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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Terre- Neuve et Labrador | 39e | 2e | Discours du Trône | 3 mars 1983 | William Anthony Paddon | Lieutenant Gouverneur | PC |

Mr. Speaker and Members of the Honourable House of Assembly:

It is my privilege and pleasure to welcome you to this Second Session of the Thirty-ninth General Assembly of the Province of Newfoundland.

This year marks the 150th anniversary of the opening. of the House of Assembly of Newfoundland. The first Throne Speech was delivered by-Sir Thomas Cochrane on January I, 1833. Since there was no public building in St. John's large enough to hold the Assembly, the First Session of the Colonial Parliament was held-in a tavern located on the corner of King's Road and Duckworth Street. The first Statute of Newfoundland was passed in March of that year.

This year also marks the 400th anniversary of the landing of Sir Humphrey Gilbert on our shores to take possession of the Island of Newfoundland in the name of Queen Elizabeth I. In June, Newfoundlanders and Labradorians will welcome their Royal Highnesses, Prince Charles and Princess Diana to celebrate with us this historic occasion. We look forward to their visit and extend to them our heartfelt wishes for a pleasant and friendly sojourn in our Province.

The past year has been a very difficult one for many of our people. The economic problems which have plagued the world in the last several years were most severe in our Province in 1982. Lowered world demand for newsprint, iron ore, asbestos and other minerals had a depressing effect on local industrial activity. High interest rates and depressed U.S. markets played havoc with the fishing industry. In spite of the 'great potential of our natural resources, these cumulative factors resulted in high unemployment Ievels. Notwithstanding the current economic circumstances, Newfoundlanders looked to the future with hope and optimism. At our doorstep lay the greatest offshore petroleum resource yet discovered in North America. In addition, we have the immense water power resource of Labrador. Unfortunately, in both instances Newfoundland has been forced to resort to the judicial process to achieve fair and equitable treatment in relation to these great resources.

Mr. Speaker and Members of the Honourable House of Assembly:

It was with bitter disappointment that my Government received the judgement of the Court of Appeal of Newfoundland. That judgement was a crushing blow to my Government's attempt to see our offshore resources treated the same as the resources of other provinces. We await the Supreme Court of Canada's decision on our Water Rights Reversion Act and my Government's attempts to receive fairness and equity from the Upper Churchill development.

It is unfortunate, if not tragic, that this Province has been forced to use the Courts of this land for protection. In a country built on compromise and cooperation, such time consuming, legal actions should have been unnecessary. Newfoundland and Labrador's long march to prosperity is once again frustrated; a painful journey is ahead of us and without the certainty of success.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government maintains its constitutional position that this Province must have a major say in the direction of its fishing industry. Newfoundland is the only province in the Confederation that does not have a major say in its chief industry. It is an enlightening fact that while Newfoundland has two thirds of the fishery resource of Eastern Canada, two thirds of the employees of the Federal Fisheries Department work in the Provinces of New Brunswick and Nova Scotia. Furthermore, it is strange that the Province of Quebec enjoys powers over fisheries that no other province enjoys. Notwithstanding these facts and also that we have not as a province been successful in realizing our constitutional goals, the Province has attempted to lead in fisheries policy matters. In addition to our Royal Commission Report on the Inshore Fishery, my Government made a detailed' presentation to the Kirby Task Force entitled: The Fishery: *A Business and a Way of Life*. While our constitutional position remains firm, several policy goals are critical to any comprehensive fisheries policy and we must have action now. They include:

1. A commitment to an ongoing technologically advanced inshore fishery.

2. A decision by the Federal Government to include the Nose and Tail of the Grand Banks in Canada's jurisdiction.

A firm, unequivocal affirmation of these two principles is imperative. Once these have been accepted, it is equally Important that the following principles be agreed:

