Council on Rural Development, 1972, cited in Craig Brett, 2003.

11. Economic Council of Canada, 1980.
12. Dr. House's own account of the ERC is provided in J.D. House, *Against the Tide: Battling for Economic Renewal in Newfoundland and Labrador*. Toronto: University of Toronto Press, 1999.
13. Raymond Blake, *Regional and Rural Development Strategies in Canada: the Search for Solutions*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
14. Lawrence Felt, *Small, Isolated and Successful: Lessons from Small, Isolated Societies of the North Atlantic*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. Here Felt stresses that it is crucial to remember that societies are not interchangeable, standardized creations.
15. For more information on these projects see: *Coasts Under Stress*: <http://www.coastunderstress.ca>; the *Natural Resource Depletion and Health Project*: <http://www.mun.ca/cin/Depletion.html>; and *The Rural Economy*: <http://www.swgc.mun.ca/research/faculty-research.html>.

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## Chapter 5 - Social Inclusion In Newfoundland and Labrador

1. Jane Jenson, *Mapping Social Cohesion: The State of Canadian Research*. Ottawa: Canadian Policy Research, 1998, p. 6.
2. Steve Rosell et al., *Changing Maps: Governing in a World of Rapid Change*. Ottawa: Carlton University Press, 1995. as quoted in Judith Maxwell, *Social Dimensions of Economic Growth*. Eric John Hansom Commemorative Conferences, Vol. VII, University of Alberta, 1996.
3. Christa Freiler, *What Needs to Change? Towards a Vision of Social Inclusion for Children, Families and Communities – a Draft Paper Concept*. Toronto: Laidlaw Foundation, 2001, p. 35.
4. Government of Newfoundland and Labrador, *People, Partners and Prosperity: A Strategic Social Plan for Newfoundland and Labrador*, 1998.
5. Government of Newfoundland and Labrador, Strategic Social Plan Office, *From the Ground Up*. St. John's: Government of Newfoundland and Labrador, 2003. Introductory remarks by Roger Grimes.
6. David Vardy and Eric Dunne, *New Arrangements for Fisheries Management in Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
7. Joanne Hussey, *The Changing Role of Women in Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
8. David Vardy and Eric Dunne, 2003.
9. Joanne Hussey, 2003.
10. Joanne Hussey, 2003.
11. Joanne Hussey, 2003.
12. Bay St. George Women's Centre, *Taking Our Places: Phase 2. January to August 2002*, p. 21
13. Bay St. George Women's Centre, 2002, p. 21.
14. Christopher Dunn, *Federal Representation of the People and Government of Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
15. Labrador Inuit Association, written submission to the Royal Commission on Renewing and Strengthening Our Place in Canada, 2002.

16. Maura Hanrahan, *The Lasting Breach: The Omission of Aboriginal People from the Terms Of Union Between Newfoundland and Canada and Its Ongoing Impacts*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
17. Maura Hanrahan, 2003.
18. Royal Commission on Renewing and Strengthening Our Place in Canada, *What We Heard*. Public Consultation Report of the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
19. Ryan Research and Communications, *Provincial Opinion Study*. Prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
20. POLLARA Inc., *A Report on Perceptions of Newfoundland and Labrador*. Prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
21. Gwynne Dyer, *The Strategic Importance of Newfoundland and Labrador to Canada*. Opinion Piece for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
22. POLLARA Inc., 2003.
23. POLLARA Inc., 2003.
24. POLLARA Inc., 2003.
25. Ross Reid, *We Can Do Better, We Must Do Better*. Opinion Piece for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
26. POLLARA Inc., 2003.
27. Ryan Research and Communications, 2003.
28. Gwynne Dyer, 2003.
29. Newfoundland and Labrador Building and Construction Trades Council, written Submission to the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003, p. 30.

