

THE WILLIAMS EFFECT: ELECTION 2007 IN NEWFOUNDLAND AND LABRADOR

Christopher Dunn

The October 9 election in Newfoundland and Labrador resulted in an historic sweep for Premier Danny Williams, who won 70 percent of the popular vote — the largest since Confederation in 1949 — and all but four seats in the provincial House of Assembly. Williams successfully positioned himself as the champion of his province's interests against Ottawa and Big Oil. From St. John's, Christopher Dunn of Memorial University writes of a new political model he calls the "Williams effect."

Aux élections de Terre-Neuve-et-Labrador du 9 octobre dernier, le premier ministre Danny Williams a réussi un balayage historique en obtenant 70 p. 100 des suffrages exprimés — un record depuis que la province s'est jointe à la Confédération en 1949 — et en raflant tous les sièges sauf quatre à l'assemblée législative. Danny Williams a triomphé en se posant en défenseur irréductible des intérêts de sa province face à Ottawa et aux grandes sociétés pétrolières. Christopher Dunn, de l'Université Memorial à Saint-Jean, analyse le nouveau modèle politique créé par l'« effet Williams ».



Danny Williams is unusual. He is also successful. The combination of unusual characteristics that pay off can lead to the establishment of a new model that others will emulate in the future. It's like in sports. Mohammad Ali was an unorthodox fighter, but he changed the course of the sport. We can call this new model the "Williams effect." And the 2007 election was one manifestation of this model.

Yet there is a paradox at work in the province. At the same time as support for the Premier and his government is rising, support for the political regime — the system of representative and responsible government — is slipping. The government has worked hard to garner support for the government. Now it needs to work harder to increase support for the regime.

The outcome of the 2007 election was predetermined, but the election was interesting nevertheless. It was a record-setting affair. The results showed firsts and ties, and it also set off alarm bells.

- The Williams Progressive Conservatives won the largest percentage of the popular vote ever (69.6 percent) in the Confederation period (post-1949). The previous largest was for the Smallwood Liberals in 1956 at 66.3 percent. It was surpassed in the 20th century only by the

70.8 percent won in the 1932 election by the Conservatives (UNP) of Frederick C. Alderdice. Newspapers had reported that the Williams Tories were second in Confederation history, behind Smallwood in the 1949 election, but they were mistaken.

- The showing for the major opposition party, the Liberals (21.98 percent), was the worst showing in their history, pre- or post-Confederation. Previously, the worst since Confederation was also against Williams, in 2003 (33.2 percent), and pre-Confederation it was in 1923 (27 percent).
- The number of opposition members elected (four — three Liberals and one New Democrat) was almost the lowest in history (the record was three Progressive Conservatives in 1966).
- The voter turnout, at 61 percent, was almost the lowest in Confederation history — in 1962 it was 58.5 percent. Had Williams not been in office, it is highly likely that the 1962 record for the lowest turnout would have been easily surpassed, echoing Ontario's mediocre results.
- The 2007 election saw a virtual tie for the highest percentage of government members in the legislature in the Confederation period (43 out of 47, or 91.5 percent). The only time the percentage was higher was in 1966 (39 out of 42, or 92.9 percent).

The election promoted modest optimism among NDP voters. Their leader, Lorraine Michael, won by a handy margin in Signal Hill-Quidi Vidi. In several three-way races in urban ridings, they even came second (St. John's Centre, St. John's East, St. John's South, Kilbride). This observation must be qualified, of course; both the Liberals and the NDP were crushed by giant margins in most ridings in

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the province, including the urban ones. Still, they came a strong second in Labrador West with Darryl Brenton (PC 2,204, NDP 1,848, Liberal 287) and, unlike the Liberals, they increased their popular vote (8.2 percent) over that of 2003 (6.9 percent). Their highest results heretofore had been 14.4 percent in 1985 and 8.2 percent in 1999.

Support for Williams was not uniform in the province. It was strongest in eastern Newfoundland and in urban areas (Metro St. John's 75.41 percent; eastern Newfoundland 74.93 percent; Avalon Peninsula 69.72 percent); weakest in the north and south (Labrador 48 percent; southern Newfoundland 59.71 percent); and moderate where the Premier ran (western Newfoundland 68.45 percent).

The Liberals based their campaign on policies for the north and rural Newfoundland, and these paid off somewhat in the four ridings of Labrador (34.91 percent), the four in southern Newfoundland (30.23 percent) and the eight in western Newfoundland (29.4 percent). By ignoring urban issues, they forfeited Metro St. John's, coming in at 11.01 percent to the NDP's 13.07 percent.

The election results therefore manifest two trends at the same time:

unsurpassed popularity for the government, and next to record lows in support for the political regime.

