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She won't make Joey's mistake

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After decades of being kicked around and ripped off, Newfoundland and Labrador is finally in a power position. Leading the charge is Kathy Dunderdale.



Newfoundland and Labrador Premier Kathy Dunderdale sits in the house of assembly in St. John's. Dunderdale's leadership style is dramatically different than her predecessor's. (ADRIEN VECZAN / Staff).

Kathy Dunderdale really wants to live long enough to see 2041.

For the last two years, the Progressive Conservative premier of Newfoundland and Labrador has taken up a "pretty strict fitness regime," noticeably dropping weight and looking healthier than before she took office.

Dunderdale is now 60, and the goal is to keep alive and well for three more decades. That is when the province can finally turn the page on one of the most infuriating chapters in its history.

In 2041, the upper Churchill River deal with Quebec, the deal that seems like it will never expire, will actually expire.

Signed in 1969 by Premier Joey Smallwood, the upper Churchill River contract is the gift that keeps on taking. As of 2007, the project had raised \$20 billion, with \$19 billion going to Quebec and Newfoundland and Labrador getting \$1 billion in leftovers, according to a government report.

Quebec has quashed repeated attempts to reopen the contract, but in 2041, the party is over. And if Quebec doesn't open the deal before then, it will be negotiating with one angry province.

"Truly, in this province, people will be prepared to see that water run to the sea rather than try to find some way to deal with Quebec; we have to go right to 2041 without any redress," said Dunderdale.

Rather than being heavily in debt, geographically cornered and without any options, as Smallwood was, the Newfoundland and Labrador of 2041 will be well financed and will have another route as leverage. At least that is the plan.

In the meantime, the revolution starts now. After decades of being kicked around and ripped off, Newfoundland and Labrador is finally in a power position.

It is developing a new hydroelectric project on the lower Churchill River at Muskrat Falls to ship power not west, but south to Nova Scotia via a subsea, 180-kilometre long middle finger made of steel and aluminum not so subtly directed at Quebec.

There are many ways to view Dunderdale, who now sits in the driver's seat of a province that is about to transform a region.

She is a small-town councillor who became premier against high odds. She is not the populist hero, but the one who came after. She was the interim leader who ended up taking the full-time job when no one else stepped up. She is the second woman to ever lead a provincial party to election victory. She is the one who ended a historic feud with the federal government, and was frequently denounced for it at home.

But, above all else, what Dunderdale does not want to be is the next Joey Smallwood. The importance of not screwing up a file as massive as lower Churchill is all too apparent.

"I don't want to be the second premier in our history to be saddled with a project that is a disaster. Who the heck would want that legacy?" she said, sitting in her St. John's office in November.

Dunderdale also has to pull the project off while her government's support is tanking.

Her predecessor, the always combative Danny Williams, was floating around 80 per cent approval ratings when he left office in late 2010. And she polled well north of 50 per cent herself and turned that into a decisive election victory in 2011 when she won 37 of 48 seats in the provincial House of Assembly.

But, after that election, the NDP jumped to five seats from just one. Since then, the party's support has only grown, and a July poll has the NDP leading the Progressive Conservatives.

As of this September, Dunderdale's approval ratings had dropped to 39 per cent, continuing a steady decline, according to polling firm Angus Reid.

Dunderdale said she believes the provincial New Democrats are rising on the coattails of their federal counterparts.

"I think it's the Jack Layton effect. There's no question it was felt right across the country, and you can see it. You can see it in the federal Parliament."

She has chosen to govern in a different style than Williams.

Since coming to power, Dunderdale has settled some contract negotiations that had been languishing. Whereas Williams had famously fought tooth and nail against Prime Minister Stephen Harper, Dunderdale has publicly endorsed him.

The move seemed to pay dividends when Harper promised a federal loan guarantee for the lower Churchill project — over Quebec's objections — that will save ratepayers hundreds of millions of dollars. However, that guarantee has never been signed and instead still hangs over the head of Newfoundland and Labrador. (Dunderdale insists she has no worries the loan guarantee will come through).

The Harper endorsement also drew waves of criticism from opposition parties and the public. But while Williams was loved for his war against Ottawa, Dunderdale takes the approach that you need to be at the table to have your voice heard.

"There's a segment of our population that like nothing better than a good fight. It can be a bit of a sport for them. And I suppose I could go out and have a row with everyone I encounter, and that might make me really popular in some arenas. But if I'm not serving the best interests of the people of the province, what am I doing?"

"Because Danny Williams was a fighter I'm going to go pick fights so I'll be seen in the same light as him? That, to me, is unethical."

Or as she puts it: "You cannot be going around blowing up bridges all of the time."

That said, some people think the ceasefire with Harper didn't work out the way Dunderdale had hoped.