## Chapter 6 - Financial Position

1. These realities and our subsequent discussion of them in this chapter are based on the report of an independent fiscal advisor, David Norris, entitled *The Fiscal Position of Newfoundland and Labrador: An Independent Assessment of the Current State of and Prospects for the Province's Fiscal Position*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. All charts and tables in this chapter are based on this report.
2. "Taxpayer-Supported Debt" is a concept used by various credit-rating agencies and financial analysts in assessing public-sector debt.
3. These comparisons exclude the debt of self-supporting Crown agencies, such as hydroelectric corporations. Newfoundland and Labrador's public-sector debt before this exclusion totaled \$7.9 billion as of March 31, 2003, which, combined with the unfunded pension liabilities, yields overall debt of \$11.3 billion, or more than \$21,000 per capita.
4. Fiscal capacity is a key determinant of a province's entitlement for transfers from the federal government under the equalization program, which will be discussed more extensively in Chapter 9.
5. This consolidated deficit of \$286.6 million does not include borrowing for the purpose of funding pension liabilities. The 2003 Budget estimates additional, off-budget borrowing of \$163.5 million for this purpose – see Statement II of the Budget. Some may argue that borrowing this \$163.5 million is not a true increase in debt, but a conversion of an existing unfunded liability into a funded liability; nonetheless, the 2003 Budget is projected to result in an increase in the province's funded debt of some \$450 million.

6. This assumption reflects the fact that the offshore projects are not “ring-fenced.” That is, projects do not operate in isolation from a corporation’s other operations throughout Canada. Corporate profits are determined on a Canada-wide basis, and these profits are then allocated to a province based on a formula. Corporate revenues, regardless of where earned in Canada, are offset against expenses, regardless of where incurred in Canada. Profit is determined on a corporate-wide basis, not on a project basis. Exploration or development expenses incurred elsewhere in Canada may reduce profit earned from a Newfoundland and Labrador project, reducing overall corporate profit levels. In addition, the formula used to allocate Canada-wide profits to individual provinces is an attempt to approximate where profits are earned, but is not precise. Against this background of external factors, it is difficult to assess whether or not the 25 per cent assumption will be indicative of the actual outcome.

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## Chapter 7 - Terms of Union

1. Since renamed the Newfoundland Act, 12 & 13, Geo. IV, c. 22, 1949 (UK).
2. Stephen May, *The Terms of Union: An Analysis of Their Current Relevance*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
3. This point is discussed in P.W. Hogg, *Constitutional Law of Canada*, 3<sup>rd</sup> ed.. Toronto: Carswell, 1992, pp. 102-103.
4. Stephen May, 2003.
5. *Re Mineral and Other Natural Resources of the Continental Shelf* (1983), 145 D.L.R. (3d) 9 (Nfld. C.A.); *Re Nfld. Continental Shelf*, [1984] 1 S.C.R. 86.
6. *Re Nfld. Continental Shelf*.
7. For a discussion of the history leading to the Atlantic Accord, see: John C. Crosbie, *Overview Paper on the 1985 Canada Newfoundland Atlantic Accord*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
8. *Re Upper Churchill Water Rights Reversion Act*, [1984] 1 S.C.R. 297.
9. *Re Upper Churchill Water Rights Reversion Act*, p. 333.
10. *R. (Prince Edward Island) v. R. (Canada)*, [1978] 1 F.C. 533 (C.A.). The term in question stated that the Dominion government was to assume and defray all the charges for a number of services, including an “Efficient Steam Service for the conveyance of mails and passengers, to be established and maintained between the Island and the mainland of the Dominion, Winter and Summer, thus placing the Island in continuous communication with the Intercolonial Railway and the railway system of the Dominion...”
11. For a more detailed discussion of Term 17, see Stephen May, 2003.
12. In particular, the Commission has benefitted from reading Edward Tompkins, *Pencilled Out: Newfoundland and Labrador’s Native People and Canadian Confederation, 1947-1954*. A report prepared for Jack Harris, MP, 1988; Stephen May, 2003; and Maura Hanrahan, *The Lasting Breach: The Omission of Aboriginal People from the Terms of Union Between Newfoundland and Canada and Its Ongoing Impacts*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
13. Edward Tompkins, 1988, pp. 11-27.

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## Chapter 8 - The Evolving Nature of The Federation

1. Harvey Lazar “In Search of a New Mission Statement for Canadian Fiscal Federalism,” *Canada: The State of the Federation, 1999-2000*. Kingston: Institute of Intergovernmental Relations, Queen’s University, 2000.

