<u>Dismantling dependency, disarming a boom: petro-politics and the</u> <u>staples state in an era of climate crisis</u>

by

Paul Noble
B.A., University of Victoria, 2010

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Supervisory Committee

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Abstract

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This thesis has two central objectives. First, drawing on both the insights contained in the staples approach and the frames and narratives mobilized by contemporary political actors, it attempts to provide insight into the political-economic drivers underpinning the large and growing political influence of the Canadian oil sands. Second, it assesses the effects of this influence on Canadian society and the Canadian state. This influence is observable materially, as with the federal government's oil sands-oriented policy changes and mobilization of the state security apparatus in its defense, and in less concrete ways, as with the rise of discourses conflating national interest with continued oil sands expansion. This thesis concludes that the effects of this influence have been negative and profound, and in an era of climate crisis, alternatives to Canada's dominant political economic trends must be urgently sought.

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Introduction

This thesis begins from, and is animated by, the premise that the successful mitigation of anthropogenic climate change stands as the singular moral imperative of the 21st Century. While the imperative is inherently global, this thesis approaches it through an explicitly national lens: Canada has played an important and obstructionist role on the stage of international climate politics, and it is for this role that we as Canadian citizens must take active responsibility.

The title of this thesis, *Dismantling dependency, disarming a boom: petro-politics and the staples state*¹ *in an era of climate crisis,* points to a specific perspective from which to understand the role of the Canadian state with regard to climate change. The staples lens represents a political-economic analysis of our nation's resource-driven founding mythologies, and provides important insights into contemporary Canada. In an era of climate crisis, where the oil sands have become Canada's politically dominant economic sector, debates that have long occupied staples approaches, and Canadian political economy generally, around national interest, the nature of resource-based economies, and political-economic dependency, are of critical and growing importance.

Writing the rejoinder in a collection commemorating the 50th anniversary of his 1963 paper, *A Staple Theory of Economic Growth*, Mel Watkins, father of contemporary

¹ Development of the "staple state" terminology is credited to Melissa Clark-Jones, in her 1987 work, *A Staple State: Canadian Industrial Resources in Cold War.*

Canadian staples theory, writes, "Bitumen is what economic historians have come to call a superstaple, with an impact bordering on the monocultural. For the New World, the dark side of cotton and sugar was slavery, with horrifying global consequences. For bitumen, it is extreme climate change and its catastrophic consequences for the wellness of the world and all its species." It is these specific ecological consequences that drive the efforts of this thesis to better understand the relationship between Canada and the bitumen staple, with an eye to counteracting the oil sands' influence over Canadian politics.

Economically, politically, and socially, Canada's current historical moment is captured by myriad, intersecting, and often contradictory forms of dependency on the bitumen staple: dependency on external capital, markets, and political actors; political dependency on specific electoral constituencies; path dependency on particular approaches to policy questions; and dependency on specific narratives about Canadian identity and the role of the Canadian state. *Dismantling dependency* represents an effort to parse and critique these different kinds of dependency, and is also a normative claim about the inherent risk and undesirability of Canada's current political-economic trajectory. *Disarming a boom* points to the political, economic, and cultural importance of the Canadian fossil fuels industry as the central component and causal force of our growing staples dependency. This thesis argues that successful efforts to begin dismantling these various strands of

² Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory @ 50*, p. 128.

dependency hinge on our collective ability to restrict and eventually reverse the expansion of the Canadian oil sands centred in Fort McMurray, Alberta.

And yet, despite Canada's growing national dependence on bitumen, and for all this staple's political, social, and cultural influence over the Canadian state and political class, bitumen directly constitutes only 2% of the country's gross domestic product, and directly employs approximately the same percentage of Canadian workers. How can these two realities be reconciled? What combination of material, structural, social, and ideological factors are able to provide an explanatory bridge across this divide? What explains the current administration's fixation on bitumen, and the substantial support that this political-economic trajectory continues to enjoy amongst the general public?

This thesis offers an attempt to explain this disjuncture using a modified staples approach, and claims that the bitumen-fixated political-economic programme pursued by the Harper administration³, since coming to power in 2006, fits well within an historical Canadian orientation toward resource development. Further, it claims that the series of staples economies that have periodically risen and fallen throughout Canadian political-economic history have resulted in a collective historical relationship with our natural resources that has conditioned Canadian identity and provided the cognitive framework for this administration's current fixation on bitumen.

³ While it is the tradition in Westminster Parliamentary systems to refer to "governments" rather than "administrations", the current state of Canadian democracy is such that, especially under the current majority Parliament, that the seat of government has shifted significantly from Parliament to the Prime Minister's Office, and this use of "administration" is intended to capture this erosion of our democracy.

This thesis is written as a macro-level, strategic adaptation of staples theory. While beginning from a conventional staples-based assessment of the influence of bitumen in contemporary Canadian political-economic life, I expand beyond the materialist orientation that often typifies staples approaches in an effort to interrogate the complete range of causal factors underlying Canada's irrational obsession with, and growing dependency on, bitumen in an era of climate crisis. Applying an adapted staples approach thus provides analytic purchase onto the subtexts and political undercurrents motivating this administration's near single-minded pursuit on the Canadian oil sands, while also providing a standpoint from which to assess and critique the destructive effects of our deepening political-economic dependency on the bitumen staple for the Canadian state and society.

Methodologically, in an interpretive effort to demonstrate the explanatory power of the staples approach, and to explain other driving forces behind Canada's growing political dependency on the oil sands, this thesis draws on qualitative and quantitative evidence about Canadian political-economic history and current affairs. Further, it relies on both public opinion research and discourse analysis of the dominant frames and narratives that contemporary political actors deploy with regard to the Canadian oil sands, alongside the efforts of the industry and its political patrons to shape public sentiment favourably to their interests.

In assessing the concrete impacts of the bitumen staple on the Canadian state, I turn to evidence of the Harper administration's record while in government, finding myriad instances of industrial favouritism. In this, the analysis focuses particularly on key components of the government's legislative and policy agenda, and an interpretive analysis of key policy statements and speeches in which Conservative Ministers named, explained, and justified the direction of the government. I rely primarily on news media reports and government documents for my sources in this area. From the Harper administrations's targeted legislative reforms, to its international and domestic advocacy on behalf of the oil sands, to its deployment of the coercive organs of the Canadian state to surveil and silence its critics, ample evidence exists to support this thesis' primary point of departure: the Harper administration's political-economic programme and conception of the national interest have, from the outset, been inextricably linked to the fate of its favoured staple.

Although I have not drawn directly on my own lived experience in writing this thesis, my personal experiences have nevertheless broadly shaped and conditioned my analysis, and are relevant to the thesis that follows. My work as a roughneck on the drilling rigs of northern Alberta, and as a unionized pipeline construction worker on projects across western Canada, is an important lens through which I identify with the specific communities and workers whose livelihoods pivot around this staple, as they have within staples economies in previous epochs of Canadian history. Much of my interest in Canadian oil sands, and of my efforts to remain cognizant of the daily experiences of

workers in this industry, flows from this experience. Similarly, though I have not drawn upon any specific evidence from my time working in Parliament, my recent years as the Greens' Parliamentary Legislative Director informs this thesis' approach to the sociopolitical effects of the bitumen staple on the Canadian and society generally, and on Canada's abandonment of responsible climate policy in particular. Since 2011, my experience as witness at the forefront of the Harper administration's wielding of its Parliamentary majority government orients the claims and observations that follow.

In short, this thesis advances two basic claims. First, in my effort to understand why the Harper administration's political-economic programme has revolved so disproportionately around the development of the bitumen staple, I argue that it has, in part, emerged as the result of a constellation of economic, institutional, and structural pressures. These pressures include bureaucratic orientation towards particular functions for the government with regard to natural resources, as well as particular reliance on streams of revenue flowing from resource development. And yet, given the destructive and increasingly irrational depths of our growing dependency on bitumen, I expand beyond these materialist explanations more traditionally associated with staples approaches, and conclude that sociological, ideological, and indeed psychological factors are also at work, including a deeply habituated Canadian cognitive orientation toward, and expectation of, political economic reliance on our natural resources.