3. The present offshore fish company problem must be solved immediately.

4. Quality and marketing are key to a fishery revival.

5. Effective management must be implemented in the processing sector.

6. Northern cod allocations offshore must satisfy Newfoundland's needs first.

Mr. Speaker and Members of the Honourable House of Assembly:

My Government views our present circumstances with grave concern. The ability of the Province to chart a course that, on the one hand helps our Nation, Canada, and on the other hand allows Newfoundland and Labrador to grow and prosper, is in jeopardy. In the gracious Speech of 1979, the following statement was made:

"The great question posed today is whether we in this Province are ready to move away from a paternalistic centralized federalism. Are we ready to trust more in our own abilities as a society than in Federal transfer payments? We are further challenged by the need to ensure that such a decentralization be accomplished without impairing national unity or affecting the level of social services in a so-called "have-not" Province. Can we, in a great historic act of self-reliance, break the vicious cycle in which we now find ourselves? Can we build an economically and culturally vibrant society in which, while private initiative is the keystone, social justice remains an even higher goal?”

That question remains just as valid today, if not more so, than it did four years ago.

All three of the major resource issues remain unresolved and have put severe strains on the relationship between the Federal Government and the Provincial Government. Coupled with these disagreements over large issues between the two Governments, there have been two other major Federal initiatives which have not only aggravated our relationship but also imposed both economic and financial

hardship on our people.

First, is the Federal Government's announced position to refrain as far as possible from signing joint agreements with the provinces. It wishes to ignore the Province and deliver the programs directly. This has seen embarrassing situations arise in the Trans Canada Agreement, Fisheries College and Industrial Parks, all of which were delayed as a result and have shown how unworkable this policy really is.

Secondly, the Federal Government has announced that it intends to reduce its financial commitment to post secondary education and health services. This is a severe blow to "have not" provinces like Newfoundland and Labrador.

Mr. Speaker and Members of the Honourable House of Assembly:

Let us look at the many proposals for joint action that have been affected by the first Federal initiative:

**[a] Offshore Negotiations**

My Government has tried valiantly to reach a fair and reasonable agreement in this vital issue. Court action only means that the Governments have failed and governments must not fail. In the last round of negotiations, my Government did everything humanly possible to achieve a satisfactory agreement. Throughout these discussions, my Government indicated that it understood that national goals of self-sufficiency and security of supply must be met. My Ministers went so far as to agree that if these goals were placed in jeopardy because of provincial concerns, then the national goals must come first.

It is a matter of record that My Government broke off from these negotiations when my Ministers were faced with proposals for settlement which were significantly different from what had earlier been agreed to and were less than the Nova Scotia Agreement.

My Government firmly believes that there must be a political settlement to this long standing issue. It must be recognized that Newfoundland brought this resource into Canada in 1949 and that without Newfoundland's entry into Confederation, Canada would have no claim to it.

My Government fails to understand why this issue must be a legal one at all. Given the decisions made in Canada's history when the Western Provinces were given their resources by the Federal Government in 1930, one would think that a parallel exists today for Newfoundland and Labrador to be treated in the same fair and equal manner. My Government has even indicated it is prepared to agree to less and sign an agreement without the matter of ownership being decided. My Government remains firm in its resolve that the principles of fair revenue sharing and joint management must be the fundamental basis of any resolution of this issue. Fair revenue sharing will give Newfoundland an opportunity to reach national standards of wealth. Joint management will give Newfoundland a say in the mode of development, without infringing upon national goals.

**(b) Hydro Power**

While my Government has been forced to seek judicial measures to correct the Upper Churchill development arrangement, it has pressed the Federal Government to redress the unfair situation which allows the Province of Quebec to he the broker for the' sale of Labrador power.

