

LETTING CANADIANS FREEZE IN THE DARK

“U.S. FIRST” ENERGY POLICY LEAVES CANADA VULNERABLE TO SHORTAGES

by Gordon Laxer

What do Pete Seeger, Woody Guthrie and Paul Robeson have to do with guaranteeing the United States access to Alberta’s tar sands? Nothing. But the Alberta government hijacked the celebration of “Alberta at the Smithsonian” in Washington in early summer to promise the U.S. a secure oil supply from the tar sands.

After Moses Asch, founder of Folkways Records, died in 1986, the Smithsonian inherited his prized collection of recordings, which documented a generation of American folk singers including Seeger, Guthrie and Robeson. Asch also donated a complete set of Folkways recordings to the University of Alberta. The 2006 Smithsonian festival celebrated its connection with Alberta.

Using the festival as a backdrop, Alberta Premier Ralph Klein reassured Americans that they “need to look no further than Alberta to seek the security of supply” they pursue. He added that “Alberta supports the goals of energy integration right through to Central America and the Caribbean.”

ENERGY SUPPLY CRUNCH

The Smithsonian’s Alberta celebration also coincided with Prime Minister Harper’s first state visit to Washington. Like Klein, he promised secure Canadian oil supplies for the U.S.

Were Harper and Klein confused about which country they were in? Surely their first responsibility is to ensure that citizens of the great white, frigid North have access to sufficient oil and natural gas when the next supply crunch comes. If Canadians don’t look after their own needs, who will?

KLEIN ADMITTED THAT HIS GOVERNMENT HAD NO PLAN TO ADDRESS THE SEVERE PROBLEMS CAUSED BY ALBERTA’S TAR SANDS BOOM, INCLUDING LABOUR SHORTAGES, A HOUSING CRISIS AND MASSIVE COST OVERRUNS.

Although Canada is a net exporter of oil, it imports almost one million barrels per day to meet 90 per cent of Quebec’s and Atlantic Canada’s needs, and 40 per cent of Ontario’s. At the same time, three-quarters of tar sands oil flows south.

Overall, Canada exports 63 per cent of its oil production to the U.S. That percentage is locked in place by the proportionality clause in the North American Free Trade Agreement (NAFTA), which states that Canada must continue to export the same proportion of oil and gas as it has in the past three years, even if Canadians run short. And relying on imports from countries that include Algeria, Saudi Arabia and Iraq to keep Canadians alive in winter is risky business.

On March 8, the Canadian Centre for Policy Alternatives, Parkland Institute and Polaris Institute issued Hugh McCullum’s report *Fuelling Fortress America: A Report on the Athabasca Tar Sands and U.S. Demands for Canada’s Energy*. The report warns that Canada is running out of conventional oil, with less than 10 years’ supply left. The authors warn that tar sands oil comes at too high an environmental and social cost.

Responding to the report, Klein hummed a different tune than in Washington. When pressed, he made a remarkable promise: “If we see oil drying up and we see the Alberta supply being threatened and the Canadian supply being threatened, we can do whatever is necessary to ensure that Canada receives its supplies first.”

Alberta Energy Minister Greg Melchin echoed Klein’s comments: “When we look at the long-term need for Alberta and Canada, those are first and paramount.”

What’s shocking is that the media didn’t ask Klein and Melchin how they would supply Canada first under NAFTA’s proportionality rules – especially given that Canada does not have pipelines in place to fully meet eastern Canadians’ needs from domestic supplies.

NO PLAN FOR SHORTAGES

Clearly, Klein had not thought things through. On August 31, his last day in Alberta’s legislature before stepping down from his position as premier in December, Klein admitted that his government had no plan to address the severe problems caused by Alberta’s tar sands boom, including labour shortages, a housing crisis and massive cost overruns.

But “No Plan Ralph” has a knack for memorable turns of phrase. He inadvertently captured the essence of Canada’s current energy policy 25 years ago when he was mayor of Calgary. “Let the eastern bastards freeze in the dark,” he said, in reference to the National Energy Program.

Today, thanks to Ralph Klein, Stephen Harper and Harper’s Liberal predecessors, Canada has an America-first energy policy. It’s time to pull out Pete Seeger’s songbook and raise our voices to the Canadian version of “This land is your land, this land is my land.”

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