To this end, Chapter 1 sets out to demonstrate both the explanatory utility and limits of the staples approach for understanding the forces driving the political-economic ascendancy of the oil sands and bitumen-based nationalism. Tracing the language that the Harper administration has deployed to support the industry, Chapter 1 highlights the disjuncture between the rhetorical and political importance given to the Canadian oil sands, relative to its actual material influence on the Canadian economy. Not only are the narratives employed in the industry's defense difficult to reconcile with its material facts, but the material impacts of our deepening staples dependency directly undermine the nationalist 'Canada-as-emerging-energy-superpower' narrative. That is to say, an appeal based on national significance and power is fundamentally irreconcilable with a neoliberal political-economic trajectory reliant on foreign ownership of, control over, and profit-taking from, 'our' natural resources. There is profound irony in an appeal for national significance and independence rooted in growing staples-dependency. However, notwithstanding this basic inconsistency, Chapter 1 nevertheless concludes that the resonance and relative efficacy of this narrative with the general public are best explained by a deeply rooted and historically-ingrained Canadian familiarity with, and affinity for, the staples economies that stand as our founding national mythologies.

The second major claim of this thesis is that our bitumen-dependent political-economic trajectory carries with it profoundly negative impacts on the Canadian state and society. Here too, a modified staples approach provides important insight into the costs associated with growing bitumen-dependency in an era of climate crisis. Chapter 2 thus catalogues

some of the effects of bitumen's ascendancy on the Canadian state and polity, assessing some of the unique pitfalls of our deepening national political-economic dependency on the oil sands. While some consequences of the staple's influence are difficult to specify concretely and precisely, such as the emergence of discourses conflating national interest with continued oil sands expansion, others are much more readily apparent, as with the oil sands' direct influence on federal policy, and the mobilization of the state security apparatus in the industry's defense. Chapter 2 concludes that despite the uneven material impacts of the bitumen staple on the Canadian economy, the political impacts on the Canadian state and society are now such that Canada is increasingly defined by its relationship to bitumen. In an era of climate crisis, where the ecological linkages of the bitumen staple have become essentially temporally and spatially unbounded, Chapter 2 further concludes that conventional staples approaches require updating and new flexibility in order to capture the political-economic linkages rippling outward from Fort McMurray across time and space.

Given recent federal initiatives, Prime Minister Harper now appears to consider Canada's oil sands dependency as something of a legacy project, and will endeavour to deepen it as long as he retains power. Yet if, for the good of Canada and the world, the oil must remain in the sands, how do we, as opponents of this programme, keep it there? I conclude this thesis by suggesting that there exists an imperative to mitigate further oilsands expansion, and that preventing the construction of new export-oriented bitumen pipelines is our best short-term opportunity to forestall the oil sands' further

entrenchment in contemporary Canadian life. Amidst the current absence of political will to reverse course, and indeed with an apparent multi-partisan consensus favouring continued oil sands expansion, if we are to collectively pursue a political-economic trajectory suited to 21st Century climatic constraints, pipeline politics has emerged as a hopeful site of resistance to the dominant trajectory. Understanding the contested symbolic and material terrain around these projects, along with the frames, narratives, strategies, and tactics deployed by their proponents and opponents, provides a critical window into Canada's political-economic future. To paraphrase Zhou Enlai on the French Revolution, it is "much too soon" to say whether the resistance movement that has arisen to challenge the bitumen superstaple and its political patrons will ultimately prove successful. Yet in an era of climate crisis, every effort that forestalls further oilsands expansion helps to keep open the narrow window within which we can ensure our collective survival.

⁴ At the G20 Summit in November 2014, Prime Minister Harper suggested a willingness to contribute Canadian funds into the Green Climate Fund, set up to assist developing countries transition to low carbon economies. This is a positive gesture. Yet the Harper administration's general disdain for the UNFCCC process, its withdrawal from the Kyoto Agreement, and its disregard for its own 2009 pledge to reduce CO2 emissions 17% below 2005 levels by 2020 suggests a lack of seriousness and sincerity.

Chapter 1 – Petro-politics: Reimagining Canada as Energy Superpower

On July 14th, 2006, Stephen Harper, newly-minted Prime Minister of Canada, delivered a speech to the Canada-UK Chamber of Commerce, his first before a foreign business audience. With an honesty and forthrightness that would prove increasingly rare later in his tenure, the Prime Minister articulated his core vision for what Canada would become under his leadership:

One of the primary targets for British investors has been our booming energy sector. They have recognized Canada's emergence as a global energy powerhouse – the emerging "energy superpower" our government intends to build. It's no exaggeration.

We are currently the fifth largest energy producer in the world. We rank 3rd and 7th in global gas and oil production respectively. We generate more hydro-electric power than any other country on earth. And we are the world's largest supplier of uranium. But that's just the beginning. Our government is making new investments in renewable energy sources such as biofuels. And an ocean of oil-soaked sand lies under the muskeg of northern Alberta – my home province.

The oil sands are the second largest oil deposit in the world, bigger than Iraq, Iran or Russia; exceeded only by Saudi Arabia. Digging the bitumen out of the ground, squeezing out the oil and converting it in into synthetic crude is a monumental challenge. It requires vast amounts of capital, Brobdingnagian technology, and an army of skilled workers. In short, it is an enterprise of epic proportions, akin to the building of the pyramids or China's Great Wall. Only bigger.

By 2015, Canadian oil production is forecast to reach almost 4 million barrels a day. Two thirds of it will come from the oil sands. Even now, Canada is the only non-Opec [sic] country with growing oil deliverability. And let's be clear. We are a stable, reliable producer in a volatile, unpredictable world.

We believe in the free exchange of energy products based on competitive market principles, not self-serving monopolistic political strategies. That's why policymakers in Washington – not to mention investors in Houston and New York – now talk about Canada and continental energy security in the same breath. That's why Canada

surpassed the Saudis four years ago as the largest supplier of petroleum products to the United States. And that's why industry analysts are recommending Canada as "possessing the most attractive combination of circumstances for energy investment of any place in the world".

And so it was that with this single speech, delivered beyond our national borders and to an international audience, Prime Minister Stephen Harper may have inadvertently fueled a renaissance of staples analysis. Taking as its central unit of analysis the raw, minimally processed, and export-bound natural resources that have historically fueled the Canadian economy, the staples approach examines how such resources condition our political and cultural lives and how they situate us inside the political-economic orbit of empire. The explanatory utility and academic popularity of staples analyses have waxed and waned alongside the relative political-economic influence of staples in the economy. Yet as our contemporary pursuit of bitumen development becomes ever more central to the political life of the nation, the staples thesis is once again an integral tool for political-economic analysis of Canada in the 21st century.

Although this now-famous speech was openly calibrated to send a specific message to public and private international actors—that Canada sought to claim a measure of international political leadership and was 'open for business'—it simultaneously telegraphed the outline of a domestic political programme which the Prime Minister has worked methodically to implement in the years since. This Chapter's central goal is to assess the underlying factors that have given rise to this political-economic trajectory.

To those familiar with Canadian political economy and staples analyses, the language and frames mobilized by the Prime Minister in laying out his vision invoke earlier epochs in Canadian history. The "booming energy sector" of which the Prime Minister boasts recalls the resource-fuelled booms of our past, along with the economic busts that have followed in their wake, and thus reminds us of the inherent instability of any economy built disproportionately on the production and export of minimally processed resources. Despite his cursory mention of hydroelectricity, biofuels, and nuclear power, the Prime Minister's speech leaves little room for doubt: the central pillar of his aspirational energy superpowerdom was to be built on the "ocean of oil-soaked sand...under the muskeg of Northern Alberta". In his obvious enthusiasm to tackle this "monumental challenge" the Prime Minister's willingness to mobilize the various organs of the Canadian state is obvious. Yet he also makes clear that his government will eschew "self-serving monopolistic political strategies". Given his political office, in using the term "self" the Prime Minister refers to the Canadian state and public and, in rejecting "self-serving" monopolistic political strategies", he preemptively dismisses more statist modes of fossil fuel development, common throughout the world, where through public ownership or other political fetters placed on industry, maximum value from domestic fossil fuel reserves accrue to the countries' citizens.

