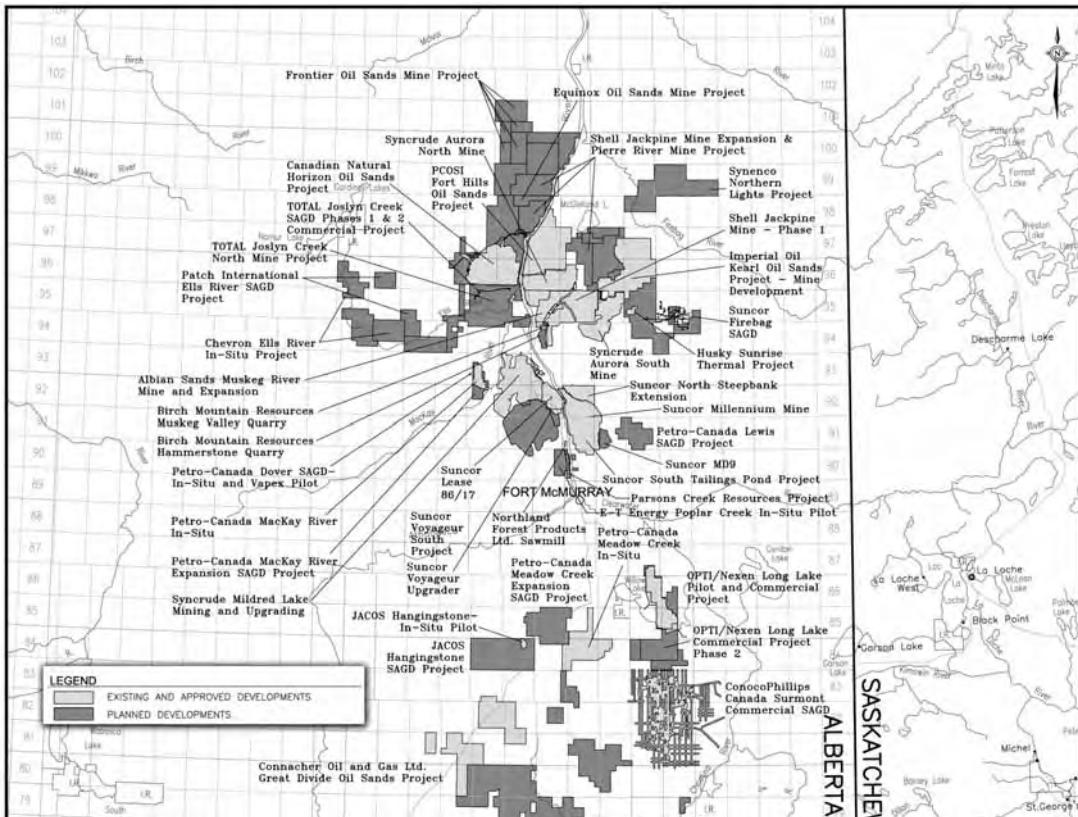


tar sands SHOWDOWN



Major oil company land leases and plant sites in the Athabasca region of the tar sands. Oil sands base map produced by Golder Associates Ltd., August 2008.

CANADA AND THE NEW POLITICS OF OIL
IN AN AGE OF CLIMATE CHANGE

tar sands
SHOWDOWN
tony clarke

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To Hugh McCullum, whose lifelong dedication to the struggle of indigenous peoples, both at home and in the world, has been an inspiration.

Preface

When I reflect on it, my interest in the Alberta tar sands probably dates back more than thirty years. It was during the mid 1970s that I first read Larry Pratt's seminal work, *The Tar Sands: Syncrude and the Politics of Oil*. As an activist and later as an author, I was intrigued by the challenges of the emerging tar sands puzzle. Although I was stimulated by Pratt's analysis, I was rather heavily preoccupied with other social struggles and had no intention of taking on another issue, let alone something as complex as the tar sands. Nor did I have any intention of writing about the tar sands, let alone an entire book. Yet my interest in the subject grew when I visited the tar sands region of Alberta a few times and could see first-hand the developments taking place.

During the past three decades, I made three trips from Edmonton to Fort McMurray for onsite visits of the tar sands, including the Syncrude and Suncor plants. With each trip, I felt the magnitude of these colossal enterprises and their ecological

footprints. Each visit, I was increasingly awestruck by the sheer scope and size of the sophisticated machinery and technology being used to mine or siphon the bitumen from the earth's crust to produce the oil. But, more so, I was shocked and stunned by the degree of environmental devastation, ranging from the strip mining of the boreal forests and the massive use of water sources to the creation of huge toxic tailings ponds the size of lakes. And, always, I would take a moment to ponder the fact that this tar sands mega-machine primarily existed in order to satisfy an increasingly oil-thirsty America.

