

The NDP Attack Ad

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The NDP should not attack Quebec.

It is an important job of government, and in particular the Premier, to make good business arrangements on behalf of his or her province.

A good business arrangement is one where the province gets the best value for its efforts and resources. While this may seem elementary, it is a concept that seems foreign to the Dexter government.

In the late 1960s, the government of Newfoundland and Labrador and the government of Quebec concluded a business arrangement for the construction of power facilities and associated transmission at Churchill Falls.

The power plant is actually in Labrador. Nevertheless, almost all of the income has gone to Quebec. Newfoundland has pleaded for a better deal both politically and in the courts, all to no avail.

Quebec has certainly not been generous with its good fortune, but neither has it done anything other than to operate the contract as it was written.

Any dispassionate observer would conclude that Premier Lesage did a much better job for Quebec than Premier Smallwood did for Newfoundland and Labrador.

Newfoundlanders are still upset about the arrangement 45 years later, but in calmer moments, most will admit that Smallwood's ineptitude was a root cause of the problem.

So what are we to make of the NDP's attack ad? As an election draws near, it is perhaps normal for political leaders to say nasty things about each other, so an attack on MacNeil is not unusual.

But why attack Quebec? Is it because they make good deals for themselves?

If those who believe that the province has been absurdly generous to Irving's shipyard are correct, is it Jim Irving that they should criticize?

Competition is good for buyers and tough on sellers. A province trying to make the best deal for new power supplies would be best served by an auction in which a number of well-qualified bidders fought for the business.

For Nova Scotia that would mean, during the bidding process, giving equal love to Nalcor, Hydro Quebec, and perhaps NB Power. An outcome should only be declared when the last possible concession has been extracted from the winner.

This is exactly what has not happened in Nova Scotia. New Brunswick Power was never considered. The case for of Hydro Quebec was presented by its competitor Emera, in full partnership and embrace with Nalcor.

Unsurprisingly, they found Hydro Quebec to be uncompetitive. Air Canada rarely recommends Westjet. Ford never recommends Toyota.

The government, having made no effort to deal with anyone else, has spent all of its time and energy on the sellers' side of the table. They seem to have forgotten that their job is to represent us as buyers.

And yet the Premier has maintained the fig leaf that the Utilities and Review Board will objectively make the final decision.

And suppose that the UARB, in spite of the government's effort to tilt the odds in favor of Emera/Nalcor, concluded that Hydro Quebec was the better option. What happens next?

"Bonjour Pauline, c'est Darrell à l'appareil." The Premier's French will have to be a lot better than that to get the conversation going.

And when he or his successor makes that call, the ability to get the best deal possible will already have been lost. Why attack Quebec, and in particular Quebec Hydro? We might need them some day.



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