

The Shale Blackmail, and Other Worrisome Developments

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The latest rhetorical twist in the shale gas saga in New Brunswick is a calculated bit of blackmail that is especially pernicious and dangerously ahistorical. *The blackmail goes like this*: as the (clearly shameful) recipients of wealth transfers from provinces whose revenues come from resource extraction (read oil here), New Brunswickers should be honour bound, as supplicants, to develop their own shale gas deposits. And in case we miss the point, the blackmail goes on to imply that we have no right to expect continued transfers from other provinces if we don't develop our own industry here.

The message is populist, hostile, and bipartisan, coming from both sides and all levels of the political spectrum. Party bosses, editorial writers, and leading figures from business and industry have adopted the narrative, which has gained blunt force in recent years as a political bludgeon. Examples are easy to find. In *The [Halifax] Chronicle Herald* on 8 September 2014, Dan Leger wrote in reference to Nova Scotia's fracking moratorium, "Exactly one dollar in three of Nova Scotia's provincial budget comes from equalization and similar federal transfers. Some of that \$3 billion comes from places like Alberta and Saskatchewan where shale gas is a revenue-producing, job-creating industry. So some people might perceive Nova Scotia's message as it's OK for Alberta and Saskatchewan to drill and pump while we turn up our noses" ("Fracking Ban's Real Message: Let Somebody Else Pay").

Indeed, "some people" *did* perceive that. A day after New Brunswickers elected a new Liberal government on its promise to put a similar moratorium on fracking, an editorial in *The National Post* concluded that "folks in New Brunswick are happier sending their children to work in Alberta than they are about the prospect of building an Alberta-like economy of their own, based on resource development." "You could...conclude that voters in New Brunswick," continued the writer, "are relatively content with their traditional role as a perpetually struggling economy that depends heavily on federal transfers and government largesse, if the alternative strikes them as unappetizing" ("Don't Worry, Vote Liberal").

Just months ago, on 21 April 2015, New Brunswick Conservative MP John Williamson joined in. Echoing his provincial brethren, he wrote on Twitter that "N.B. Liberals won't develop shale gas, federal transfers @ \$2.7-B are a record high," a comment clearly calculated to provoke the responses it seeded, such as "can't expect transfer of wealth from neighbouring provinces who take risk and Dev economy if we don't max ours!"

The language of blackmail has become widespread, both inside and outside the province, with few people seeming to realize how destructive it actually is. But why is it destructive?

It is destructive because, as the examples above make clear, it seeks to popularize a new landscape of distributive federalism, a landscape that attaches conditions to federal transfers of money. That itself should raise alarms and prompt us to ask, Is this the outcome that the Dominion leaders intended at the Charlottetown and Quebec conferences of 1864? Is this the Canada that John A. Macdonald and company had in mind, or that Canadians want?

I very much doubt it, for blackmail is a vicious tactic that sidesteps negotiation and choice. Instead, it forces subjects into actions that are either ill-conceived or penitent, trading on perceived weakness or guilt. Because the subject of blackmail is always disadvantaged or indebted, the subject is made to feel that he has no choice but to do what is expected, as the quotations above make clear. And the more beholding the subject can be made to feel (the more his agency or citizenship is denigrated), the more likely the guarantee of capitulation. The intent of blackmail, then, is to eliminate choice and consideration. The intent is coercion.

When individuals or whole populations (say, New Brunswickers) become the target of this tactic, the irresponsibility of using the language of blackmail is obvious to see. When directed at a population—"You must develop a shale gas industry because you are beholden to us or others"—blackmail takes the form of threat couched in accusation and insult. It trades on the idea that New Brunswickers are a lazy bunch of freeloaders not doing their fair share in the federation. And it threatens that the giver is increasingly reluctant to give. In other words, without saying so directly, it proposes a new interpretation of (and seeks to rewrite) Canadian federalism. *We should all take note of that.*

The careless use of the language of blackmail, however, is not only harmful to populations but also recklessly ahistorical. It ignores the record of history for the opportunism of the moment. If those using the language of blackmail were sincere about working to ameliorate our various disparities, why are they not focussing on post-Confederation economics as the real cause of our province's economic malaise? Why are they not demanding New Brunswick's fair share of crown corporations, all of which exist outside the region? Why are they not demanding New Brunswick's fair share of the federal government bureaucracy, most of the great vast complex of which exists outside our borders? Moreover, if the "haves" are increasingly reluctant to share with the "have-nots," then why aren't the blackmailers fighting to restore the promises of Senate parity or repeal a century of policy decisions that have created an uneven wealth landscape in the country? *Could the reason be that the blackmailers and the "haves" are one and the same?*

All economic systems are highly complex fields of relations that far surpass, and often spurn, the will of individuals. Our economic situation in New Brunswick is no different. It is the result of structurally embedded circumstances that have been informed by time, geopolitics, policy decisions, world markets, staples pricing, international trade agreements, and currency exchange, to name a few of the many factors that intersect to create an economy. Our economic situation in New Brunswick is not, then, the result of lethargy or a lack of entrepreneurial spirit in the province, nor does it reflect what the Canadian Taxpayers Federation says: that residents of the Maritime provinces "would rather collect EI benefits 35 weeks a year than work" ("Rethinking Equalization").

