

reconsider mutualism and experiences of self-employment. His analysis replaces the culture in conflict of earlier interpretations with a consensual view, however, that is unappreciative of power dynamics.

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John Calvert, *Liquid Gold: Energy Privatization in British Columbia* (Halifax and Winnipeg: Fernwood Publishing 2008)

LIQUID GOLD is a lucidly written, compelling book that has the reader wondering, within a few pages, why on earth politicians would so ardently seek to implement electricity policies that are so obviously not in the public interest. His introduction clearly lays out the many ways in which electricity privatization in British Columbia has resulted in extra costs to ratepayers, not only in terms of prices, but also security of supply, and environmental damage.

The reader is not left wondering long. The next chapter explains some of the forces driving privatization including the power of international trends, the lobbying of right-wing think tanks and vested interests, and the ideology of conservative political parties.

Calvert's book covers the earlier nationalization of BC Hydro in the 1960s and shows that it was not a socialist move but a pragmatic one intended to ensure the infrastructure necessary for future industrial growth in the province. For years this provided BC with one of the world's most reliable, secure, and low-cost electricity systems, one that also paid handsome dividends to the government. The public ownership of BC Hydro and the lack of a formal electricity market did not prevent British Columbia from making advantageous electricity trades with the US.

He then shows how this has all changed,

beginning with the need for BC Hydro to purchase electricity from private generators because of a ban on its own expansion of capacity combined with responsibility to meet future energy needs; forecasts of electricity shortages; and the removal of alternative options for meeting demand. BC Hydro has had to commit to expensive purchase contracts for this extra power so as to take on the risks of building electricity infrastructure that private investors might be unwilling to take on.

Calvert devotes a chapter to a detailed examination of why private power costs more and why those costs are likely to escalate. He devotes another to why the restructuring of the electricity system is likely to deliver less security of supply. In the latter, the importance of public control of electricity resources is emphasized. Without it private companies, many of which are likely to be foreign companies, have the right to export electricity to the US, even when this is not in the interests of the residents of BC.

Calvert reinforces his arguments with the examples of Alcan and Cominco, smelting companies given the right to use water resources to generate electricity. Although this was originally for the purpose of supplying their own operations, they have ended up being able to use what many regard as a public resource to make large profits by selling electricity on the cross-border electricity market. In this case, as is so often the case with electricity markets, competition among consumers (including US consumers) has sent prices up rather than competition among suppliers lowering prices. Also the private rights granted to water threaten the waterway environment by depriving it of necessary water.

In another chapter devoted to "Water Resource Giveaway" Calvert shows that the government "has been virtually giving away water rights," often to a small group of ten developers, some of them

foreign companies, so that all potential hydro-electric generating sites have been licensed and the ability of the province to control its own water resources has been compromised.

Calvert examines the way that the government is also virtually giving away land for the private development of wind farms, and heavily subsidizing them, with no guarantee that the electricity generated will be available to BC residents in the future. The opportunity to develop publicly owned wind farms that would stay in public control, and so ensure they are beneficial to locals, has been lost.

The cost to locals of private electricity generation projects goes beyond government subsidies and the loss of public control of natural resources to include loss of environmental amenity and the abandonment of planning processes. This argument is reinforced with two case studies of conflicts between local communities and private power companies.

In a separate chapter, Calvert shows that just because energy is renewable, it does not mean that it is "green," something that seems to have been missed by some of BC's environmental groups which have subscribed to the new energy policies. However, renewable energy projects, large and small, can have many adverse impacts, especially if they are implemented by private companies. Private companies can gain green credentials because they are investing in renewable energy but there are few environmental regulations to restrain how it is done. A major loss in the process of deregulating and privatizing electricity generation has been the incentive to conserve electricity because the market provides a conflicting incentive to promote consumption and thereby increase profits.

British Columbia has not completely privatized its electricity system as governments in some other parts of the world have. BC Hydro is still publicly owned but

it has been emasculated. In his concluding chapter, Calvert outlines just what has been lost in this process. The benefits once provided by BC Hydro included billions of dollars in income to the provincial government; low cost energy – subsidized for disadvantaged residents as well as local industries; public ownership and control of water and land resources; engineering expertise and a commitment to high engineering standards; a repository of technological experience; planning capacity; a large maintenance staff; economies of scale; and control over the transmission system.

While my own book, *Power Play*, covers various cases of electricity privatization from around the world, Calvert's focus is on the case of electricity privatization in British Columbia. However it is a case study that has many of the key elements of privatization found in other parts of the world, and Calvert presents them in a way that makes them relevant far beyond British Columbia. In fact, before I got half way through the introduction, I was already thinking that this was a book that should be read by those currently opposing electricity privatization in my own state of New South Wales in Australia.

Missing from the book, perhaps because of the focus on BC, are a few key aspects of electricity privatization and deregulation that plague consumers, such as price manipulation by private companies in energy markets. A list of abbreviations would be useful. The index is rather rudimentary and unhelpful.

Calvert, an associate professor who teaches public policy at Simon Fraser University, has produced an excellent resource for all those interested in the future of electricity supply, which should mean all of us. It would make an excellent teaching resource. It is very well written and well referenced.

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