After repeated efforts by my Government, the Federal Government finally agreed to initiate changes to permit the transmission of electricity across provincial boundaries with the same freedom as oil and gas are transmitted inter-provincially, Unfortunately, the proposed changes are arranged in such a'way that it will still be virtually impossible to transmit Labrador power through Quebec so 'that Newfoundland and Labrador can reap a fair share of the economic rent. A ponderous process of public hearings within the Province of Quebec, in addition to the National Energy Board hearings, with final authority by the Federal Cabinet, makes the prospect of Newfoundland gaining substantial benefit from the Federal change remote indeed.

**(c) Regional Development**

My Government views with deep concern the substantial drop in Federal funds being used in this Province to assist in developing the infrastructure essential for growth and prosperity. In the last three years, my Government has seen the Federal Government contribution in this field drop from over $70 million a year to this year's total of approximately $35 million. At the same time, my Government has made detailed proposals to the Federal Government totalling approximately $550 million. They include:

(1) Secondary Highways Upgrading

(2) Industrial - Commercial Development

(3) Nordco

(4) Corner Brook Harbour Development

(5) Mineral Development

(6f Land Surveying and Mapping

(7) Forest Economic Stimulation Program

(8) Fisheries Development Proposal

(9) Rural Development Agreement

(10) Agriculture

It is my Government's view that Newfoundland's position relative to the other provinces will actually fall if this trend in Federal regional development projects continues. My Government is eager to develop with the Federal Government a strategy for short, medium and long term infrastructure development for the Province. There is, at the present time, a lack of sensitivity and, therefore, a lack of understanding of the Newfoundland condition. For example, the Federal Government does not seem interested in signing' a new Rural Development Agreement. Newfoundlanders and Labradorians know that the lifeblood and very essence of this Province is our rural personality.

**(d) Employment Development**

My Government is acutely aware of the large number of our people looking for productive work. We remain the province with the highest unemployment rate in all of Canada. My Ministers view with concern the Federal Government's rejection of this Province's position that long term resource development projects are the cornerstone of a job creation program. My Government has demonstrated that all of the Federal allocation for Newfoundland and Labrador under the "New Employment Expansion and Development Program" (NEED) could be used to fund long term resource related projects in the forestry, mining, fishery, agriculture I and transportation sectors. My Government stands ready to co-operate to achieve the maximum benefits possible for our people concerning employment development.

**[e] Search and Rescue and Defence**

My Government has been attempting to have our search and rescue and defence facilities improved in this Province: Many Commissions of Inquiry have demonstrated the acute need for upgraded search and rescue facilities. No one need be reminded. of the Ocean Ranger tragedy of just over a year ago and the need clearly identified from that tragic disaster. More recent events that led my Government to order a stop to winter offshore drilling further underline this need for upgrading search and, rescue facilities.

In the same way, my Government has been pressing for a larger share of Federal defence expenditure in our Province. Because of the severe economic hardship being experienced in the Happy Valley - Goose Bay area, my Government has been unceasing in its efforts to persuade the Federal authorities to provide Canadian defence facilities in this area of our Province. We remain the province which gets the lowest percentage, of the defence dollar on a per capita basis.

Just recently the Federal Government announced the closure of the Shoe Cove Satellite Tracking Station. This Station had the capability to provide quick up-to-date information on weather and ice conditions off our shores. My Government has been tireless in its efforts to have this closure cancelled. The Governments of the other Eastern Provinces and the scientific community have all supported my Government on this issue. Tragically, we have not been successful. My Government has learned that a facility in Manitoba is supposed to serve our area but we have discovered that the areas offshore Newfoundland, now being explored, are not covered by this facility. At the same time, information has become available that the Federal Government is spending $600,000 on a similar facility in Thailand.

**(f) Transportation**

A province cannot develop unless it has a well developed transportation system. At present the standard of our Trans Canada Highway is the lowest of any province in Canada. Recent Federal-Provincial agreements have not been sufficient to raise the standard to Canadian levels. The Government of Newfoundland and Labrador has repeatedly proposed signing larger agreements so that significant improvements can be realized.

My Government proposed a Secondary Roads Agreement over a year ago.