The popularity of the government can be attributed to its resource policies. Resources and political culture are integrally linked in this province.

There are many approaches to explaining political culture in

Canada. The one that seems to be most congenial to Newfoundland's history is the "staples" approach. It holds that national and regional political cultures are strongly determined by the nature of the staple, or staples, upon which the nation or the region depends. The staple shapes the collective consciousness of the population. The cod fishery, for example, resulted in a combative population who identify themselves largely as independent producers locked in an unequal struggle with the forces of commerce and trade.

Today, the attitude of struggle and contestation continues, but with reference to a wider variety of resources. Since Newfoundland's politics and political culture are driven by the province's staple resources, the electorate identifies with governments that try to maximize return to the province and/or reverse arrangements that are perceived to provide a less than fair return.

There have been several cases of this type of situation in the short four years that the Conservatives have been in office. A rhythm was established through struggles between the Premier and a series of formidable opponents, ranging from the federal government to oil companies.

In January of 2005, as the result of a year of mounting tension between the Williams and Martin governments, a deal that honoured the original intent of the 1985 Atlantic Accord was signed. It gave Newfoundland and Labrador \$2 billion as an advance against expected royalties, over an eight-year agreement. With associated resources, the agreement was estimated to be worth \$2.6 billion for Newfoundland and Labrador and at least \$830 million for Nova Scotia over the same period. If either province were still receiving equalization, the agreement provided for it to continue for an additional eight years.

In April of 2006, Williams announced that development of the fourth oil field off the province's southeast coast, Hebron, had been suspended. The four partners — Chevron Canada, ExxonMobil, Petro-Canada and Norsk Hydro Canada Oil & Gas — could not come to an agreement on a demand by the Williams administration that the province have a 5 percent equity stake in Hebron. Williams had hinted that a deal was close, but that the companies would have undone the benefits with new conditions relating to tax credits and an exemption on fuel costs. Hibernia, Terra Nova and White Rose are the other operating fields in the southeast. The Premier promised he would go through ten general elections if necessary to get a satisfactory deal.

In May 2006, the Newfoundland and Labrador government announced plans to develop the Lower Churchill River hydroelectric generating project on its own. Proposals from three potential developers had been considered, but none were judged likely to provide sufficient benefits to the province. The province announced that it would decide on the feasibility of the project by 2009 and start producing power in 2015. In order to achieve this, Newfoundland and Labrador Hydro



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A jubilant Premier Danny Williams meets supporters in St. John's after his sweeping election victory last month. Running as a champion of the Rock's interests against Ottawa and Big Oil, Williams and his Progressive Conservatives won a record 70 percent of the vote and all but four seats in the legislature. Now for the hard part — managing expectations.

had to conduct an environmental impact statement, markets had to be developed and a benefits package for the area's Innu had to be worked out. The province was obviously seeking not to repeat — and to some extent to compensate for — the disastrous 65-year contract with Hydro-Québec on the Upper Churchill project reached during the Smallwood years.

In January of 2007, the Williams government reversed the approval issued by the Canada-Newfoundland Offshore Petroleum Board (CNLOPB) regarding development of Hibernia South. The CNLOPB had previously

granted approval on the basis that Hibernia South was an extension of the original development, 350 kilometres southeast of St. John's. The government's stated reason was that the partners in the Hibernia consortium had not provided enough information about the development of the field and about what benefits the province could expect. The government was not about to assume that the development was to be conducted as a mere extension of Hibernia, and that the original plan would have to be amended, and a separate royalty regime established, as a function of new negotiations.

In March 2007, the Williams government picked a fight with the Harper government on the new equalization arrangements that had been included in the federal budget. In January Stephen Harper had written to the Premier promising to keep nonrenewable natural resources out of the equalization formula when the expected changes to the new formula were going through. Newfoundland and Nova Scotia were offered nominal choice with respect to including half of the resources revenue under one arrangement or excluding all of it in another arrangement. However, the important matters that Williams

noted were that there was a cap on the amount any province can receive in the new equalization program, and that the province stood to suffer financially in comparison with the benefits of the Atlantic Accord deal. Some observers put the loss at about \$5 to \$6 billion.

In August, on the eve of the provincial election, Williams announced that an agreement had

provided for something called “super-royalties,” a three-tier royalty system based on the principle that rising oil prices will result in royalty payments to the province rising correspondingly. Both sides gave a little in relation to their 2006 demands. The consortium agreed to the equity position and dropped the tax exemption condition and the province agreed to pay more

sive popularity for Williams. Corporate Research Associates Inc., a respected Halifax-based polling firm, has tracked approval/disapproval ratings by all governments in the province since 1989. It found that the Williams government has seen approval ratings not seen by any other Newfoundland government in the past two decades. It has not slipped below the 80 percent mark since 2006. It is often in the mid-80s, and reached 89 percent in April 2006. The boost in the Premier’s popularity through 2007 to the high 70s as “preferred premier” (see table 1) also corresponded with the more aggressive stance taken with regard to Ottawa and Big Oil.