A less biased and more intellectually responsible view would suggest that the way to address complex structural problems is not by seizing the opportunistic—an opportunism that, in this case, trades on the exact conditions that created deficits in the first place—but rather to face structural deficits squarely and boldly, asking uncomfortable questions about the underlying causes of our long history of economic supplication, about who has profited from that supplication, and about who profits now from its continuance.

Recent events in the country indicate that those of us in the economic barrens must be especially wary of language and tactics that seek to recast distributive federalism. Prime Minister Harper's response to the Syrian refugee crisis is a case in point, one that illustrates what political economist

Donald Savoie has been writing about for a decade: the narrowing of the country into smaller and smaller nodes of power, the smallest (and mightiest) of which is the PMO.

Citizen response to the refugee crisis has been visceral and humane, while Harper's has been defensive and bureaucratic. But that is not what is most significant about this circumstance. What is much more significant, and has been recurring on other fronts (marriage redefinition, end-of-life consideration, climate change), is that citizens are ahead of their governments, often having to function alone or in small groups to achieve the results that reflect their values. Governments, then, with the Harper Conservatives a prime example, are increasingly entities unto themselves, unresponsive to all but the groups who share their agendas. Harper's reaction to the Syrian crisis does not reflect the fact that he is cold-blooded, as some partisans would have us believe, but that refugees are not part of his quite-narrow agenda. And the implication of that for those of us in the economic barrens is very worrisome, for when a narrow agenda is aligned squarely with the interests of resource-extracting economies then non-resource-extracting economies such as New Brunswick must develop their own policies in overheated and often coercive environments.

Saskatchewan Premier Brad Wall made this abundantly clear during July's meeting of his provincial counterparts. Exasperated with Ontario and Quebec's intention to impose strict new environmental standards that would slow the construction of the Energy East pipeline from Alberta to New Brunswick, he quipped that if western Canada started pumping equalization payments through the pipeline then perhaps central Canadian politicians might approve it ("Have-Not Provinces Holding Oil Hostage").

New Brunswick should take note: To arrive at decisions contrary to the national interest, despite the fact that those decisions might reflect the provincial will, is much more difficult than it would otherwise be. And it is made even more difficult when the language of blackmail, with its embedded threats, is used so freely and carelessly.

So What is the Alternative?

The alternative is a more responsible and respectful dialogue with New Brunswickers. The alternative is finding a way to speak to us without the use of insult and threat. The alternative is to enable us to work out our own future regarding resource development. Is a New Brunswick solution, and a shale gas industry on our own terms, not possible?

New Brunswickers await clear and honest answers to legitimate questions. Questions about real (not inflated) job numbers. Questions about well counts, locations, and deposits. Questions about royalty structures, environmental impacts, water consumption, and wastewater disposal. In the absence of these answers—and in an environment where citizens are blackmailed and have to go through Access to Information channels to get facts—New Brunswickers will continue to be skeptical of the shale gas agenda. And who can blame them?

What the overheated rhetoric obscures is that New Brunswickers want what is best for their province. Not what is best for corporations at the expense of New Brunswick, but what is best for New Brunswick in equal partnership with corporations. The perception of us as economically desperate, and thus a good bet for corporate welfare, will not advance our cause. Nor will mortgaging our health and environment for short-term financial gain.

The heightened rhetoric in the province should also remind us of the previous industrial crisis we faced in New Brunswick: the rash of paper mill closures around 2008, closures that elicited only silence from the blackmailers who are so vocal today. Now, whole regions of the province have emptied, their social capital lost. Instead of good-paying jobs, we now have wood chips trucked to empty ports, loaded onto boats, and shipped out of the country to be processed elsewhere. The financial return on a ton of wood is reduced to almost nothing. This, unfortunately, has been the record. Will the shale gas promise be any different? Despite assurances to the contrary, the language of blackmail suggests otherwise.

Threats and continued insults, and attempts to coerce us into acquiescence, will never be enough. What the blackmailers seem incapable of understanding is that bullying and rhetorical tricks can never win the long argument. What New Brunswickers have been asking for all along, and what our leaders seem strangely incapable of providing, is transparency and forthrightness. If there is a moratorium on anything in this province, the moratorium on transparency is surely the longest-lived.

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