One major component of that proposal was the start of construction of the Trans Labrador Highway. The key to Labrador development is transportation. There is no other action that can act as a catalyst to stimulate growth and development of this important part of our Province. Without this key transportation project, Newfoundland's ability to capture maximum spinoffs from new developments that will surely occur will continue to be unacceptable.

**(g) Nordco**

In 1975, both Governments entered into an agreement to establish a corporation entitled the Newfoundland Oceans Research and Development Corporation. Its chief function was to act as a research and development arm to help lead the way in cold ocean research. It was to complement the work being done at Memorial University. It became a valuable tool for this Province in marine related activity. When the agreement expired in March 1979, the Federal Government decided it would not continue to participate. My Government, cognizant of the critical- role this Corporation could play in the pursuit of our fisheries development and offshore mineral development, decided that it must not let this important infant corporation die. The Province, therefore, provided a generous plan whereby the Corporation could purchase a suitable building. The Province has also provided over $3 million in deficit financing.

Mr. Speaker and Members of the Honourable House of Assembly:

The second Federal action strikes at the heart of social development in Canada. The five year agreement between the provinces and the Federal Government from 1977 to 1982 provided a level of funding to provinces for Health Care 'and Post Secondary Education. While the allocation did not provide the total spent by a-province, it was a significant sum and greatly assisted this Province, especially recognizing that legitimate expansion in physical infrastructure was needed to improve the quality of these services. Within, the Canadian context, the health and education systems have become models for many parts of the world and as a result, increasing expectations of our people in Newfoundland have been no different than in other parts of the Nation. My Government, therefore, like the Governments of the other provinces, was dismayed during negotiations for a new five year agreement covering the years 1982-1987, when the Federal Government revealed that provinces could expect less of an increase in the Federal contribution to these areas than we had been led to expect. Using the formula from the previous agreement as a guide and the inescapable fact that costs are growing higher in these fields than in others, my Government calculates a loss of revenue from the new five year plan of $125 million as compared with the formula of the previous five year agreement.

Mr. Speaker and Members of the Honourable House of Assembly:

It is against this backdrop of forced legal maneuvers, unsigned agreements, and insensitive decisions, that the people of Newfoundland and Labrador find themselves this day.

In the face of this unfortunate circumstance and a world-wide recession, my Government has steadfastly discharged its responsibility during this past year.

Being an export oriented society, our resource industries were put under severe strain and are still experiencing soft markets.

My Ministers have held a number of meetings with Wabush Mines and the Iron Ore Company of Canada to assess the level of activity in their operations for this coming year. The Province has impressed upon the resource companies working here the social disruption that such an economic downturn creates and that Government and companies must work together to ease the negative impact that has been caused.

The Province is encouraged by the positive attitude of our two iron ore companies. They are committed to continue operations in Labrador West and are ready to meet the demands of an economic recovery.

My Government remains concerned about our mining industry on the Island part of our Province. Severe problems continue to face the Buchans area and the Flintkote operation on the West Coast. As well, the Baie Verte asbestos operation is still attempting to find markets for its products, while the Rambler operation remains inoperative.

My Government remains committed to doing all in its power to assist these areas through difficult economic times.

In a similar way, the forest industry has been subjected to hard economic times. Corner Brook has been dealt a severe blow and my Government has been working closely with leaders of the community to ensure that measures are taken to ease the shutdown of number seven paper machine, and just as importantly, to work now to protect and enhance the paper mill for the future. In this regard, my Government has announced that provincial Forestry personnel will be moving to Corner Brook. My Ministers look forward to similar Federal action, in the same way as both Governments worked together in the Baie Verte mining venture. Various logging areas of Western and Central Newfoundland will be negatively affected by the Bowater decision. Government is keenly aware of the problems in these areas and is working with the local people to provide solutions. While the Grand Falls and Stephenville areas are not experiencing the same hardship as Corner Brook, Government is in constant touch with the Abitibi Price Company. It is hoped that both companies will see gradual improvement as the year progresses.