David Cochrane, a Newfoundland and Labrador political reporter for the CBC and host of the talk show *On Point*, said Williams so poisoned the federal Conservative brand in the province that it likely won't be repaired until Harper leaves office.

Cochrane said he thinks Dunderdale's backing of Harper in the 2011 election resulted in her getting tarred by association with federal embarrassments such as cuts to search and rescue programs.

"Post-Williams, I think everybody always knew there was going to be a market correction," Cochrane said. "I mean, he was running popularity numbers and approval numbers that we've never seen here before. I mean they were Castro level."

"It was just going to be unsustainable, post-him. It was a bubble. It was going to break."

Still, while Dunderdale hasn't retained Williams's lofty numbers, Cochrane points out she still stacks up well compared with other Canadian premiers, and her 2011 win was actually larger than Williams's 2003 victory.

And while working with Harper may not be the most popular move, it ultimately may be the most tactical one. "You never lose votes by going to war with Ottawa," said Cochrane. "But after a while, you have to be able to work with the federal government. This is the mindset that Dunderdale brought."

This is not to say that her image is purely that of a peacemaker.

Former Tory cabinet minister Tom Osborne quit the caucus this fall, citing his disagreement with Dunderdale's leadership and her tight grip on communications.

Opposition parties accuse her of ramming legislation — and lower Churchill approval — through the legislature. The House sat just 10 days in 2011, and, on average, sits fewer days than any province in Canada other than Prince Edward Island.

When the legislature did sit this year, it was contentious. When the Dunderdale government rewrote access to information laws this year, critics charged that the new rules were giving cabinet ministers the power to arbitrarily withhold virtually any documents. The opposition filibustered for four days before the bill was passed.

If you really want to see the Williams side of Dunderdale, just bring such issues up with her.

Her voice rises a note, her pace speeds up and her accent thickens slightly. You can physically see her get her back up.

On short legislative sessions and few legislative committees: "You don't need that kind of structure here. They don't have it in the north. We're only half a million people. You can't legislate people to death."

On extending cabinet secrecy to briefing notes, which other jurisdictions make public: "I'm serious now, it's one thing to protect cabinet documents but if you don't protect the briefing note that informed that cabinet paper, then what is the point of having a secret up here and protecting the information here if you haven't protected it (elsewhere)?"

On allegations of her ramming through lower Churchill approval: "Somebody tell me how we're not providing information, because there's no project in the history of this country that's undergone the scrutiny that this one has gone under."

Tim Powers, a political analyst at government relations firm Summa Strategies Canada and a St. John's native, said he doesn't think the premier's political career will live or die on these issues. He said it will come down to the economy in 2015 and whether people start to see some jobs come out of Muskrat Falls.

In other words, there is a lot riding on the next few years, and Dunderdale needs to not screw it up.

"We're probably at the most vital junction in our history," said Powers.

"We're detaching ourselves from our past history of suffering, challenge and legacy of how our economy worked into a state of delirium based on some black substance that comes out of the ocean floor.

"That's going to end. Non-renewable resource extraction ends at a certain point. It's a crucial decade that we are in, and Muskrat is an important element of that."

Many residents believe the golden age has already started. Newfoundland and Labrador is now a have province — after decades of being a have-not one — with a growing population for the first time since the 1980s.

Whereas the St. John's Cochrane grew up in had that one guy with a Mercedes or that one guy with a Corvette, now luxury cars are flying off the lots.

The province can look to a realistic future with three hydroelectric projects, five or six oilfields and six or seven significant mines. It could end up being one of the richest areas in North America.

However, its rural areas are dying, it is in debt and running annual deficits, it is less than a decade removed from being virtually bankrupt and its oil reserves are being drawn down and will expire in the coming decades if exploration doesn't yield new deposits. On top of it all, many Newfoundlanders and Labradorians are deeply distrustful of the lower Churchill project because of the lingering pain of upper Churchill.

Dunderdale said the pressure of Newfoundland's past mistakes are still very much part of the public consciousness. She said the politically safest move would probably be to kick lower Churchill down the road a few years. But instead, she argued, "you can't be paralyzed by history."

"Decisions have to be taken now. They can't be taken in 2035. This is the time for the lower Churchill development. Right now, we've got the mining developments in Labrador, we've got the needs for ratepayers here in the province, we have the deal with Emera in Nova Scotia, and we've got the loan guarantee. This is our time."

Newfoundland is still fighting to reopen the upper Churchill contract. Quebec, as always, is refusing to budge. Dunderdale noted with some amusement that when British Columbia threatened to shut down a pipeline from the Alberta oilsands to the Pacific unless it go

a cut, the federal government jumped in and declared the pipeline was in Canada's national interest. It would be nice, she said, if the attitude extended across the whole country.

Asked if she feels personal satisfaction at the idea of getting back at Quebec, she doesn't try to hide it. "No question. It would be dishonest of me to say that that's not so. We feel very much here, as a people, that our economic development has been hampered by Quebec's position. They use their geographic location to block competition. That's really all it is."

