

PLEASE CHECK AGAINST DELIVERY

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Good afternoon to everyone joining us here live, and to those watching remotely.

I would like to begin by thanking MUN's Dr. Timmons, the CARE initiative and the Atlantic Institute of Policy Research for bringing us together to discuss the economic trajectory of Newfoundland and Labrador.

I was encouraged by the introductory words of the Conference materials that stated "compromise and a common objective, devoid of political stripes and specific interest groups will be needed." As this is precisely what our province needs as we navigate the road ahead.

So, I am not here to speak from a partisan perspective, nor to pass judgement on current or past leaders and governments; but merely to speak from my own experience and unique viewpoint as a former Premier of the Province.

I feel it is important to be reminded of how our policies actually made positive, and identifiable differences in the lives of our residents. And to remind you about how we felt as a people during that time – proudly holding our heads high in this federation and giving our young people hope for a better tomorrow.

I feel some of that has been lost in the intervening years, and as we emerge from this global pandemic I would love to see a renewal of that positive energy. Disraeli once said "The English nation is never so great as in adversity." And I think Newfoundland and Labrador is no different.

I entered the Premier's Office in 2003, having spent nearly 3 years as Leader of the Opposition. I have said before that during that time I estimate I read approximately a half million pages of materials – commissions, reports and best practices from around the globe. I sought counsel from some of the most experienced, diverse and knowledgeable people I could find. I read. And I listened. And I learned.

And when we formed government, we had a thoughtful, strategic and well researched plan for economic, social and cultural prosperity.

You will recall a Pricewaterhouse Coopers report early in our mandate confirmed our worst fears. Without substantial measures to deal with our fiscal realities, we were facing bankruptcy as a province. And while the slash and cut approach sounds simple, anyone who has ever held office knows that approach is neither politically nor economically practical. Efficiencies had to be found, but not at any cost.

Nonetheless, that report did result in cancellations, deferrals and expenditure constraint which immediately led to a public sector strike. Three months after our election, tens of thousands of workers were chanting angrily on the steps of the Confederation Building. And yes, delivering horse manure to my parking spot!

But generally, people understood. One of those very workers two years later said to me, "I hated you then, but I understand now why you had to do it."

Despite our limited resources, we began in earnest implementing our long-term plans to rebuild. And band aid solutions were not the answer. We choose instead to primarily focus on identifying major potential sources of new revenue.

Our approach was primarily four-fold: First, going after more equitable partnerships with the Federal Government, including the Atlantic Accord. Second, re-visiting arrangements with our oil and gas

partners for more lucrative returns to the province. Third, re-assessing the great Churchill River and hydro-electric development.

The fourth and more intangible piece, was cultivating a renewed sense of self and place for the people of the province within the Canadian federation. As it turns out, it was an invaluable piece of the puzzle.

But it started with the big bucks. A simple pie chart revealed that our share of the Atlantic Accord revenues was approximately 15%. This very basic yet powerful piece of information was enough to convince Prime Minister Paul Martin that we were in fact not the “principal beneficiary” of our oil and gas resources, as was intended by the Accord. And he agreed to revisit it. It took 7 months and the help of many allies to overcome the federal finance bureaucracy. But we succeeded.

And the symbolism when we brought home that cheque for 2 billion dollars was a TSN turning point for both the psyche and the coffers of our province.

Now, fair warning - conference organizers asked me to talk about why our government did what we did. So buckle up for a trip down memory lane!

With the Accord money in hand, the deficit came down and we commenced implementation of our strategic plans. It started with the basics – addressing the crumbling infrastructure province-wide.

We increased essential infrastructure spending annually to eventually more than 1 billion dollars in 2010.

Not only did it create massive employment; but this spending on roads, the Trans Labrador Highway, broadband, schools, hospitals, long-term care facilities and so on - sent a clear signal to businesses that they could invest in our rural communities. It gave them confidence knowing that the nuts and bolts infrastructure necessary for success would be there for them.

But we didn't focus only on bricks and mortar. We implemented tax relief, including a large personal income tax reduction and eliminating it altogether for low income earners. And we increased minimum wages, putting more income in the hands those who needed it most.

Our health care budget increased to 2.7 billion dollars, for badly needed services and facilities. From insulin pumps for children to the province's first PET scanner, we spent where it was needed.

With an investment of approximately 500 million dollars, we developed and implemented an innovative Poverty Reduction Strategy that was heralded by national experts as a model for Canada.