It appears, then, that Mr. Harper's appeal to British investors was two-fold: a commitment to mobilize the Canadian state towards rapid oil sands expansion⁵, and a corollary, pledge to limit the scope of this intervention to only that required for petrocapital's smooth functioning and profitability. Though these twin planks appear to have been well borne out by the administration's subsequent years in power, this thesis will demonstrate that they are also fundamentally irreconcilable with the Prime Minister's nationalist appeal to energy superpowerdom.

The Harper administration's neoliberal vision for the Canadian state, coupled with the dependency on international markets and foreign capital (often foreign state-capital, especially in the fossil fuels sector) that neoliberal bitumen development requires, leaves no room for the kind of strong, influential, and independent country that the Prime Minister invoked with his "energy superpower" frame. Further, Harper leaves little doubt in this important speech that the expansion of the oil sands would be a central political-economic pillar of his administration's agenda. Yet even now, after nearly a decade of rapid growth in bitumen production, supported in myriad (if ideologically-circumscribed) ways by an enthusiastic administration, the Canadian oil sands constitute

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⁵ I use the term "oil sands" throughout this thesis in reference to the Athabasca bitumen deposit in Northern Alberta. Though originally called the "tar sands", as they still are by most people employed in the industry, "tar sands" has become a pejorative in activist circles and outside of Northern Alberta, and I have therefore passed over this term in an effort to avoid needless provocation.

⁶ David Harvey provides an effective definition of the neoliberal state in the introduction to A Brief History of Neoliberalism, stating, "Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defense, police, and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets...But beyond these tasks the state should not venture."

only 2% of Canada's gross domestic product, and employ a similarly slight percentage of the Canadian workforce. How, then, to reconcile this administration's overriding fixation on expanding bitumen production with its relative meagre economic importance to the Canadian economy? This chapter seeks to answer this question and, relatedly, to explore why the Harper administration's efforts to this end have been relatively well received by the Canadian public.

Developed most notably in the early 20th century by Harold Adams Innis, the staples thesis is perhaps best conceived of as the foundational theory of Canadian political economy. This chapter demonstrates the continued, and indeed growing utility that a modified staples approach contains for contextualizing and understanding our contemporary Canadian political-economic trajectory. Evidence of the renewed relevance of a staples analysis is abundant, and I will draw on both material and ideational aspects of the Canadian state and public's deep and deepening cultural reliance on the fossil fuels industry in general, and on bitumen in particular, to chart Canada's return to a staples state. My goal in this chapter is to use a staples analysis to draw out the underlying forces fueling the Harper administration's turn to bitumen extraction as political-economic strategy, as well as the emergence of the nationalist "energy superpower" narrative that has accompanied it. Not only does this narrative appear to grossly and intentionally overstate the material importance of this particular industry to the Canadian economy, but it is also fundamentally inconsistent with the Harper administration's neoliberal mode of bitumen development. Though the energy superpower narrative has no doubt been tested

and targeted to resonate with a Canadian psyche conditioned by historical staples economies, in its implementation it is best understood as a flag-draped commitment to embark Canada into new era of staples dependency.⁷

As the state and industry seek to overcome barriers to resource expansion, the politicaleconomic turn toward Canada-as-energy-superpower carries with it inherent social, economic, and political costs. While I will discuss some of the specific effects of our growing dependency on bitumen in the following chapter, this chapter concerns itself with the government's decision-making related to the oil sands, along with the substantial degree of popular support it continues to enjoy in the face of growing public opposition. To this end, the analytic tool kit provided by the staples lens sheds valuable light onto the material factors driving the push for dependency that defines contemporary petro-politics, and yet also highlights the stark inconsistency between this administration's rhetoric around the oil sands, and the industry's actual material value to the Canadian economy. Innis himself identified staples' causal role in shaping the culture and ideology of the societies that emerge out of staples economies, and staples approaches do carry us some distance toward explaining this disjuncture. Yet so great is the large and growing gulf between the Canadian oil sands' material value and their cultural weight, that sociological and psychological explanations, well outside the ambit of traditional staples approaches, must be sought.

⁷ The Canadian Press, "Government hones oilsands message with focus groups", February 18, 2013.

A staple is, at its root, a resource, a commodity, minimally processed, rent from the ground or sea or soil, and destined for export to international markets. Though limited transformative work may be performed on it along this journey, and its value-chains remain relatively simple and underdeveloped, a staple is further defined by its relative significance to its host economy, local, regional, or national, and of particular concern to scholars and activists insofar as staples economies catalyze dependency. The staples state, therefore, is one whose identity, structure, and policies are shaped disproportionately by its relationship to the staples drawn from within its borders. The oil sands' relatively narrow share of Canada's national economy does not, in and of itself, constitute dependency on the bitumen staple. Yet the degree of staples' structural ideological and political economic influence over the Canadian state and society is such that a staples approach retains important explanatory value for the contemporary Canadian context, and much of the current administration's political-economic programme must be understood in this light.

Written in 1930, Harold Adams Innis' work, *The Fur Trade in Canada*, stands as the foundation of critical staples theory, and Canadian political economy generally. Innis' central innovation was to explain the birth of Colonial Canada through the lens of a series of political-economic and institutional relationships that emerged from the political economy of the fur trade, and from subsequent staples economies. Innis held that the institutional effects of the early staples industries—cod, fur, timber, and wheat—had accrued cumulatively, and were still observable in the constitution of the Canadian state

and society, where each staple has left its distinctive mark. Quoting American author Washington Irving, Innis writes in his conclusion to the *Fur Trade in Canada*, "'The lords of the lakes and forest have passed away' but their work will endure in the boundaries of the Dominion of Canada and in Canadian institutional life."⁸

In another oft-cited quote, the unique spatial orientation and insights of the staples approach are observable, as Innis remarks: "Canada emerged as a political entity with boundaries largely determined by the fur trade. These boundaries included a vast north temperate land area extending from the Atlantic to the Pacific and dominated by the Canadian Shield. *The present Dominion emerged not in spite of geography but because of it.* The significance of the fur trade consisted in its determination of the geographic framework. Later economic developments in Canada were profoundly influenced by this background."

This same spatial orientation, applied more broadly to the trading patterns and markets that defined the early Canadian staples, also sheds particular light on the political-economic relationships within which these economies are embedded. In the context of our early Canadian staples economies, this sensitivity to spatial conditions provided Innis with the tools to trace Canada's drift from being the colony of one empire, to becoming

⁸ Harold Adams Innis, *The Fur Trade in Canada, p. 392*.

⁹ Harold Adams Innis, *The Fur Trade in Canada*, p. 393.

the colony of another, with a constant eye on the particularities of the resource economies that pulled us between imperial powers.¹⁰

Another, equally important contribution of the Innisian approach was the identification of cyclical patterns of economic boom and bust, as proto-Canada lurched from staple to staple, and empire to empire. He observed that any economy dominated by primary resource extraction and export, without diversification or substantial secondary or tertiary sectors to buffer against the capricious whims of international markets, would prove inherently unstable. Nonetheless, Innis concluded that Canada's institutional orientation toward staples—including the political, cultural, and ideological supports that had become ingrained in our early social formations—was sufficiently entrenched so as to privilege Canada's pursuit of new staples whenever existing staples collapsed. Thus it is that the analytic toolbox devised by Innis nearly a century ago, with its orientation toward the institutional, spatial, cyclical, and imperially-embedded conditions of staples economies, remains specifically relevant to contemporary Canadian political economy.