With each trip, there were particular moments of reflection. During the first trip in 1976, I was working with Project North, a coalition of the country's major national churches, to build public support in southern Canada for the struggle of the Dene Nation against the construction of the Mackenzie Valley Pipeline. The pipeline corridor was designed to bring natural gas from the Beaufort Sea across the indigenous lands of the Dene in the Northwest Territories to markets in southern Canada (including the tar sands industry) and the United States. What I saw happening in the tar sands back then, though they were still in early stages of development, only strengthened my resolve to support the Dene campaign against the pipeline. My second onsite visit to the tar sands occurred in 1997, several years after I chaired the Action Canada Network, the nation-wide coalition that waged the historic fight against Canada's free trade deal with the US and the North American Free Trade Agreement (NAFTA). Since Canada had effectively surrendered its sovereignty over the country's energy resources through the new free trade regime, there were clear and ominous signs then that Alberta and the tar sands industry would soon be America's leading energy satellite as long as NAFTA remained intact.

However, by the time I made my third trip to the Alberta tar sands a decade later, the world had undergone some profound

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and significant changes, thereby adding new dimensions and challenges. Under the Bush administration in Washington, energy had become a national priority and, following the attacks of September 11, 2001, one of the top issues, if not the top issue, of national security for the US. The US-led invasion of Iraq, which arguably had more to do with securing greater control over Middle East oil deposits than fighting the war on terror, highlighted the need to focus more attention on how the US military is geared to policing the world in order to control oil sources and supply routes to serve its energy interests. At the same time, Canada via the Alberta tar sands surpassed Saudi Arabia as America's number-one foreign supplier of crude, thereby situating this country in a new geopolitical context as far as the politics of oil is concerned. Suddenly, Canada had become a global player, with the tar sands being the second-largest deposit of recoverable crude oil in the world.

Yet, the most dramatic transformation came in terms of a growing recognition of the ecological limits of the planet. Climate change had risen to the top of the global agenda. Rapid global warming, due mainly to the burning of fossil fuels that releases greenhouse gases into the atmosphere, thereby trapping heat on the planet, is having a profound impact on both the petroleum industry and national politics. Not only is the petroleum industry one of the main sources of fossil fuels, but tar sands oil production generates more than three times the amount of greenhouse gas emissions as conventional oil production. What's more, there is also an increasing global awareness that many of the natural resources of the planet, such as fresh water, are rapidly depleting or becoming contaminated. Since the production of oil from the tar sands uses and pollutes a great deal of fresh water to extract the bitumen from the earth's crust, the industry is now becoming a prime example of the abuse of water sources.

All of this is taking place at a time when the world is on the

verge of running out of sufficient supplies of oil to meet growing global demand. Many geologists believe that the period of abundant and cheap supplies of oil is over. The production of conventional sources of oil has either peaked, or is about to peak, while remaining oil reserves are the hard-to-get-at sources like the tar sands, which are much more expensive, economically and environmentally, to develop. At first glance, this may seem to be good news for Canada and the Alberta tar sands. But, even all-out production of the tar sands will only make up for a fraction of the oil shortages forecasted. For Canada, as well as other industrialized countries that have built their economies on the availability and abundance of cheap supplies of oil, the era of peak oil will come as a shock. And, since Canada has virtually surrendered control over our energy resources through the free trade regimes, Canadians would do well to think again about how vulnerable we could be in this new era of peak oil.

In short, the development of the tar sands poses a whole new set of critical challenges for Canada at this moment in history. The tar sands are, in many respects, a microcosm of the economic forces and ecological challenges facing the future of our industrialized society and way of life. How Canada manages the development of the tar sands will determine, in large measure, our destiny as a nation in the twenty-first century. We can continue our headlong rush to develop the tar sands for massive exports of dirty crude oil to the US, thereby establishing this country as, in the words of the current prime minister, the world's next energy superpower, but leaving a legacy of ecological and social damage in our wake. Or, we can choose to embark on an alternative path of developing a made-in-Canada energy and environmental strategy that secures public control over the development of the tar sands with a view to phasing out production and making a deliberate transition to a new energy future based on renewable resources rather than fossil fuels.

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This is why the time has come for a showdown over the tar sands. The development of the tar sands is no longer an Alberta issue alone but very much a national and even a binational one. After all, the Alberta tar sands are more than just another mega-energy project. As our leading high-priced resource commodity, crude oil has become the cornerstone of the Canadian economy, exercising a decisive influence on currency markets, manufacturing exports and the country's overall trade balance. Playing this central role in the Canadian economy also means that the tar sands enterprise will, whether we like it or not, shape much of our direction and destiny as a nation for the foreseeable future. If the tar sands are interwoven with the destiny of the country, then we all as Canadians have a stake in the outcome. In effect, the rest of Canada must share responsibility with Alberta for the development of the tar sands and its consequences.

The prime purpose of this book is to help stimulate a nationwide public debate about the tar sands and the critical issues at stake concerning Canada's future. In doing so, the objective is to cast the development of the tar sands in the context of a broader set of forces and challenges, thereby providing a multifaceted lens for observing, judging and acting. The development of the tar sands poses fundamental challenges for Canada. It's time to put aside the platitudes and confront the hard and difficult issues head-on. Continuous denial of our responsibilities as a nation concerning the tar sands and their implications for Canada's role in this century is no longer an option. Now we must put aside the illusion of becoming the "world's next energy superpower" and start dealing with the new politics of oil in an age of climate change. Let us seize this moment by confronting the tar sands challenge and developing an authentic energy and environment strategy for a more sustainable future.

August 2008