Dunderdale is famously the first female premier of Newfoundland and Labrador and the second female premier in Canada to lead her party to victory, after Catherine Callbeck did so in Prince Edward Island two decades ago.

Dunderdale said she is proud and humbled by her role, but she never thinks about it on a day-to-day basis.

Still, she admitted she receives the occasional comment she can't imagine her male counterparts ever would. Often, they involve tips on how she should wear her makeup.

Her tone is slower and more thoughtful when she talks about how governments should reflect the makeup of the communities they serve. Her voice drops even more when she discusses the question that haunts all politicians: what does she want her legacy to be?

"Good stewardship. That's my charge here," she said. "History will judge whether or not I did that well. But, for me, what I want my legacy to be is for the people of this province to say when I'm done and they reflect on it, 'Good job. She did a good job. She did remember who hired her and why.'"

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hav2b · 8 hours ago

Dunderdale: "you can't be paralyzed by history." No? And that coming from an extremely bitter and begrudging premier, intent on doing whatever she deems necessary to get back at Quebec? We, Nova Scotians, on the other hand, have no fight with Quebec, but are being drawn into the Newfoundland/Quebec dispute through association with Newfoundland and the hare-brained scheme being pushed by both Dunderdale and Dexter. One thing that Dexter doesn't see is that any good which may come from dealing with Newfoundland, on the Muskrat Falls project, will be heavily outweighed by the decades of having to deal directly and exclusively with NSPI in order to buy power. Not to mention being drawn into Dunderdale's blood feud with Quebec. We don't need Newfoundland power, some time down the road, we need cheap power NOW and it's presently available from sources other than Muskrat Falls or NSPI's coal fired generating plants.

If Dexter would just remove his blinkers and look around, he'd see that WE DO HAVE other, cheaper, readily accessible choices. In stead we'll be doomed pay high power rates to support a continued NSPI monopoly, for following a blinded leader down an expensive, ill-considered and inappropriate path to certain economic disaster.

This province has enough problems, something we must also keep in mind, without looking for more and Muskrat Falls is more.

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MarkyMark > hav2b · 5 hours ago

I would tend to agree with you. I fail to see why I as a NSPI customer must shoulder an additional burden as a ratepayer in order to finance this expensive undersea cable to satisfy Dunderdale's and Dexter's egos when there is cheap, readily available, excess capacity from Hydro Quebec only 400 km away from Amherst over land and to which we are already inter-connected via NB Power.

We would be a very small customer for Hydro Quebec to add. In fact all of Nova Scotia's demand for electricity could be solved by less than a few hours of just one of their dozens of hydroelectric dams. We could retire every single one of our coal fired generating stations and buy Quebec electricity under a long-term supply contract (just like the New England states do) for far cheaper than this undersea adventure of Dunderdale and Dexter.

Let Newfoundland pay 100% of the costs to run that cable to Cape Breton if they are so desperate to bypass Quebec's borders. Or let Newfoundland tie Lower Churchill into the existing transmission lines running from Upper Churchill to Sept Iles.

I simply fail to see why I as a Nova Scotia electricity customer should be drawn into this inter-provincial pi**ing match and forced to pay out of pocket in order to satisfy bruised egos in Newfoundland resulting from a fight that I was never a part of.

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honker1 > MarkyMark · 3 hours ago

That hydro Quebec power isn't cheap. Neither is Muskrat. The one good thing that the muskrat deal might do down the line is open access to the USA via an undersea cable from Yarmouth to Maine. What are the benefits of that? Hard to tell, a lot would depend on the ownership of the transmission line. Certainly in the case of Quebec and New Brunswick it has meant the ability to access USA markets and keep other provinces needing their territory out of that market. He who controls the transmission of electricity controls the market, supply and price.

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mact > honker1 · 11 minutes ago

You're right about Quebec power not being cheap. For those that want to purchase power from HQ, I say, why don't we see if we can negotiate a deal with HQ that is binding for, lets say, 15 years. Not going to happen. I don't anticipate us being able to purchase power from HQ for any less than it's costing us now. It was when NF was negotiating a route with NBP that HQ attempted to buy NBP and for obvious reasons.

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Ms, Biz > hav2b · 7 hours ago

I think she meant you must not be paralyzed by history. You "can't" because you shouldn't.

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hav2b > Ms, Biz · 6 hours ago

Even if she had said, "you shouldn't be paralyzed by history", I still stand by my comment. Besides that, I prefer to read what is written, there is often nothing between the lines.

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Ms, Biz > hav2b · 4 hours ago

I didn't mean to imply that was something between the lines, just common vernacular. It's common in the way many of us speak around here.

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hav2b > Ms, Biz · 2 hours ago

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