Where the staples oriented work of Innis and his contemporary W.A. Mackintosh became known as the old school of Canadian political economy, scholars of Canadian political economy have, in the intervening years, adapted and updated Innis' works to reflect new political economic trends and influences. As a second generation of Canadian political economists rose in the early 1970's, what became known as the New Canadian Political

¹⁰ Harold Adams Innis, The Fur Trade in Canada, Conclusion.

Economy encountered an economy that was much more diversified and industrialized than that of the trading posts and lumber camps that Innis had sought to understand. Synthesizing Innis' insights with those of the dependency school that had arisen in Latin America, this new school expanded upon Innis' observations about the Dominion's early role as supplicant to empire, advancing a left-nationalist critique of the large and growing influence of US financial and industrial capital in Canada. Known as the Naylor-Clement thesis, the critique centred on the degree to which Canada had become a foreign-owned branch-plant economy for US corporations, and the degree of political economic independence that had been forfeited in the process.¹¹

Staples theory was updated in the context of this new environment, notably by Wallace Clement, and the definition of what constitutes a staple was expanded to include the ongoing massive, capital-intensive extraction and export of resources from the periphery to markets in the imperial centres. Clement provides an effective overview of contemporary staples tradition from his vantage point in 1989:

Staples are natural resource products that have undergone minimal processing and that are exploited for the purpose of export to other areas where they are manufactured into end products. When staples are the leading sector of the economy they set the pace for economic growth and lead to a resource-intensive strategy of national development based on international markets for that product. The staples tradition describes the backward linkages (inputs to production), forward linkages (refining output), and final demand linkages (consumer goods) associated with resource production. The argument of the classical staples tradition revolves around these linkages, contending that there are leakages from the benefits connected with resource development and associated distortions caused by unequal international power relations entered into by recently

¹¹ Mel Watkins, "Chapter One: The Political Economy of Growth", 1989. p. 17.

developing countries. Such distortions in marginal societies follow from concentration on the extraction of natural resources for centre markets. ¹²

Having catalyzed the new school of Canadian political economy with his 1963 paper, "A Staple Theory of Economic Growth", Mel Watkins has long sought to provide a bridge between the old and new schools. He wrote in 1989 that he now sought "to further the merger of the old and the new political economies... modifying the staple approach to allow for the phenomenon of foreign ownership as elucidated by the Naylor-Clement thesis and, on the other hand, ...modifying the Naylor-Clement thesis by allowing for the centrality of staples." If Watkins felt the need to argue for the continued relevance of staples approaches in 1989, he need not be concerned 25 years later as the development of the Canadian oil sands, as close to a 'pure' staple as we have seen in modern times, has risen to dominate the national agenda.

Beyond the more conventionally recognized and measured material characteristics of staples economies, and beginning with Innis himself, analysis in the Innisian tradition has also concerned itself with the effects of staples industries on citizens' social and cultural lives, understanding that different political-economic systems have produced different social formations, conditioned by their material circumstances. Discussing Innis' conclusion to *The Fur Trade in Canada*, Robert Cox writes in his paper *Civilizations: Encounters and Transformations*, "[Innis'] interest was not just, or even primarily

¹² Wallace Clement, Debates and Directions, Chapter 2: A Political Economy of Resources, The New Canadian Political Economy, Wallace and Williams Eds., McGill-Queens University Press, 1989. p. 37.

¹³ Watkins, 1989. p. 18.

interested in economic linkages per se, but in how these became imbedded in social and political structures and in mental habits."¹⁴ Thus it is this versatility to transcend strictly economistic lines of analysis that is responsible for much of the continued influence and resiliency of Innis' analysis in the current political-economic context, and of particular interest to this thesis.

In a similar light, in her efforts to shake off restrictive interpretations of Innis' (and McLuhan's) work, especially with regard to prevalent charges of technological or geographical determinism¹⁵, Judith Stamps writes that for Innis, "a staple was not simply a commodity: it had more than quantity and price. It had special qualities that gave rise to a distinctive set of institutions." Although Stamps uses institutions here loosely to denote "different life-styles", and "different qualities of lived time", inherent to different technological epochs, her use of "institutions" also encapsulates the particular political-economic structures that have mediated between economy, state and society in each new political-economic context. And so beyond more quantifiable metrics such as ratio of primary resource extraction to gross domestic product, these more nuanced and holistic uses of staples analyses provide critical insight into the impact of a given staple on Canadian society and, in the context of bitumen, into the degree to which this staple contributes to our felt political-economic dependency.

¹⁴ Robert Cox, "Civilizations: Encounters and Transformations," Studies in Political Economy, 47, 1995. p. 17. (quoted in Watkins, 2007, p. 221).

¹⁵ David McNally, "Staple Theory as Commodity Fetishism: Marx, Innis and Canadian Political Economy," Studies in Political Economy, 6, 1981. p. 43-44.

¹⁶ Judith Stamps, Unthinking Modernity: Innis, McLuhan and the Frankfurt School (Montrealand Kingston: McGill-Queen's University Press, 1995), p. 65, quoted in Watkins, (2007), p. 221.

In an effort to understand the underlying drivers of the Harper administration's bitumen-fixation, and the growing extent to which Canada can be understood as a staples state, these more ideational staples-insights of Stamps, Cox, and indeed Innis himself, provide the greatest explanatory value within our current Canadian context. It is through this broadened understanding of the staples lens, then, that we can best understand the complex of bitumen-conditioned political, economic, and social factors that can be considered evidence that Canada has become a state influenced disproportionately by its resources, that we are collectively approaching a staples state.

Any effort to understand *why* the Harper administration has cast its lot so enthusiastically with bitumen extraction must begin with an assessment of the Canadian political-economic context. The 21st Century Canadian economy is technologically advanced, diversified, and characterized by a large tertiary sector, commensurate with its status as an advanced capitalist country and member of the Organization for Economic Cooperation and Development and G-8. Yet despite these characteristics, the role of staples in our national economy, and particularly the role of our reserves and production of bitumen, is increasingly central to understanding both Canada's role in the international economic system and our domestic political dynamics. This relationship between Canada and its staples is dynamic, and can be understood on a political-economic continuum between a staples state ideal-type (ie. proto-Canada at the height of

the fur trade) and a state whose economy is exclusively tertiary, financial, or service based.

In placing ourselves on this continuum, the key factor is the relative importance of the primary, extractive sectors vis-à-vis other economic sectors, and (following Mackintosh and Watkins) the degree to which forward, backward, fiscal, and demand linkages exist to capture economic value from the production of resources. In his 1994 study of British Columbia, Hutton observes something of a linear (if complex) economic transition from an economy "typically characterized as an almost classic model of a resource-dependent or 'staple' economy'¹⁷, toward an emerging "post-staples' era of economic development". 18 He concludes that, "British Columbia's path has powerfully and comprehensively manifested the tenets of Innis' classic model of staples production", yet "[t]his historical reality notwithstanding, the analysis presented here raises at least implicitly the question of the future relevance of the Innis model for British Columbia".¹⁹ In short, Hutton was arguing that BC had, in effect, outgrown the staples analysis. Succinctly adapting and distilling Hutton, Howlett and Brownsey sketch "an ideal-typical sequence of staple-based political economic regimes", setting down four phases within which the development of a given staple and its attendant state proceed:

First, there is the "frontier staples state". That is, an initial period of staples development in which easily available bulk commodities (fisheries, furs, timber) in the period of European exploration and

¹⁷ Thomas A. Hutton, 1994. *Visions of a 'Post-Staples' Economy: Structural Change and Adjustment Issues in British Columbia.* Vancouver, BC: Centre for Human Settlements. PI #3, p. 3.

¹⁸ Hutton, p. 24,

¹⁹ Hutton, p. 38.

the colonial enterprise are exported to metropolitan countries. The extraction of these resources in raw or unprocessed form acts as a leading influence on social formation and settlement patterns, characterized by conflict both between contending powers (France, Britain and the US) and trading companies over territory and resources, and marked by widespread displacement of First Nations societies (Innis 1956; Lower 1972).