The result of all this resource-related high politics drama was massive popularity for Williams. His government has seen approval ratings not seen by any other Newfoundland government in the past two decades. It has not slipped below the 80 percent mark since 2006. It is often in the mid-80s, and reached 89 percent in April 2006. The boost in the Premier’s popularity through 2007 to the high 70s as “preferred premier” also corresponded with the more aggressive stance taken with regard to Ottawa and Big Oil.

been reached between the province and the Hebron consortium on the development of Hebron. It provided for a 4.9 percent equity stake for the province, purchased for \$110 million, and forecast revenues of \$16 billion for the province and \$7 billion for Ottawa over the project’s 25-year life. It also

— \$10 million more — for its equity position. The deal was the apotheosis of Williams’s first term and seemed to vindicate all his positions in resource matters in one fell swoop.

The result of all this resource-related high politics drama was mas-

It is reminiscent of the theme of C.B. Macpherson’s *Democracy in Alberta*. In that book, Macpherson relates the development of one-party dominance to the similarity of class interests — Albertans as mostly independent commodity producers — and to the fear of eastern political and business domination. The population unites behind a



Better Late than Never? The Canadian Parliamentary Review of the *Anti-terrorism Act* by Kent Roach

This paper provides a preliminary assessment of the policy-making process surrounding the three-year review of the *Anti-terrorism Act (ATA)* and the expiry of investigative hearings and preventive arrest powers contained therein in February 2007. Based on analysis of that review, Kent Roach questions whether Parliament is up to the task of building on the work of the committees in a rational and intelligent way. The recent debate over investigative hearings and preventive arrests unfortunately does not justify optimism about Parliament’s ability to grapple with the many complex and unresolved issues in Canadian security legislation, including the need to devise a comprehensive and sustainable response to the Supreme Court’s decision in *Charkaoui*.

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dominant party and remains behind it for decades. In Newfoundland and Labrador, it may be a strain to forecast that the party system will be locked in for decades, when Smallwood failed to have a long-term effect on it. However, Smallwood did not have Diefenbaker to kick around for long, and had Pickersgill as his voice in Ottawa. In fact he courted big business, rather than fighting it. However, the regular conflict and the animosity toward big government and big business may be an indication of a long-term strategy. Williams did say, after all, during the Hebron affair that he would go through ten elections to get his intended result. That's long term.

The paradox of rising government support and declining support for

the political regime is striking. The decline in voter turnout to 61 percent was significant. The previous low was 58.5 percent in 1962. This decline was even more marked because it was precipitous. In 2003 it had been 72.5 percent, in 1999 69.6 percent, in 1996 74.4 percent, in 1993 83.6 percent. In 1949 it had even been 95.5 percent. This sharp decline can be laid to no small extent at the feet of the House of Assembly spending scandal.

This crisis unfurled in a number of jarring steps. On June 22, 2006, the Auditor General issued a number of special reports arising from section 15 of the *Auditor General's Act*. Four members of the House of Assembly were alleged to have overspent their constituency allowances by significant

amounts, in one case by ten times. Another was later alleged by the Auditor General in media reports to have spent his allowance in an inappropriate manner.

Another report by the Auditor General alleged specific irregularities in the actions of an official in the House of Assembly in respect to payments to certain suppliers. These irregularities led him to conclude that "internal controls [in the House of Assembly administration] were basically non-existent." There was no segregation of duties (ordering, receipt of goods and approval of invoices for payment were all done by the same person); payment authorization was performed by an official in the government's financial management system who did not see the original documentation; there were no tenders or quotes; purchase orders were not issued, especially in recent years; there was inadequate documentation with regard to which account(s) of the House to charge purchases to the official would overwrite spreadsheets relating to constituency allowances, effectively hindering the audit trail; there was continuing conflict of interest of the official involving ownership of companies doing business with his place of employment (the House), despite warnings by House officials; there was evidence of members circumventing the government's financial management system by using their constituency allowances.

A review of the minutes of the Internal Economy Commission, a statutory committee charged with the financial management of the House, revealed other problems. The commission was able to overturn decades of legislative accountability practices by recommending a change to the IEC legislation in 2000, which led to the elimination of the auditor general's role as the auditor of the House's books and curtailing the forwarding of documentation to the comptroller general.

Problems appeared in the regime: despite a legislative system of regular reviews of the "indemnities, allowances and salaries" structure by an independent commission consisting

TABLE 1. WHICH ONE OF THE FOLLOWING INDIVIDUALS WOULD YOU MOST PREFER AS PREMIER OF NEWFOUNDLAND?