My Government has provided generous assistance to the fishing industry and the saw mill industry and has continued its program of assistance to resource based industries in rural Newfoundland.

My Government has continued to increase its commitments to education with implementation of the reorganized high school program and to the health field with its five year hospital program. It is a little known fact that the teachers' salary bill of this past year equals the whole budget of the Province in 1967-68 and the health budget of this past year equals the whole budget of the year 1969-70. My Government continues to improve the condition of our senior citizens through new facilities and expansion of community based services. In the fields of culture and environment my Government has moved swiftly to protect and enhance these vital areas of our society.

Mr. Speaker and Members of the Honourable House of Assembly:

While a society may be able to significantly protect its environment, and to some extent its cultural integrity, by legislation and regulation, the social policy field also demands a commitment of financial resources, particularly in Health, Education and Social Services. The tragic irony in Newfoundland's situation is that at the same time as we are failing to generate additional revenues, primarily due to Federal Government insensitivity on offshore resources and hydro development, this same Federal Government is also reducing its commitment to social programs through Established Program Financing, especially in the areas of health and post secondary education.

In the face of this reality, my Government is extremely concerned with the ongoing legitimate social and cultural needs that must be addressed. It is not enough for Government to maintain existing levels. We must attempt to satisfy the expectations of Newfoundlanders and Labradorians to reach Canadian standards!

Mr. Speaker and Members of the Honourable House of Assembly:

It has been said many times in the past, but bears repeating, 'that no society can grow and flourish through transfer payments. At best, transfer payments provide minimum standards and, tragically, over time produce an apathetic, uncreative, docile society.

Since 1979, my Government has firmly stated that our Province must adopt policies which will allow Newfoundland and Labrador to breakout of this transfer payment dependency status. In 1949, at the time of Confederation, Newfoundland's per capita earned income was 48.8% of the Canadian average. Today, 34 years later, it is only 54.1 % of the Canadian average. Newfoundland and Labrador has aggressively pursued the idea that Canada must provide the same opportunities for growth and prosperity here in this part of Canada that have been provided to other areas of this Nation. It is not being ungrateful to suggest that Newfoundland society wishes, through its resources, to better our own lot; thereby reducing the Federal Government's contribution through transfer payments and at the same time to pay into the Canadian economy and treasury, wealth that can assist other areas of the Nation which have not been blessed with the same degree of nature's bounty.

In all parts of Canada it seems this idea has been followed and as a result Canadians have built one of the more advanced, progressive and democratically dynamic societies on earth. Why is it then, that it is so difficult for Newfoundland to have this same opportunity? .

Is it fair and right for Quebec to have more say over its fishery, a minor industry there, than Newfoundland and Labrador, a major industry here?

Is it fair and right that Newfoundland's ability to transmit electrical energy must continue to be frustrated while, for generations, other Canadians have been permitted to transmit their oil and gas and thereby to earn the valuable economic rent associated therewith?

Is it fair and right for Newfoundland and Labrador to be told that even though you brought the vast mineral resources of the Continental Shelf into Canada you can have no meaningful say over how it is to be developed, and that fair revenue sharing, allowing us to reach national average levels of wealth, is unacceptable?

Mr. Speaker and Members of the Honourable House of Assembly:

This year will be perhaps one of the most important in Newfoundland's long and turbulent economic and political history.

My Government embarked upon a course which, if successful, could see our. Province rise to the sunshine of prosperity and wealth, based upon the development of our renewable and non-renewable resources and through these developments create a socially just and culturally dynamic society. My Ministers were unable to accept the opposite - a continued wasteland for our people based upon transfer payments, with our resources used primarily to improve the economic condition of others.

Given the events of recent weeks concerning offshore resources and our frustrated attempts to achieve a greater degree of control in fishery and hydro electric matters, there is a body of opinion held by some which says we have fought the good fight and now we should surrender. My Government has listened carefully to this approach to our future and the arguments in favour of it.