Secondly, there is the archetypal or classical expanding staples state. In Canada this developed with the expansion of agriculture, forestry, fisheries and mining in the 19th and early 20th centuries, based on comparative advantage in natural resource endowments; incorporating the formation of a national core-periphery staples economy described in compelling terms by Harold Innis (1933) and Donald Creighton (1937); dominated by the industrial metropoles of Montreal and Toronto and their satellites; and with the extraction of staples constituting a lead development sector (investment, employment, community formation) for the national periphery (Watkins 1963; Bertram 1963; Buckley 1958);

Thirdly, there is the "mature staples state". Here the rapid expansion of staple extraction dating from the first world war, is facilitated by new industrial production technologies and Fordist labour organisation; stimulating both domestic and export market demand; and is coincident with the growth of "core" cities linked to resource peripheries at the national and provincial scales (Clarke-Jones 1987).

Fourthly, there is the "new" or "post-staples" state. This shows signs of emerging in the late 20th century and early 21st century as a set of new conditions influence the trajectory of staple development in Canada since the 1980s, including increasing pressures on resources and allied staple sectors and communities derived from resource depletion, global market pressures, the relentless substitution of capital for labour, and social factors (notably environmentalism and its variants); and a context of increasing metropolitan hegemony and transnational urbanism (Hutton 1994).²⁰

Although Howlett and Brownsey's adaptation provides a tidy and effective sketch of a progression of staples economies, where the "frontier staples state" is best understood as a staples state ideal type, the current regression towards bitumen dependency poses a direct challenge to any such progressivist model of development. In order to reflect a contrary, more classically Innisian position about staples economies—one that suggests the

²⁰ Michael Howlett and Keith Brownsey, Introduction: Towards a Post-Staples State? p.3.

possibility of cyclical and self-reinforcing patterns, and institutional feedback loops causing one staple to be replaced by another—this linear model must be reconceived as neither unidirectional nor temporally constrained. This thesis works from the assumption that recent trends—with the decline of manufacturing and the return of a heavy state emphasis on building the resource economy—force us to take this cyclical model, or at least the possibility of a continuation or return to staples, far more seriously than most political economists were doing just fifteen years ago.

The course of development of a specific staple, like its relationship to the state, is a complex and uncertain process; progression from infancy through maturity to decline does not necessarily proceed in a linear fashion. Yet while maintaining many of the trappings of a mature or even post-staples economy, Canada, with specific reference to the development of the Canadian oil sands, appears to be regressing toward a new state of frontierism. Beyond the more abstract arguments about staples dependency, the influence of bitumen over the Harper administration's political-economic programme of the past eight years has resulted in very specific material effects and consequences for the Canadian state and society, from the loss of environmental protections, to the erosion of democratic rights of participation, to the forfeiture of Canada's good standing in the international community, as discussed in Chapter 2.

An "unconventional" hydrocarbon in the terms of the oil and gas sector, bitumen is found embedded in the clay that lies beneath the boreal muskeg in the Athabasca region. Unlike conventional oil, bitumen requires extensive forward linkages to render it useful as an industrial input. Without the construction of additional infrastructure to upgrade bitumen into synthetic crude oil, or refineries to further process the synthetic crude into petroleum products for consumption, any new oil sands production must be sent abroad as raw bitumen, normally diluted with lighter petroleum condensates imported from abroad. Noting that domestically produced hydro-electricity, produced and consumed within national borders, has tended to encourage industrialization and lessen the staples bias, Watkins goes on to observe, "In contrast, it should be noted, for all those wondering what this means for the present, that oil and gas in Alberta and the Northwest Territories, which flow heavily to American markets, are much closer to being simple staple exports — which suggests regression to a staples economy." 21

Though, I believe, undeserving of their outsized political-economic influence, the oil sands are nonetheless an important sector within the Canadian economy, and an assessment of the industry's size provides a useful starting point in this attempt to parse the Harper administration's bitumen fixation. As the leading voice and industry association of fossil fuels firms operating in Canada, the Canadian Association of Petroleum Producers (CAPP) has played a central role in framing public discourse related to the oil sands. In its 2014 growth forecast, CAPP states that current levels of oil sands production are expected to rise from approximately 1.9 million barrels per day in 2014, to 4.8 million barrels per day by 2030. This astonishing projection will take what is already

²¹ Watkins, "Staples Redux", 2007, p. 215

the largest industrial project in the world and more than double it in fifteen years.²² Similarly awe-inspiring figures were contained in a letter sent in 2011 by leading industry executives to Canadian Ministers of the Environment and Natural Resources highlighting \$120 billion in new investment that had already been committed for projects pending federal government approval.²³

And so the Canadian oil sands do have important economic impacts, and particularly in Alberta. As Watkins writes of the bitumen staple's impacts, "The best of the linkages is fiscal linkage: royalties and taxes which can then be used to seed diversified, greener, development." More than any other jurisdiction, Alberta depends on this fiscal linkage flowing from the Canadian oil sands to pay, not for a green transition, but for its schools and hospitals. In fiscal year 2012/2013, the energy sector accounted for 22% of Alberta's GDP, and of Alberta's total revenues of \$38.6 billion, oil sands royalties comprised \$3.56 billion, or 9.2%. Watkins states, "Canadian governments are too deferential to the oil companies, with their enormous power, too lacking in imagination [to capture the fiscal linkage]." Nevertheless, however weak or poorly developed its fiscal linkages, considering the scale of the Alberta government's bitumen-derived revenue streams, it is clear that the oil sands make up a substantial share of Alberta's revenue.

²² Canadian Association of Petroleum Producers, "Crude Oil: Forecasts, Markets, and Transportation", June, 2014.

²³ Brenda Kenny et al., "Dear Ministers Kent and Oliver", 2011.

²⁴ Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory* @ 50, p. 128.

²⁵ Alberta's Oil Sands, Economic Benefits, 2012/2013.

²⁶ Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory* @ 50, p. 128.

In addition to this direct fiscal linkage, Alberta also collects indirect streams of oil sands rent through income taxes on the wages paid to oil sands workers. There are multiple reasons for the Fort McMurray workforce receiving notoriously high salaries by national standards. The oil sands' rapid growth and geographic concentration have created localized labour shortages, which have been further compounded by geographic stressors related to work-related migration and social isolation, harsh working conditions on account of both the climate and the culture, and massive localized hyper-inflation. This hyper-inflation has made Fort McMurray among the most expensive cities in the country, and oil sands workers in Fort McMurray have managed to capture a significant amount of bitumen rent in their wages. The result has been average household incomes of \$191,000, the highest in Canada, which has emerged as a further important revenue stream for the Albertan government²⁷ and driver of the service sectors that have emerged to support these communities in the form of a final demand linkage. 28 Thus it is important to note the economic impacts of bitumen in Alberta and nationally, including concrete (if indirect) forward, backward, and, as described above, final demand linkages. Examples of forward and demand linkages include construction of housing, assembly and maintenance of work camps, transportation, logistical provision of food and other material inputs, and the consumption of entertainment, retail, and automotive goods. Backward linkages include the construction of industrial machinery and other industrial

²⁷ Government of Alberta, "Alberta's Oil Sands: Community", 2013.

²⁸ Hirschman (from Staples Redux)

inputs: from clothing to safety gear to welding rods to environmental monitoring equipment.

A further national economic benefit is found in the transitory nature of much of the oil sands' workforce, and in the oil sands as an employer of last resort: in an historical nod to Innis' observations about the cyclical nature of staples economies, the daily direct flights between Fort McMurray, Alberta and St. John's, Newfoundland are the direct result of the collapse of the cod staple that, supplemented by the pulp and paper staple and some mining, had supported the economy of rural Newfoundland for generations. Thankfully for both the cod fisherman and the oil sands firms (if not for the cod or the communities reliant on the Athabasca watershed), the bust of the cod fishery coincided broadly with the spiking demand for labour in Fort McMurray, while similar patterns have emerged more recently in British Columbia amidst the decline of the forestry industry there since the 1980s. These economic factors thus bring us some important distance toward a material, economic explanation for Prime Minister Harper's focus on developing the oil sands since 2006. The combination of oil sands projects as a national source of foreign direct and portfolio investment, the contribution of bitumen export revenues to Canada's trade balance, bitumen royalties as a critical revenue stream for the Government of Alberta, and the oil sands as an important employer and economic driver for Alberta generally, are all substantial and material economic benefits.

