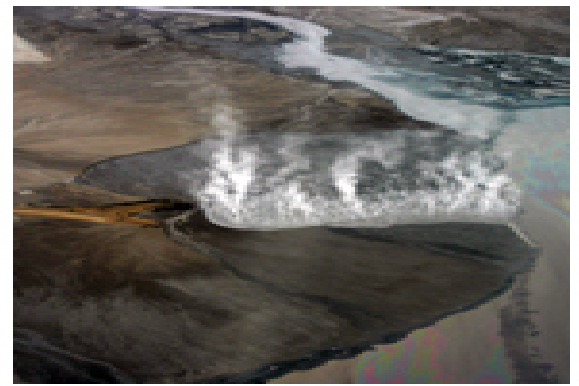
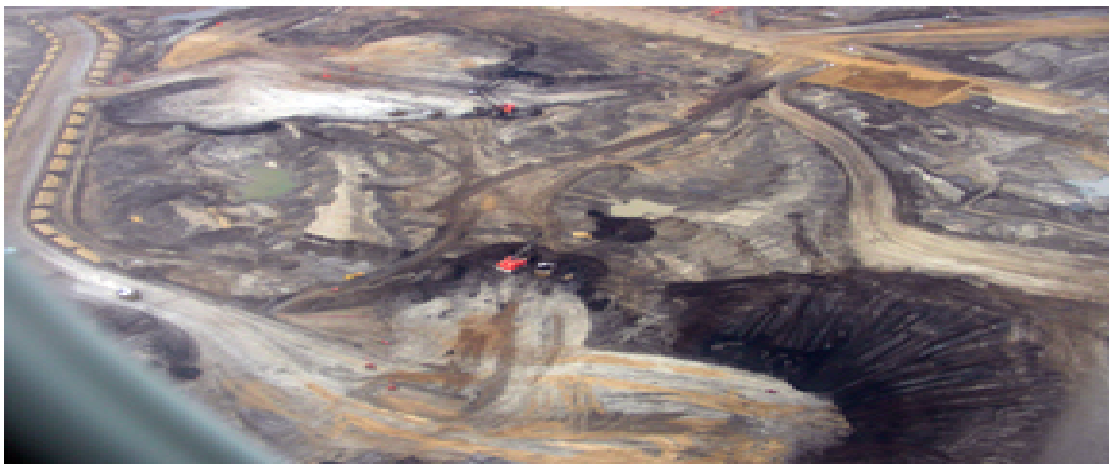


Freezing in the dark?

Canada needs energy security Plan

- Gordon Laxer
- Kelowna AGM Oct 27, 2007



'Tory MPs storm out of meeting on energy sharing'

- 'Amid heated charges of a coverup, Tory MPs on Thursday abruptly shut down parliamentary hearings on a controversial plan to further integrate Canada & the U.S.'

'The firestorm erupted within minutes of testimony by University of Alberta professor Gordon Laxer that Canadians will be left "to freeze in the dark" if the government forges ahead with plans to integrate energy supplies across North America'.

- **Ottawa Citizen (A3; Ed Journal A6; Montreal Gazette A 12)**

Results of Benoit's mode of political discourse

Sparked interest in what I said to cause Benoit's tantrum

- My Op eds:
- Calgary Herald + *Edmonton Journal* published my testimony May 16
- ***Manifesto infuriates Tories'***; ***'Canada's energy needs come first'***
- Globe & Mail op ed 'Easterners could freeze in the dark'
The U.S. has a national energy policy.. Why don't we?

Two positive editorials Lethbridge Herald and stories in Halifax Chronicle & Peterborough Examiner

II. Canada promises oil security for US Not Canada

George W. Bush can count on a secure flow of oil & gas from its biggest energy supplier & trading partner – Canada

Stephen Harper

"Alberta supports the goals of energy integration right through to Central America and the Caribbean."

Premier Klein

Washington June 2006

Energy Superpower or Resource Satellite?

- "Canada is new 'emerging energy superpower', & secure source of almost limitless energy resources" S. Harper
- **Superpowers** can influence events by projecting economic, military, political & cultural power on world scale
- **Satellites** are formally independent countries, dominated through deep ideological allegiance, & econ. dependence on more powerful country

Broad SPP Agenda (security & Prosperity Partnership)

- Energy is major plank in broader agenda to integrate Canada & Mex into a Greater America.
- End point of Deep Integration? Puerto Rican status for Canada & Mexico – any takers?
- Trade off: Canada & Mexico adopt Bush regime's 'security agenda'. In return they get privileged but not guaranteed access to US market.