There were significant increases in education funding including here at MUN and the College of the North Atlantic, including both new Academic Building and new student residences in St. John's. Our K-12 budget hit more than 1 billion dollars, including capping class sizes. And we delivered the best student aid package in the country.

Coupled with our Youth Retention and Attraction program, our goals were to see our young people not just survive, but to thrive here.

We invested millions in an Innovation Strategy, creating a 20-million-dollar Commercialization Fund and Regional Sectoral Diversification Fund. We revived the Aquaculture industry to help communities on the Connaigre Peninsula where they were experiencing almost 100% unemployment.

And we stepped up for workers when multinational companies like Abitibi walked away. We developed a thorough Immigration Strategy; and our Oceans Strategy was designed to put that industry at the forefront in the province.

And in order to stimulate Information Technology, we appointed a Chief Information Officer to direct growth of that industry and more evenly distribute the business.

We also launched the province's first Strategic Cultural Plan. We were proud to be among the first investors in both The Republic of Doyle and the Fogo Island Inn. I sat with the Alan Hawco and Zita Cobbs of the world and was inspired by their vision and knew these types of investments would pay massive dividends. I'm glad to see governments since continue to invest in this kind of activity, as it puts our province on the map in ways that oil, gas and hydro never will.

We also revitalized our tourism marketing. I recall at the time, our entire marketing budget was equivalent only to that of a local brewery's marketing budget. We refocused and delivered Newfoundland and Labrador into a whole new era as a preferred tourist destination, with internationally award winning ads. We rebranded ourselves as Canada's youngest and coolest province.

And we were just hitting our stride when the global recession hit in 2008. But we did not take our foot off the gas, as we knew this would stop our momentum dead in its tracks.

We continued to fuel the economy and emerged from the recession with increases in GDP, retail sales, employment, investment and even a population spurt. We continued with infrastructure funding, and also supported business attraction, the fishery, farming, forestry and mining through incentives.

We provided significant funding to our Northern Strategic Plan for Labrador, and negotiated the landmark New Dawn Agreement with the Innu based upon fairness and equity.

This included redress for the Upper Churchill, which I was determined to include, knowing how unjust it is that Quebec refuses to do likewise for us as province.

While we continued to strategically invest, we also got deficits under control and reduced debt to \$7.9 billion!! And we became a have province for the first time in confederation. It was a record I was proud to leave office with and I remain proud of it today.

And of course, while all of this was proceeding, we were simultaneously moving along with progress on the other 2 mega sources of potential revenue – oil and gas and the Churchill River.

Our negotiations back then were based on 3 basic principles: 1) no more giveaways; 2) maximum benefits from our resources; and 3) having a real and meaningful role in development of our resources through ownership. The goals achieved will result in tens of billions of dollars to our province from our oil fields alone.

We told one of the biggest corporations on the planet that the Hebron oil could stay in the ground, despite backlash from industry and mostly mainland press. But the promise of clean, easily transported North American oil and pure stubbornness on our part prevailed.

We ultimately signed a favourable Hebron deal with higher royalties and equity stakes, resulting in significant revenues for the people of the province. The benefits of which we are still reaping today.

Tough negotiating by Nalcor officials further resulted in significantly greater benefits, royalties and equity in other projects – more than 50% royalties and 10% equity which is merely another word for increased profit share. Of note, these very profits are precisely the assets we can use today to assist with our current economic challenges.

No wonder rumours abound today that mainland banks and private interests are sniffing around to snap up the oil and gas division of Nalcor. It speaks to exactly how lucrative this provincially owned asset has become.

And despite the negativity perpetuated around Nalcor, that company's assets since we created it have gone from approximately 2 billion to 19 billion – that is real value!

There is no doubt that climate change must be addressed, and yes - an oil producing province like ours must play a role. But the fact remains that oil still plays a major part in the global and local economic reality.

Is it not more reasonable and responsible to extract these resources from jurisdictions such as ours where the processes are much more safe and environmentally sound than most other places in the world?

Progressive and aggressive climate change policies can and should go hand in hand with thoughtful and sensible plans to manage our way through the transition from a non-renewable to renewable future, with the ultimate target of a green economy squarely in our crosshairs.

The Energy Plan we developed in 2007 started that process. It was a comprehensive long-term strategy that evolved from consultation and input from numerous stakeholders.