Yet the political-economic context is critically important: figures from the Canadian Ministry of Natural Resources directly state that only 264,000 Canadian workers, or 2% of the national workforce, are employed directly in the oil sands, while another 4% are employed indirectly. ²⁹ Even under the industry's most optimistic production growth projection, a scenario that appears increasingly unlikely, less than 5% of Canadian workers would draw their salaries from the oil sands by 2030. For comparison, the manufacturing sector in Canada constitutes approximately 12% of the GDP, employing 1.8 million Canadians, or about 10% of the nation's workforce.³⁰

Andrew Leach, Associate Professor in the Alberta School of Business, and Enbridge Professor in Energy Policy, provides further critical perspective on the specific material influence of the oil sands in the Canadian economy. Writing in Foreign Policy in 2013, Leach writes.

Canada has not bet its entire economy on resource industries -- far from it. In fact, the share of GDP from oil, natural gas, and mining has, with a few interruptions, largely decreased since the 1960s. In April 2007 (the earliest date for which the Canadian government provides a direct comparison to current economic figures), oil, gas, and mining collectively accounted for 8.34 percent of GDP. In April 2013, that number was 8.30 percent... [economic dependence on unconventional oil] has increased 40 percent since 2007 -- but from just 1.3 percent to just 1.8 percent of GDP. The share of Canadians working directly in mining, oil, and gas has also increased, from 1.1 percent of employment a decade ago to 1.5 percent today.³¹

²⁹ Natural Resources Canada, "Additional Statistics on Energy", 2013.

³⁰ Manufacturing Industry Association stats

³¹ Andrew Leach, "Ottawa Is No Caracas", Foreign Policy. September 3, 2013.

While the term "oil sands" has become popular shorthand, it should be reiterated that the "oil" being exported is primarily minimally processed, diluted bitumen, thus the declining economic importance of resource extraction relative to the national GDP is further compounded by the "weakness of linkages in general" to which Watkins refers.³² To illustrate this weakness, it is worth briefly considering the degree of value-added processing of oil sands bitumen, relative to that within the British Columbian forestry industry. Though the amount of secondary processing in BC's forestry industry is declining at an alarming rate, in 2010, from a total export value of \$4.2 billion in 2010, 83% was processed in the form of lumber, 8% was further processed through value-added manufacturing, and approximately 9% was sent abroad in the form of raw logs.³³ In comparison, approximately 50% of Canadian bitumen is exported raw, and this level is rising at 3% per year. Of the synthetic crude that is upgraded in Canada, a still smaller fraction is processed into refined end use products for domestic consumption, while much of it is exported prior to refining.³⁴

Critiquing Canadian left-nationalists' application of the Latin American dependency/ underdevelopment paradigm to the modern Canadian state, Paul Kellogg, in a much-debated 2003 academic paper makes a similar point to Leach's, though with regard to Canada's resource economies generally, stating, "Levitt and others essentially took this dependency/underdevelopment paradigm and shifted it to try and explain the Canadian

³² Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory @ 50*, p. 128.

³³ United Steel Workers, Submission to BC Ministry of Forests on Log-Export Policy, December, 2011.

³⁴ Government of Alberta, Ministry of Energy, Oil Sands Facts and Statistics.

reality. Canada, they argued, had developed as a hewer of wood and drawer of water for the British empire, and was now playing this role for the American empire. The *Canadian Dimension* editors echo this when they say that Canada is a resource-based, dependent economy." He continues, "The facts, however, do not support this claim even in the slightest...In that period [from 1926 to 1976], there were only two years where resource extraction (agriculture, forestry, fishing and trapping, mining, quarrying and oil and gas extraction) played a more important role in the economy than manufacturing—in 1926 and 1927. Since then, there has been a steady and inexorable decline of resource extraction as a percent of GDP. From 1926 to 1976, resources as a share of the economy as a whole declined from 23 per cent to just 7 per cent...By 2002, Canada's resource-share had slipped below six per cent of GDP."35

Useful further evidence of the oil sands' relatively weak influence on the Canadian economy and, by extension, of ideational explanations for the influence of the bitumen staple on the Harper administration's political-economic agenda, is found in the 2012 political debate over the existence (or non-existence) of 'Dutch disease' in the Canadian economy. Battles in academic and policy circles over the existence and relative harm of Dutch disease have raged since the term was coined by *The Economist* in 1977. Although its original purpose was to explain the decline of the Netherlands' manufacturing sector following the discovery of offshore gas deposits, Dutch disease has since become more broadly used to describe situations where a dominant export commodity causes currency

³⁵ Paul Kellogg, "After Left Nationalism: The Future of Canadian Political Economy", 2003. p. 8.

appreciation beyond the level where non-staples and other staples sectors of the economy remain economically competitive. In its most extreme instances, this currency appreciation becomes one factor in trapping a state in a long-term cycle of underdevelopment, with dependency on raw, export-oriented resources, staples, undermining efforts to develop forward or backward linkages, to build secondary or tertiary economic sectors. Despite the existence of this debate over preceding decades, New Democratic Party Leader Tom Mulcair's public musings about the prevalence of Dutch disease in Canada in 2012 touched off a political firestorm, with his opponents accusing him of attempting to create a political wedge between Western and Central Canadian audiences for political gain.³⁶

Importantly, Mulcair's decision to raise this issue appeared to be an attempt to find a platform from which to critique bitumen's outsized political-economic influence on the Canadian government. Arguing that the increasing value of the Canadian dollar had undermined the competitiveness of higher value-added sectors of the Canadian economy, particularly manufacturing, Mulcair attempted to gain political purchase onto Canada's descent into staples-statehood. Yet in limiting his critique of bitumen's rise to its modest economic impacts, he focused his critique on the degree to which the Canadian dollar had become a 'petro-currency', its value determined by international oil markets and currency speculators. Specifically, Mulcair argued that, "we've hollowed out the manufacturing sector. In six years since the Conservatives have arrived, we've lost 500,000 good-paying

³⁶ Derek Abma, "Some provinces suffering because of oil sands prosperity: Thomas Mulcair." *Postmedia*. May 5, 2012.

manufacturing jobs", and that these job losses can be ascribed primarily to the development of the oil and gas sector, and in particular the oil sands.³⁷

Yet, as I have demonstrated above, Canada is an advanced capitalist country with an economy in which bitumen plays a small role relative to other sectors.³⁸ In his comprehensive rebuttal to Mulcair's comments, Mark Carney, then Governor of the Bank of Canada, detailed the many different factors that have led to the appreciation of the Canadian dollar, and to the decline of the manufacturing sector. Carney demonstrated that fluctuations in commodity prices do affect the Canadian dollar, with the strength of commodity prices "accounting for about one-half of the appreciation of our currency." ³⁹ Yet he also described that, although indeed marked by decline, Canada's manufacturing sector has done relatively well vis-à-vis our G7 peers. As it has within comparable countries, claimed Carney, Canada's manufacturing industry has been affected more by the meta-trends of technological change and economic globalization than it has by the appreciation of Canada's currency. Though the appreciation of the Canadian dollar was in part tied to commodity prices, and "the tidiness of the argument is appealing and making commodities the scapegoat is tempting," Carney concludes, "the diagnosis is overly simplistic and, in the end, wrong."40

³⁷ Abma, 2012.

³⁸ Harvard Atlas of Economic Complexity, Canada. 2012.

³⁹ Carney, 2012. p. 8.

⁴⁰ Carney, 2012. p.1.