2. Roger Gibbins, *Assessing Newfoundland and Labrador's Position in the Evolving Federal Landscape*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
3. This analysis has been most fully developed by Canadian political scientist Alan C. Cairns. For example, see D. Williams, ed., *Reconfigurations: Canadian Citizenship and Constitutional Change*. Toronto: McClelland and Stewart, 1995.
4. R.L. Watts, *Comparing Federal Systems*, 2<sup>nd</sup> ed. Kingston: Institute of Intergovernmental Relations, Queen's University, 1999.
5. For a discussion of this differing treatment applied to the conduct of foreign policy see Denis Stairs, *The Conduct of Canadian Foreign Affairs and the Interests of Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
6. Christopher Dunn, *Federal Representation of the People and Government of Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. See also: Herman Bakvis, *Regional Ministers: Power and Influence in the Canadian Cabinet*. Toronto: University of Toronto Press, 1991.
7. See: Donald Savoie, *Governing from the Centre: The Concentration of Power in Canadian Politics*. Toronto: University of Toronto Press, 1999; Jeffrey Simpson, *The Friendly Dictatorship*. Toronto: McClelland & Stewart, 2001.
8. Rex Murphy, commentary, "The East Coast Fishery," CBC, "The National," broadcast May 6, 2003, see: <http://www.cbc.ca/national/rex>
9. Christopher Dunn, 2003.
10. Christopher Dunn, 2003, Appendix 5.
11. This lack of federal presence outside Ottawa, compared with its concentration in the national capital, was recently stressed by federal Deputy Prime Minister John Manley in comments to the media in St. John's. VOXM "Open Line" program, Prime Communications Inc., "Electronic Media Transcripts," April 16, 2003.
12. Margaret Conrad, *Mistaken Identities? Newfoundland and Labrador in the Atlantic Region*. The David Alexander Lecture, Memorial University, St. John's, March 27, 2003.
13. See: Stephen Tomblin, *Atlantic Region Integration Options*. Research Paper for Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
14. For a similar perspective, see the speech by New Brunswick Premier Bernard Lord to the 16<sup>th</sup> Annual Public Policy Forum, Toronto, April 10, 2003; and comments by Alberta Premier Ralph Klein to the same group on May 5, 2003.
15. See especially the final report of the Federal Royal Commission [Romanow] on the Future of Health Care in Canada, *Building on Values: The Future of Health Care in Canada*. Saskatoon, 2003.
16. For more on this issue see Denis Stairs, 2003. In addition, the Institute of Intergovernmental Relations, Queen's University, has undertaken research on the implications of global and regional integration for Canadian federalism and mechanisms for collaborative federal/provincial relations. See: <http://www.iigr.ca>.
17. The newly elected Premier of Québec, Jean Charest, has recently repeated his party's position to formalize First Ministers' and other intergovernmental relations through a Council of the Federation, and to provide substantial support to these mechanisms through strengthened intergovernmental secretariats.
18. This is known in European law as the principle of "subsidiarity."



## Chapter 9 - Fiscal Federalism

1. See: Robin Boadway, *The Vertical Fiscal Gap: Conceptions and Misconceptions*. Research Paper for the conference on Canadian Fiscal Arrangements: What Works, What Might Work Better, May 16-17, 2002, Winnipeg, Manitoba (Institute of Intergovernmental Relations; www.iigr.ca).
2. Government of Québec, Commission on Fiscal Imbalance, *A New Division of Canada's Financial Resources*. 2002.
3. Conference Board of Canada, *Vertical Fiscal Imbalance: Fiscal Prospects for the Federal and Provincial/Territorial Governments*. July 2002.
4. For example, see: Roger Gibbins, *Shifting Sands: Exploring the Political Foundations of SUFA*. Institute for Research on Public Policy, 2001; and Alain Noel, *Power and Purpose in Intergovernmental Relations*. Institute for Research on Public Policy, 2001.
5. The national average tax rate incorporates all ten provinces, and each national average tax rate is a weighted average, where the weights reflect each province's revenue from the corresponding tax. Also, note that the revenue sources are "standardized," so they do not exactly coincide with each province's tax bases.
6. How equalization treats provincial natural resource revenues is an ongoing debate in Canada. See: Robin Boadway, *Options for Fiscal Federalism*, Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003; and James Feehan, *Equalization and the Provinces' Natural Resource Revenues: Partial Equalization Can Work Better* (forthcoming through Institute of Intergovernmental Relations, www.iigr.ca, Queen's University, 2002) for recent perspectives. Also, see: Economic Council of Canada, *Financing Confederation: Today and Tomorrow*. 1982; Parliamentary Task Force on Federal-Provincial Fiscal Arrangements, *Fiscal Federalism in Canada*, 1981; and R. Boadway, F. Flatters and A. LeBlanc, "Revenue Sharing and the Equalization of Natural Resource Revenues," *Canadian Public Policy*, Vol.9, 1983.
7. See: Government of Canada, Department of Finance, *Federal Transfers to the Provinces and Territories*. February 2003, see: [http:// www.fin.gc.ca](http://www.fin.gc.ca)
8. Another federal institution that was supportive of this view was the Economic Council of Canada. See: Economic Council of Canada, *Financing Confederation: Today and Tomorrow*, 1982.
9. Australia's Commonwealth Grants Commission is an arm's length body that advises the central government on issues related to fiscal transfers.
10. Federal Royal Commission [Macdonald], *Report of the Royal Commission on the Economic Union and Development Prospects for Canada*. Ottawa: Minister of Supply and Services, 1985.
11. This discussion is drawn from Donald Savoie, *Reviewing Canada's Regional Development Efforts*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
12. See, for example, Thomas J. Courchene, *Social Policy in the Millennium: Reform Imperatives and Restructuring Principles*. Toronto: C.D.Howe Institute, 1994; and Fred McMahon, *Retreat from Growth: Atlantic Canada and the Negative-Sum Economy*. Halifax: Atlantic Institute for Market Studies, 2000.
13. Donald Savoie, *Reviewing Canada's Regional Development Efforts*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.