Energy & SPP

- Bush plan energy security predates S11
- US NEP Report [Cheney Policy Grp] May 2001 [self-sufficiency, oil indep, domestic ownership]
- North American Energy Working Grp Apr 2001 . Energy ministers US, Canada, Mexico: under radar

Later Folded in as 1 of SPP working grps

With NAFTA, Canada lost control over:

- Energy **exports** to US: **proportionality** clause
- Thus, Canada lost **control over GHG emits**
- **Security** of Supply to Eastern Canadians
- **Foreign ownership** / control
- Price Cdns pay to buy own energy
- Upgrading Cdn resources (eg Nfld & NAFTA law suit)

Satellites lose control energy / environmental future

Perverse result of Proportionality

- If Americans cut oil consumption, it enhances U.S. oil security. Less dependent on imports
- If Canadians cut oil consumption, it results in greater oil exports to U.S. & does little to improve Cdn oil security
- 'America wastes more oil than it imports'.
President Jimmy Carter 1977

What more can US win on Energy?

- SPP: Secretive process eg oilsands working grp
- Big prize: Mexico abandon energy nationalism
- Canada: US already unlt'd access Cdn energy
Get Cdns think North American rather than Cdn
 - 5 new oil pipelines to US
 - Boost tarsands output X 5: 5 mil b/d
 - Ease Cdn enviro reguls energy projects
 - LNG terminals to export to US [liquefied nat gas]
 - Temp Mexican workers w/o immigs rights

Canada's New NEP: No Energy Plan

- NEB's mandate: "promote safety & security .. in Canadian public interest"
- "Unfortunately, the NEB has not undertaken any studies on security of supply." emailed to me Apr 12, 2007
- 1980 National Energy Program:
Canadianization, self-sufficiency & security, 2-price oil policy, assert fed'l power

Alberta Govt & No Energy Policy

- Guarantee U.S. **unlimited access** Cdn oil, gas
- **Defy Kyoto** convention on GHGs.
- Encourage **foreign ownership** / control
- 'In all my yrs as Premier of Alberta, I never once heard anyone ... articulate a compelling vision of Canada's continental energy future'.
Ralph Klein - quoted in Fraser Inst fundraiser

Alberta's Royalty Review Panel portrayed as radical

- Language of Bill Hunter Review chair:
- "As Albertans, we own 100% of the resource, & we should expect nothing less than 100% of the rent. It's up to industry to convince us that we should take a decrease."
- Reality: Alberta would collect \$2 billion less per year in 2016, even though oilsands production will more than double
- Royalty Panel proposal: AB royalties:
- Drop from \$9.5 b 2006 to \$7.6 b 2016
- New Stelmach plan: even greater fall in royalty

Comparing Energy Resource Savings Funds

Alberta's Heritage Fund: \$16.3 billion

Started 1976 - Aug 2007

Total of Heritage Fund + other funds: almost \$40b

Alaska's Permanent Fund: 39 b US May '07

Started 1977

Norway's Petroleum Fund: 293 b US (2006)

Started putting funds into account – 1996

(Norway's Petroleum Fund now merged with Pension fund)

Part III Energy Insecurity Eastern Cdns

“Let the Eastern Bastards Freeze in the Dark”

popular 1980s Alberta bumper sticker now Canada's default policy

Oil Imports:

- Supply 90% oil Atlantic provs & Quebec
- 36% of Ontario
- Canada NO strategic petroleum reserve & no studies / plans for internat'l oil supply crisis

Exports to US:

67% of Canada's oil production

59% Canada's nat. gas

Canadian oil imports by source

Year / imports Barrels per day	OPEC	North Sea
2004 960,000 b/day	41.3% Algeria 14.6% S Arabia 8.1% Iraq 7.8%	47.5% Norway 26.9% UK 20.6%
2005 950,000 b/day	41.3% Algeria 17.6% S Arabia 8.2% Iraq 7.1%	41.7% Norway 26.0% UK 15.7%
2006 849,000 b/day	45.0% Algeria 20.7% Iraq 8.1% S Arabia 8.0%	37.0% Norway 21.7% UK 15.3%

Oil Pipelines Canada 2006

source NEB 26 / 11 / 06