Carney's paper in response to Mulcair's comments raises important points about the state of the global economy and Canada's place within it. In highlighting the degree to which we are at the whims of global economic trends, and the effect that three decades of neoliberal economic globalization has wrought on Canadian manufacturing, ⁴¹ Carney's response also indirectly highlights the limits to democratic choice that have resulted, restricting our collective ability to exert political control over our economy to ensure more just outcomes. Though not picked up by the media, these are issues seldom raised in Canadian political debate, never mind by a Bank of Canada Governor.

Although Carney's blunt and comprehensive rebuttal of Mulcair's Dutch disease thesis stands as a cautionary tale for opponents of the outsized role of bitumen in Canadian life, a crucial opportunity was missed at this juncture. By limiting his critique to the oil sands' relatively-limited economic influence on the Canadian dollar, Mulcair acceded, from the outset, to the circumscribed, economically reductionist terms of the debate preferred by the petroleum producers and their political patrons, while failing to draw out the key social, cultural, and political-economic consequences that our collective fixation on bitumen-as-staple continues to have on the Canadian state and its citizens. In this instance, had Mulcair broadened his critique to include the ideological factors that have given rise to the influence of the bitumen staple, or the destructive political-economic impacts that our pursuit of energy superpowerdom have had on the Canadian state and

⁴¹ Carney, 2012. p.6.

society, Mulcair's gambit would have proven impossible for Carney to rebut using the economistic tools at his disposal.

Thus with anaemic political-economic linkages and a minute slice of Canada's GDP, there exists a radical disjuncture between the oil sands' substantial influence over Canadian political life and the industry's actual contribution to the national economy. Economistic lenses oriented toward the material importance of the oil sands are unable to fully account for the industry's outsized influence on the current federal administration. In the effort to understand the singular emphasis that the Harper administration has placed on developing the oil sands, bitumen's fiscal contribution to the Albertan economy is perhaps as close as we can come to an economic explanation. And so while acknowledging the important economic impacts of the bitumen staple for certain subnational jurisdictions and political constituencies, it remains the case that the industry's overbroad influence on the Canadian state and society is, as Watkins declares, "bordering on the monocultural", and this remains irreconcilable with the direct material value of the bitumen staple to the overall Canadian economy: 2% of GDP.

In attempting to explain this disjuncture, a critical piece of evidence is found in public opinion. In a 2013 poll conducted by Harris-Decima, when asked to rank the most important economic sectors to the Canadian economy, a full 53% Canadians stated that oil and gas constitutes the most important sector.⁴² In reality, oil and gas contributed 4.9%

⁴² Harris Decima, "Canadians Agree a Pipeline Should be Built, Less Consensus Over Which One", November 22, 2013.

to the Canadian GDP in 2013, placing it as the 10th largest sector following real estate, manufacturing, health care, public administration, finance and insurance, wholesale trade, retail trade, educational services, and scientific and technical services. Understanding where this massive support base for the fossil fuel industries has emerged from helps us to understand why it has been favoured and pursued so aggressively by the Harper administration. Some portion of the gulf between the real and perceived importance of the oil and gas sector to Canada undoubtedly emerges from deeply held myths about the Canadian state and society and, as such, transcends the particular machinations of this current administration. Yet much credit is also due to the Prime Minister and his deployment of the Canadian state for advancing the bitumen dependency narrative in the minds of the general public.

Unsurprisingly, the oil sands' own public relations efforts have also sought to highlight the importance of bitumen to the Canadian state, and the Canadian state-communications apparatus has been mobilized to respond in kind. This communications symbiosis that has emerged between the oil and gas industry and the Harper administration has, it seems, sought to blur the line between staple and state. Based on public opinion research, it appears to have been relatively successful. In collaboration with the efforts of the industry itself, the Harper administration has endeavoured to emphasize the importance of the oil sands to the Canadian economy, and provided resources to help coordinate the industry's public relations efforts. So tightly woven have the state and staple become that

⁴³ Mining Association of Canada, 2014 Facts and Figures.

officials representing each meet to compare notes about the efficacy of their respective efforts to persuade Canadians of the importance and desirability of this economic sector. In one particularly illustrative example, described in briefing notes obtained by Postmedia's Mike De Souza under the Access to Information Act, Dave Collyer, President of the Canadian Association of Petroleum Producers (CAPP), met with Paul Boothe, then Deputy Minister of Environment Canada, to brief him on the success of a series of CAPP television commercials to increase Canadians' appreciation for the oil sands. Summary notes from the briefing state,

The results of this latest wave of research provide clear evidence that the campaign launched by CAPP is having an effect on the audience it is targeted at. Impressions of oil sands are improving, as are feelings about oil sands producers. Recall levels of the campaign are up over time, and substantial majorities of those exposed to the advertising say that it is having a positive impact on their feelings. 44

This meeting, having taken place on September 29th, 2011, presaged a new television advertising campaign that would run throughout the following year, yet this time under the aegis of the Ministry of Natural Resources and funded wholly by the Government of Canada.⁴⁵

This subsequent campaign, running at a cost of \$9-million dollars, was based on research, conducted by Leger Marketing and again paid for by the Government of Canada, that was designed to, "assist in the development of quality advertising designed to reach the maximum number of Canadians, with the most effective messaging to promote and

⁴⁴ Bruce Anderson, "Tracking Research Results", September 26, 2011. p. 15. Harris Decima research conducted for the Canadian Association of Petroleum Producers and provided to Environment Canada.

⁴⁵ Bruce Cheadle, "New government resources ads light on facts, heavy on patriotism", Canadian Press, February 18, 2013.

encourage them to become better informed about the importance and impact of Canada's energy sector on Canada's economy and quality of life."⁴⁶ The script of one such ad follows:

Canada's abundant natural resources, the backbone of our nation's economy, more than a million jobs from coast to coast to coast. Atlantic Canada supplying our oil and gas needs, heavy equipment operators in Quebec, Ontario jobs supplying the pipeline industry, Vancouver port workers helping our resources reach global markets [oil tanker shown]. A vibrant, growing natural resource industry, supporting families and communities across Canada. A message from the Government of Canada. 47

As of fall of 2013, the budget for such advertising over the previous two years had run to \$25 million. As ironically noted by Natural Resources Minister Joe Oliver, and quoted by Bruce Cheadle of Canadian Press, "'I think people understand why we are supportive in principle of the movement of our resources to tidewater,' Natural Resources Minister Joe Oliver said this week in a conference call from Paris, where he was promoting the Canadian energy sector. 'Increasingly, Canadians are becoming more knowledgeable about the importance of resource development to our economy. They understand, in a way that perhaps wasn't as widely known before, just how important resources are.'"⁴⁸

The cumulative impact of this coordinated effort by industry and state to shape public opinion is difficult to overstate. Yet beneath this surface effort to build public support for the industry lie more powerful motives. The Canada-as-energy-superpower frame, mobilized both by the Prime Minister and by the fossil fuel companies themselves, has

⁴⁶ ibid.

⁴⁷ Canada, "Responsible Resource Development and Jobs", Economic Action Plan, October 16, 2012.

⁴⁸ Bruce Cheadle, "Faith in oil's economic prowess drives public opinion on pipelines - Ottawa's \$25-million ad budget over last two year to promote resource sector may be paying dividends", *The Canadian Press*, November 22, 2013.

been tested and calibrated to resonate with the deeply held myths and beliefs that constitute our Canadian identity, and the degree to which this effort has been successful is readily observable in the Harris-Decima poll cited above, wherein 53% of Canadians are now convinced that the oil and gas sector is the most important in the country. If this calculated effort to insinuate a new bitumen-dependent strand into the DNA of Canadian nationalism has indeed been internalized by a broad swath of the Canadian polity, what are the implications for the Canadian state and society? Insofar as Canadians are receptive to the narrative that we are a bitumen-dependent staples state, Canada can increasingly be defined as a staples state because we collectively believe it to be one. This broad resonance of the bitumen-nationalist narrative points to a society that is becoming, to an unbalanced degree, defined by its relationship with the oil sands.