Therefore, my Government wishes to make its position very clear.

It will continue to pursue its reasonable position on offshore negotiations. It will continue to pursue its constitutional position on the fishery.

It will continue to use all measures to see that the Upper Churchill deal is changed.

Much of the history of our Province has been one of struggle. Many of the struggles have been difficult and, some would say, impossible to win. But when our people have united as one, we have succeeded against all odds.

Newfoundland needs now the same unity of purpose that united our forefathers, in 1857, when England and France were going to change the British-French Treaty, which would have increased France's fishing rights here. Then the new House of Assembly passed a resolution saying in part -

" As our fishery and territorial rights constitute the basis of our commerce and of our social and political existence, as they are our birthright and the legal inheritance of our children, we can not, under any circumstances, assent to the terms of the convention."

We need that kind of resolve now so that our people can look forward to levels of wealth presently enjoyed by most Canadians. Newfoundlanders and Labradorians must speak as one voice as we did then. A fractured Newfoundland society on these crucial issues will delay the outcome and could eventually be our defeat. A united one can mean our victory!

Mr. Speaker and Members of the Honourable House of Assembly:

The Public Accounts for the period ending March 31, 1982 will be placed before you for your usual thorough review.

You will be asked to grant supply to Her Majesty.

I invoke God's blessing upon you as you commence your labours in this Second Session of the Thirty-ninth General Assembly. May Divine Providence guide you in your deliberations.

APPENDIX

Proposed Legislation

The following is a list of some of the Bills to be placed before this Honourable House

during the Second Session of the Thirty-Ninth General Assembly.

Department

Proposed Bill

Development

Local Preference

Government Agreements Repeal Act Newfoundland & Labrador Housing Corporation Act (Amendment)

Economic Council Act

Education

Department of Education Act (Amendment), Schools Act (Amendment) & Education (Teacher Training) Act [Amendment]

Local School Tax Act (Amendment) Granting of Degrees Act

Department

Proposed Bill

Finance

Portability of Pensions Act Pension Benefits Act

Gasoline Tax Act, 1978 (Amendment) Retail Sales Tax Act, 1978 (Amendment)

Income Tax Act (Amendment)

Uniformed Services Pensions Act (Amendment)

Forest Resources & Lands

Crown Lands Act (Amendment)

Health··

Dental Act

Pharmaceutical Association Act (Amendment) Nursing Assistants Act

Occupational Therapists Act

Newfoundland Medical Care Insurance Act (Amendment)

. Justice

Election Act, 1983

Corporations Act and ancillary legislation The Judicature Act, 1983

Department

Proposed Bill

Arbitration Act

Certified General Accountants Act

Public Utilities Act (Amendment) Commissioner for Oaths Act (Amendment) Fire Prevention Act (Amendment)

Criminal Injuries Compensation Act (Amendment)

Labour & Manpower

Labour Relations Act, 1977 (Amendment)

Labour Relations Act, 1977 (Amendment) (No.2) Workers' Compensation Act

Occupational Health & Safety Act (Amendment) Regulations of Mines Act (Amendment)

Labour Standards Act [Amendment]

Mines & Energy

Mineral Act, 1976 (Amendment)

Municipal Affairs

Local Taxation & Electrical Distribution Act City of Corner Brook Act (Amendment)

St. John's Assessment Act (Amendment)

City of St. John's Act (Amendment)

Department

Proposed Bill

The Premier

Status of Women Advisory Council Act (Amendment)

Rural, Agricultural & Northern Development

Livestock (Health) Act (Amendment) Natural Products Marketing Act, 1973 (Amendment)

Co-operative Societies Act (Amendment)

Treasury Board

Public Service (Collective Bargaining) Act, 1973 . (Amendment)

Interns & Residents (Collective Bargaining) Act.