## Chapter 10 - Fisheries

1. David Vardy and Eric Dunne, *New Arrangements for Fisheries Management in Newfoundland and Labrador*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.

2. See Miriam Wright, *Newfoundland and Labrador History in Canada, 1949-72*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003. See also, Economic Council of Canada, *Newfoundland: From Dependency to Self-Reliance*. Ottawa: Minister of Supply and Services, 1980.
3. Government of Canada, Task Force on the Atlantic Fishery. *Navigating Troubled Waters: A New Policy for the Atlantic Fisheries*. Ottawa: Supply and Services Canada, 1983, p. 23.
4. See: Newfoundland and Labrador All-Party Committee on the 2J3KL and 3Pn4RS Cod Fisheries. *Stability, Sustainability and Prosperity*. St. John's, March 17, 2003.
5. George Rose, *Fisheries Resources and Science in Newfoundland and Labrador: An Independent Assessment*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
6. George Rose, 2003.
7. George Rose, 2003.
8. CBC News, *Report Recommends Virtual Shutdown of Northern Cod Fishery*. March 28, 2003.
9. Based on communication with a member of the Canadian delegation to the Law of the Sea negotiations in the 1970s.
10. The Honourable Robert G. Thibault, Minister of Fisheries and Oceans, *Preparing for NAFO*. Minister's Column, September 2002. See: <http://www.dfo-mpo.gc.ca>
11. House of Commons Standing Committee on Fisheries and Oceans, *Foreign Overfishing: Its Impact and Solution – Conservation on the Nose and Tail of the Grand Banks and the Flemish Cap*. Ottawa: Government of Canada, 2002.
12. Philip Saunders, *Policy Options for the Management and Conservation of Straddling Fisheries Resources*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
13. David Vardy and Eric Dunne, 2003, Chapters 5 and 6.
14. See: Government of Newfoundland and Labrador news release and attachment of May 8, 2003, see: <http://www.gov.nf.ca/releases/2003>
15. David Vardy and Eric Dunne, 2003.
16. David Vardy and Eric Dunne, 2003.

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## Chapter 11 - The Regulation of Natural Resources, Atlantic Accord and Churchill River

1. Individual oil projects are not stand alone operations for tax purposes. Given the broad base of activities of most oil companies, the varying levels of profitability of their operations, as well as the numerous and diverse investment activities of the oil companies, it is extremely difficult to project the extent to which the taxes applicable to the income on any one project will be reflected in government's tax revenue receipts in any year. Accordingly, for the purpose of the analysis, a revenue stream based on 50 per cent of the full federal corporate income tax rate has been assumed.
2. Referenced in John C. Crosbie, *Overview Paper on the 1985 Canada-Newfoundland Atlantic Accord*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
3. John C. Crosbie, 2003. This paper suggests that, taking account of corporate income that may be attributed through the federal/provincial tax collection system to other provinces, the provincial government's share of overall government revenues would be 12 per cent.