It was not just about hydro and oil and gas, but all of the valuable energy assets of the province collectively, as well as plans for energy efficiency, conservation and Climate Change solutions. A holistic approach to support responsible policy.

A fact conveniently ignored by critics. Oscar Wilde said it best, "cynics know the price of everything but the value of nothing."

The easiest thing in the world is to sit back behind a keyboard and start a blog or twitter account and start criticizing. As noble as intentions may sometimes be, these individuals often have little to no experience in what it means to actually do the work, face the tough challenges, and make the gut wrenching decisions. Put your name on a ballot and try making the tough calls.

To govern effectively is to strike the delicate balance between making people happy and doing the right thing. It is taking into account with every decision, the needs and wants of the people you

represent, the opposition, your caucus, the media, labour unions, business interests – all the while also working within the Canadian Federation replete with diverging interests.

Don't misunderstand me - elected leaders should be held accountable and decisions placed under a microscope. But relentless criticism lacking balance or context, should not rule the day.

There are some pundits who have established a whole career for themselves with their slot on the evening news criticizing me and others. And don't start me on the echo chamber that is social media.

I, for one, prefer healthy, lively, non-partisan debate with constructive and meaningful solutions – precisely like this forum. And of course, that leads me into Muskrat Falls which has become perhaps one the most polarizing issues in our province since the Upper Churchill.

Over the course of the past decade, the critics have been so unrelenting in their determination to see the project fail, that we have allowed ourselves to lose sight of what good might actually come of it for Newfoundland and Labrador.

Even when I was diametrically opposed to another government's policy or plan, I wouldn't actively wish for its failure, without a thought for the good of the province.

With Voisey's Bay, which Premier Grimes will recall well, I criticized and was quite vocal about the deal. But I also made genuine efforts to put forward alternate ideas to improve the agreement. And I applaud the government of the day for undertaking that project which has been and continues to be so beneficial for our province.

There are some legitimate criticisms out there on Muskrat Falls. Made easier with the benefit of hindsight; and easier still when made from the outside looking in. Over time, those who fundamentally opposed Muskrat Falls from day one, have taken advantage of the narrative to completely erase from public discourse the very real and very tangible benefits of this project.

One small example being this space we are in today, that MUN enjoys as the result of the generosity of our partners at Emera.

CEO Stan Marshall unfortunately choose hyperbole in calling Muskrat Falls a boondoggle. It is a word that not only belittles our province internationally, it does a disservice to the project and to the thousands of Newfoundlanders and Labradorians who worked their butts off – and continue to this day – to bring this project online.

The truth is our government undertook Muskrat after years of intense review and analysis. It moved forward with the full support of international experts, the federal government, consultants, and banks who were anxious to be our partners.

In the intervening years since I departed government, a lot of water has gone under the bridge. Cost overruns. Delays. Protests. Global oil price fluctuations.

But I have said before and I say it again – I can give you a list a mile long of projects from around the world that doubled their budgets and then some, yet were ultimately hugely successful. Hibernia, Vale Inco, hydro projects in BC and Manitoba, and on and on. Hebron was executed by the most successful companies in the world and went from a 6-billion-dollar budget to 14 billion dollars without even a murmur.

Excluding interest, the capital costs on Muskrat have gone from 6 billion to 10 billion dollars today – including modifications and new capital expenditures. There has been eleven years, 5 premiers and two Nalcor CEOs in the intervening years. And Mr. Marshall's personal commitment when he came on as CEO to keep the project on time and on budget never happened.

At his final Nalcor AGM, 5 years after taking over the project, he stated that when he arrived 8 billion dollars had been spent with nothing to show for it – a hole in the ground he said. That was such an illogical and silly statement – and demonstrably untrue.

Yet just after that very same meeting, he implored the government to keep the valuable expertise that exists at Nalcor for the benefit of the province. The same people who in his own words built a hole for 8 billion dollars? This is the type of rhetoric that does such a disservice.

Our staunchest critics still complain that my approach was “anything but Quebec”. Simply not true. Believe me, we tried. I was willing to work with anyone who would agree to a fair deal. But historically Hydro Quebec has not only NOT given us fair deals, they have taken advantage of or obstructed us every step along the way.

They have not redressed the Upper Churchill. They challenge us in court at every turn. They have consistently refused us access to transmit new electricity across their territory despite North American FERC regulations which say they must.