	Liberal leader	PC leader	NDP leader	Don't know
2007				
Fall 4 th quarter				
Summer 3 rd quarter	9	77	6	7
Spring 2 nd quarter	12	74	6	7
Winter 1 st quarter	11	73	6	7
2006				
Fall 4 th quarter	9	73	7	8
Summer 3 rd quarter	9	78	4	7
Spring 2 nd quarter	9	74	9	11
Winter 1 st quarter	12	71	6	10
2005				
Fall 4 th quarter	15	62	6	11
Summer 3 rd quarter	15	59	11	13
Spring 2 nd quarter	21	49	11	13
Winter 1 st quarter	12	72	7	7
2004				
4 th quarter	20	59	11	7
3 rd quarter	28	41	17	10
2 nd quarter	34	39	19	6
1 st quarter	25	45	16	9
2003				
4 th quarter	16	65	6	7
3 rd quarter	27	52	6	12
2 nd quarter	36	51	6	7
1 st quarter	30	47	7	15
2002				
4 th quarter	31	48	4	15
3 rd quarter	31	50	6	9
2 nd quarter	30	48	6	11
1 st quarter	31	45	7	14

Source: © Corporate Research Associates Inc.

of not more than three persons (section 13, *Internal Economy Commission Act*), none had ever taken place in a decade and a half. As well, there was a decade and a half of pressure for upward extension of the limits and reinterpretations of permissible expenditures.

Another special report issued by the Auditor General in 2007 reviewed patterns of expenditure relating to the constituency allowances of 115 politicians claimed between 1989 and 2005. That report found that there had been \$2.2 million in inappropriate expenses. Nearly all of them made donations to community groups, which was not the purpose of the allowances. Fifty-seven politicians claimed \$118,806 in alcohol purchases that were not part of meals. Several also claimed consumer goods and season's passes for hockey.

It is hard to convey the degree of disgust that pervaded the province regarding spending practices of the political class in this province. The Williams government sought to deal with this and to bolster confidence in the regime by establishing the Review Commission on Constituency Allowances and Related Matters, a commission of inquiry headed by Chief Justice Derek Green of the Newfoundland Supreme Court.

The Green Report, entitled *Rebuilding Confidence*, focused on ethics, control and auditing. It recommended, among other things, the application of access to information rules to the House of Assembly and its administration; the establishment of a publication scheme

for the House similar to that in the United Kingdom Parliament; the establishment of a new House of Assembly Management Commission (HOAMC); that there be an Order of Mandamus avenue for ordinary citizens to enforce statutory duties; that the Clerk be a designated accounting officer, similar to the United Kingdom's practice; the establishment of an Audit Committee for the House of Assembly Management Commission; the instituting of the same financial regime for the House of Assembly as for the Public Service (*Financial Administration Act*, a comptroller general, audits); the institution of new, stringent rules about the acceptable use of travel allowances and per diems; that whistleblower provisions apply to House members and the administration.

Green's entire set of recommendations, accompanied by a draft act and regulations, were put into effect less than two weeks after the release of the Green Report in June 2007.

With such a majority, one would think that the future belongs to Williams. In fact, that is what he said: "The future is ours," read the PC election material, sounding a bit like Germany in the 1930s ("the future belongs to us"). However, it is a vague future. The Premier was the centre of the advertising material, but all it promised of a concrete nature was strategic planning and "greater control of our resources."

There are many implications of the Williams effect. Megaprojects, schools and roads are likely to preoc-

cupy him for the next four years — the politics of concrete.

But the future should not be taken for granted. Williams is unlikely to pay attention to a significant challenge facing him: support for the regime. What he should do is to establish another review, one that focuses on the quality of democracy in the legislature and in society. Because there is no significant opposition, the public should be encouraged to play this role. A multipurpose legislative amendments committee open to public hearings on most legislation, a committee on federal-provincial relations, a stance on e-democracy and a review of the electoral system should also be considered. Newfoundland's legislature is under-developed, and democracy has suffered as a result. It doesn't have to be that way. Despite the imbalance, there is still hope that there can be meaningful reform.

Social consensus has a way of manifesting itself at the polls in Newfoundland and Labrador. In the early days of Confederation it showed up in six straight lopsided victories for Joseph Roberts (Joey) Smallwood. Early in this millennium it was revealed in two substantial victories for Danny Williams: in 2003 and 2007. Given that Smallwood's victories relied on unique historical circumstances, and Williams's have relied so far on an unsustainable level of conflict with large enemies, the consensus is unlikely to be sustained.

Christopher Dunn is a professor of political science at Memorial University, St. John's. cdunn@mun.ca

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