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Premier attacks Quebec in speech

Dunderdale touts Muskrat Falls to Board of Trade

Premier



Premier Kathy Dunderdale speaks at a St. John's Board of Trade luncheon Wednesday.

Kathy Dunderdale took aim directly at Quebec Wednesday afternoon in her latest attempt to sell the

merits of the Muskrat Falls hydroelectric project.

Talking about the "predatory" nature of the Quebec government, and how Newfoundland and Labrador is "held hostage" by the Belle Province, Dunderdale made the case that quite apart from domestic electricity demand, the massive hydroelectric development is about seizing control of the provincial economy.

"Quebec was trying to make us choose between a deal with them or no deal at all," she said. "They thought we would have to slam on the brakes of our own economic development. Instead we have charted a bold new course that establishes a template for the future."

There has always been an undercurrent of anti-Quebec sentiment in the case for Muskrat Falls, but up until now, the government's message has focused primarily on stable, lowcost electricity rates for Newfoundlanders, and the benefits of being able to sell excess power to mainland customers, or use it to power mining developments in Labrador.

But as a final sanctioning decision approaches later this year, and public debate intensifies, Dunderdale took aim at Quebec in the strongest rhetoric she has used to date. "Our resources must be developed for the primary benefit and the maximum benefit of the people of Newfoundland and Labrador. That will not happen unless we are in the driver's seat," she said. "It will not happen if Quebec is deciding how big we can grow."

Essentially, Dunderdale argued that excess power from Muskrat Falls is needed for proposed mining developments in Labrador, and if companies are forced to go to Quebec for their electricity needs instead, they won't get a fair deal.

"Does anybody have any confidence that, when mines in this province go to HydroQuebec looking for energy for development in Labrador, they are going to get the best industrial rates in Atlantic Canada? Not likely," she said. "(Muskrat Falls) will drive our economy. It will make us energy-self-sufficient and it will break Quebec's hold over Newfoundland and Labrador."

Dunderdale's speech to the businessoriented crowd at the Board of Trade comes as the government is finalizing negotiations for a federal loan guarantee to help finance the project, and drawing up the final cost estimates that will be used to decide whether or not the government sanctions the project.

The speech seemed to provide a template for the arguments her government will use as it heads into the House of Assembly in the coming months to hold a special debate on the project.

Immediately after concluding her speech, the Board of Trade formally endorsed the project as the best option for the province's electricity needs.

"Newfoundland will no longer be an island: we will be linked into the national energy grid by an asset that will create direct industrial benefits and clean energy for 100 years or more. The project has to be seen as an investment in our future," said Board of Trade vice-chair Sharon Horan, in an statement emailed to media. "Muskrat Falls is a good project for Newfoundland and Labrador. It will provide clean, reliable energy at stable prices, and that is good for economic development now and into the future."

Speaking to reporters following her speech, Dunderdale said the No. 1 reason for pursuing the Muskrat Falls project is still to satisfy domestic power demand, but that's not the only reason.

"This will make sense at that fundamental level; on the dollars and cents this is the least-cost electricity that we can build for the people of the province. This will keep power rates low over the long term," she said. "But layered on top of that are issues that are just as important in their own way. It's about the economic future of Newfoundland and Labrador, and do we have to go cap in hand to Quebec to see if we can develop Labrador. It's a critical issue for the people of the province and we need to consider it."

In her speech, she said the government would have liked to go with the larger Gull Island portion of the Lower Churchill project first, and sell excess power through Quebec, but negotiations ended in gridlock.

But she argued by routing excess Muskrat Falls power through the Maritimes, it would prove to Quebec that the government is prepared to pursue other options, and that would break the logjam of negotiations.



"We are changing the dynamic completely when we begin talking about developing Gull Island," she

said. "We will negotiate from a position of strength and Muskrat Falls will be a lesson for everyone that Newfoundland and Labrador will not be held hostage. It is the path we need to unleash the economic potential of the Churchill River. Muskrat Falls is truly a game-changer."

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