And to this very day they continue to include our Labrador territory as their own on the maps on their official Government website. Forgive me if I question their motives.

But I continue to hope that one day this will change. In fact, I long for the day. As leadership changes in Quebec, there should always be hope that meaningful and FAIR dialogue can occur between our jurisdictions. But 50 years of history and experience has surely taught us to proceed with caution.

The tone was set by Quebec Premier Jean Lesage in 1965, when he stated that Quebec would never allow a transmission line through its territory, and that any electricity that ever entered their territory would become the sole property of Hydro Quebec. This sentiment has driven Hydro Quebec’s policy ever since.

Perhaps this is why John Crosbie himself applauded Muskrat for finally showing Quebec that we could get around them.

I will be watching with interest to see how things progress, including the potential development of the Atlantic Loop. We must ensure that Hydro Quebec does not enjoy the windfall rewards of this concept including the Federal Government paying for infrastructure aiding Quebec in maintaining their stranglehold of the region. These things should be non-starters. This is particularly important as we inch towards that crucial date of 2041.

Again, lost in the blogs and even in the inquiry, is the bare minimal mention of how this project has and will continue to benefit our province.

More than 5000 hard working Newfoundlanders and Labradorians, paying taxes and contributing to the economy. This translated into literally billions of dollars in economic return in jobs and labour alone. All done building us a valuable green energy asset.

And as for the merits of Muskrat Falls, I would like to quote my own words – from our very first policy platform in 2003, 18 years ago:

“Hydroelectricity is the pre-eminent renewable energy technology ... Its value is growing as consumers around the globe demand products made with clean energy. If we are patient and build wisely on this core economic asset, it is sure to contribute to long-term economic prosperity for the people of Newfoundland and Labrador.”

These words still apply today. The only difference is that today, for the first time ever we are positioned as a player in the market place with Muskrat Falls.

The project delivers on one of the key goals of the 2007 Energy Plan, which was to use the financial windfalls from our non-renewable resources to build a future based on our renewable assets. In fact, very recently our own federal Minister of Natural Resources and proud Newfoundland and Labrador son Seamus O'Regan stated on the news, “To be honest with you, one of the upsides of

Muskrat Falls is it is going to give us a good source of power for many years to come. So puts us in a better position for greenhouse gas emissions.”

And in less than 20 years – which believe me folks will be here and gone in the blink of an eye – we will have control of the Upper Churchill. We have waited 50 years. I cannot state this loudly enough – we are finally in the driver’s seat. We cannot let this opportunity slip through our fingers.

Let’s not giveaway 2041 for a deal in 2021. Instead of getting the muskrat off our backs, let’s keep focused on just getting the Upper Churchill back!

I would like to again express my appreciation for this opportunity to put into context our time in office.

In 2010, Mark Carney, then Governor of the Bank of Canada said that Newfoundland and Labrador was an “economic model for the rest of the country.” Clearly, we were doing something right! It was a powerful statement from a very powerful individual. And we have the tools to get back there.

I am not naïve enough to believe that partisanship will cease to exist. Sometimes conflict is necessary. Trust me – I never thought I would debate my childhood hero Paul McCartney on international TV or take down Canadian flags. Some battles are worth fighting; but there is also a time for cooperation and compromise.

I believe in this province as strongly today as I did when I entered office in 2003. It the reason that since I left politics I have continued to invest my life’s earnings back into the economy right here at home. And great things are happening out there.

Look at Verafin and Mysa. Look no further than local entrepreneur Carl Dymond who announced last week in Stephenville his own 200-million-dollar investment into a community that many had written off – signaling a new beginning for the west coast!

Young, ambitious Newfoundlanders and Labradorians are out there identifying opportunities and willing to do what it takes to create success here, because they love this place.

So my advice is simple. We must identify our strengths and develop long-term strategies to capitalize on them. Welcome new ideas, and support those who are willing to take the risks. Build the broadest base possible in terms of building the economy. Oil, fish, minerals – these are all critically important, including maintaining control of the Churchill River.

But a truly successful Newfoundland and Labrador will also involve adventure tourism, microbreweries, aerospace companies, film and TV production, and so much more. Our potential as a people has never been an obstacle, and the foundation for success has been laid in this province.

Barack Obama once said: “We did not come to fear the future. We came to shape it.” So, let’s all commit to putting fear and rhetoric and politics aside, and concentrate on shaping that brilliant future we know is within our reach. Thank you.