4. Standing Senate Committee on National Finance, *The Effectiveness of and Possible Improvements to the Present Equalization Policy*. Fourteenth Report, March 2002, see: <http://www.parl.gc.ca>
5. The Honourable Stéphane Dion, Minister of Intergovernmental Affairs, *Open letter in response to the September 10 op-ed piece by John Crosbie*, October 3, 2001, see: <http://www.pco-bcp.gc.ca/aia/>
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12. Newfoundland and Labrador Teachers' Association, written submission to the Royal Commission on Renewing and Strengthening our Place in Canada, 2002, p. 5.
13. Lawrence Felt, *Small, Isolated and Successful: Lessons from Small, Isolated Societies of the North Atlantic*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.
14. Wade Locke and Scott Lynch, *What Do We Need to Know about the Knowledge-Based Economy to Strengthen Our Place in Canada?*. Research Paper for the Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.

15. Wade Locke and Scott Lynch, 2003.
  16. It is worth noting that governments in other remote North Atlantic locations, such as Iceland, Greenland and the Faroes, have been proactive in ensuring that they are well served by air transport, including state ownership in the airline sector. See: Lawrence Felt, 2003.
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  18. Wade Locke and Scott Lynch, 2003. See also: Mario Polese *et al.*, *Periphery in the Knowledge Economy – The Spatial Dynamics of the Canadian Economy and the Future of Non-Metropolitan Regions in Québec and the Atlantic Provinces*. Moncton: CIRRD, 2002.
  19. Wade Locke and Scott Lynch, 2003.
  20. Donald Savoie, *Pulling Against Gravity: Economic Development in New Brunswick during the McKenna Years*. Montreal: Institute for Research on Public Policy, 2001.
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## Appendix B

1. CPRN is a national think tank whose mission is to help make Canada a more just, prosperous and caring society. The dialogues were an adaptation of Viewpoint Learning's propriety Choice Work Dialogue methodology. This adapted methodology was used with permission.

## *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 the Province, 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 whose skill and attention to detail enhanced our work; the Provincial Archives and the Art Gallery of Newfoundland and Labrador who provided the imagery used in the Report; the writers and artists who gave us permission to use their works to reflect the messages of 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 Ronald 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.

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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ii	Provincial Archives of Newfoundland and Labrador (PANL): A18-173
iv	Top: James Igloliorte Bottom Three: Newfoundland and Labrador Tourism
vi	Top: Wayne J. Tucker Bottom: Newfoundland and Labrador Tourism
vii	Ode To Labrador: Dr. H.L. Paddon/Butter and Snow Productions
1	Newfoundland and Labrador Tourism
2	Photo: Newfoundland and Labrador Tourism Text: University of Toronto, E. J. Pratt
7	James Igloliorte
8	Photo: Newfoundland and Labrador Tourism Text: Le Devoir
13	Associated Press/Canadian Press
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23	Far left and far right: K. Bruce Lane/Capital Coast Development Alliance Middle: Strategic Social Plan, Labrador Region
24	Newfoundland and Labrador Tourism
35	Paul Chafe, The Muse
36	Newfoundland and Labrador Tourism
47	Far left: Strategic Social Plan, Labrador Region Middle: Newfoundland and Labrador Tourism Far right: Opening Doors Program, Government of Newfoundland and Labrador
48	PANL: VA19-137
59	Left: Marcia Porter Middle: Department of Education Right: Memorial University of Newfoundland
60	© Newfoundland and Labrador House of Assembly
71	J. R. Smallwood signing the Terms of Union: PANL: B16-155
72	First Speech from the Throne, 1949: PANL: A22-139
79	Canadian Press (photographer: Jonathan Hayward)
80	Grand Concourse Authority
91	Right: Paul Chafe, The Muse Left: Health and Community Services, Government of Newfoundland and Labrador
92	© Digital Vision
103	Left: Lynn Bryant Right: Gerry Boland/Department of Fisheries and Aquaculture
104	PANL: VA21-18
115	Right: Hibernia Management Development Corporation Left: Newfoundland and Labrador Hydro
116	Signing of the Atlantic Accord, 1985 Canadian Press/St. John's Telegram (Kay Norman)
127	Natural Resources Canada
128	Tim Madden
141	Newfoundland and Labrador Tourism
142	Newfoundland and Labrador Tourism
<b>Voices of the People collage</b> (end of chapters): Northern Pen, Newfoundland and Labrador Tourism, Memorial University	

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A painting of a coastal scene. The foreground is dominated by dark, jagged rocks in shades of brown and black. The middle ground shows a vast, deep blue sea with white, frothy waves crashing against the shore. The sky is a pale, hazy blue. The overall style is impressionistic, with visible brushstrokes and a focus on color and light.

Royal Commission on  
Renewing and Strengthening Our Place in Canada  
Newfoundland and Labrador