Ultimately, I believe that the primary intent behind the promotion of these narratives is the pursuit of specific material interests and outcomes. Yet the explanatory value of understanding that Canadians increasingly self-identify as a staples state remains important in and of itself. Although the energy industry has, throughout its existence, been supported by both Canadian political parties that have historically governed, the degree to which the current staples-dependent narrative has become hegemonic is reflected in the emergence of a multi-partisan political consensus undergirding the importance of the energy sector generally. However, as I will argue below, this near-universal consensus about the central importance of the oil sands massively surpasses the

⁴⁹ The Canadian Press, "Government hones oilsands message with focus groups", February 18, 2013.

industry's actual material importance to the Canadian economy and, as such, deviates from a strictly Innisian analysis in important ways. Whereas an Innisian understanding would argue that the cultural, political, and ideological dominance of staples flow ultimately from their economic dominance, this multi-party consensus, contrasted against bitumen's 2% share of Canada's GDP, clearly supersedes any such restrictively material explanation for the near-hegemony of the oil sands in contemporary Canadian political discourse.

This multi-partisan support runs along a spectrum, from the unqualified enthusiasm of the Conservatives, to the Greens' heavily qualified recognition of the significant role of the oil sands in the Canadian economy. Under Justin Trudeau, the Liberals find themselves much closer to Stephen Harper's neoliberal vision for the staples state, as this quote from Trudeau makes clear, "Most of all, it is in keeping with what I believe is a fundamental role of the Government of Canada: to open up markets abroad for Canadian resources, and to help create responsible and sustainable ways to get those resources to those markets". 50 The NDP's Mulcair, while advocating for the Energy East pipeline which would alone enable a 50% expansion in oil sands production, advocates for capturing additional value from the resource, adding forward and backward linkages, and rebalancing the Canadian economy. 51 In this era of climate crisis, it is indicative of the industry's influence and the strength of the Canada-as-staples-state narrative, that no

⁵⁰ Justin Trudeau, Speech to the Calgary Petroleum Club, October 30, 2013.

⁵¹ Thomas Mulcair, "Building a balanced 21st century economy" Speech to the Canadian Club of Toronto, September 9, 2012.

major Canadian political party aside from the Green Party is even willing to discuss imposing a moratorium on further oil sands expansion.

Innis was interested in the degree that staples economies shaped social and political formations and, notwithstanding the important disjuncture between the oil sands' material and cultural importance, he would likely be unsurprised at the degree to which the current administration has adopted the role of the industry's lead propagandist. The oil sands now condition our view of the Canadian state in powerful ways, and given the apparent efficacy of oil sands-related public relations campaigns, it is no accident that Canadians overemphasize our national reliance on the bitumen staple. Yet larger questions remain: what material consequences flow from a Canadian citizenry that has been so thoroughly and intentionally inculcated with the staples dependency narrative by both industry and state? And, more fundamentally, why have the oil sands come to hold such profound influence over the current the federal government, and to what further uses can the popular support for the bitumen-first trajectory be assigned?

The answer to the first of these questions is straightforward, and highlights some of the core material interests underpinning the promulgation of this narrative. In addition to asking respondents to rank the importance of various economic sectors, the Harris Decima survey cited above correlated this ranking with Canadians' support for three proposed oil sands-related pipeline projects: Enbridge's Northern Gateway⁵²,

⁵² Planned to run from Fort Saskatchewan, Alberta to Kitimat, British Columbia

TransCanada's Keystone XL⁵³, and an unnamed West-to-East pipeline⁵⁴. Harris-Decima reports, "Our survey results also demonstrate that this perspective on the importance of oil and gas to the Canadian economy correlates with one's level of support for any or all of the three pipeline projects that have been in the public dialog in recent months." Further, "As the results below demonstrate, there is a clear correlation between the level of importance that the oil and gas sector is seen as playing in the Canadian economy and the inclination to support the building of pipelines. Indeed, the correlation is more striking in that the variance is found in the polarization of opinion. Importance most closely relates to whether one supports either ALL THREE proposed pipelines or NONE of them."55 As might be expected, the evidence indicates that support for the construction of pipelines carrying diluted bitumen to foreign markets is tightly connected to support for, and belief in the importance of, the oil sands generally. And so the immediate material value of convincing Canadians that we inhabit a staples state becomes clearer: the more weight that the industry carries in the minds of Canadians, the more likely they are to support projects related to its expansion.

Although this belief in the importance of the oil sands almost certainly maps onto support for other state policies similarly justified through the energy superpower frame (such as

⁵³ Traveling from Hardisty, Alberta to upgraders and refineries on the US Gulf Coast

⁵⁴ Two pipelines currently planned fit this description: Enbridge's Line 9 proposal and TransCanada's Energy East, both of which would run through Ontario and Quebec en route to East Coast export terminals. Outside of Alberta, no refining or upgrading infrastructure exists to process Alberta bitumen, and without the construction of such infrastructure, any diluted bitumen shipped through these lines would necessarily be for export.

⁵⁵ Harris Decima, "Canadians Agree a Pipeline Should be Built, Less Consensus Over Which One", November 22, 2013.

the dismantling of environmental law and the deployment of the state security apparatus to stifle opposition, as discussed in the following Chapter), it is difficult to overstate the central importance of pipelines in and of themselves to the expansion of the oil sands. So important have such projects become to the industry's growth and profitability, and so threatening is the prospect that any such project might be impeded by concerned citizens operating outside of the staples state/staples dependency narrative, that pipeline CEOs have become almost messianic in their salesmanship. ⁵⁶ On August 18, 2013, using nationalist rhetoric approaching Prime Minister Harper's "energy superpower" appeal, TransCanada Pipelines CEO Russ Girling compared his proposed export-oriented bitumen pipeline with the Canadian Pacific Railway and the Trans-Canada Highway, stating, "Each of these enterprises demanded innovative thinking and a strong belief that building critical infrastructure ties our country together, making us stronger and more in control of our own destiny." ⁵⁷

As York historian Sean Kheraj noted, as quoted by Canadian Press journalist Lauren Krugel, "It seems very clear that there's an express political purpose behind this to try and use nationalism as a way to motivate consent from Canadians for permission to construct the project." Later, Krugel states, "[Queen's University Professor] Maybee says he sees the flag-waving rhetoric as a way for pipeline backers to get in front of the kind of environmental backlash that has stymied many projects. 'I think that by invoking the

⁵⁶ I return to the specific political-economic importance of pipelines in Chapter 3.

⁵⁷ Lauren Krugel, "Pipelines as nation-builders? Historians dubious of railway comparisons", *The Canadian Press*, August 18, 2013.

⁵⁸ ibid.

nation-building idea, they're hoping to sidestep that whole issue; that you'll have

Canadians buying into it out of patriotism,' he said. 'Whether that works, I'm not sure.'"59

Flag-draped rhetoric such as Girling's must be understood as part of a systematic effort by industry and state to interweave Canadian identity with the general interests of the oil sands and, by extension, with the construction of specific oil sands infrastructure. For opponents of this political-economic trajectory, these efforts take on a more menacing tone: as illustrated below, the implication is that any Canadian citizen who opposes such projects acts contrary to the national interest and should be treated accordingly. It is clear, from the evidence above, that the Harper administration has worked in conjunction with the oil sands industry to emphasize the importance of this staple to the national economy and it is further clear that this staples-dependent/energy superpower narrative translates into concrete public support for specific oil sands-related industrial projects. Yet beyond these particular projects, and beyond the material (and primarily localized) economic benefits that flow from the Canadian oil sands, why has development of the oil sands been prioritized by this administration to the exclusion of much else?

One plausible and relatively straightforward rationale for the Prime Minister's advocacy on behalf of expanding bitumen production is basic electoral-political calculus. While the hyper-inflationary bubble around Fort McMurray appears to have required oil sands companies to funnel a substantial share of bitumen rent into recruiting and retaining

⁵⁹ ibid.

workers, it has also contained the side benefit of creating a loyal political constituency wedded to the industry's success in Alberta and beyond. More opinion research is clearly required, but well beyond the oil sands actual economic effects, it seems likely that the perceived economic benefit of migrant workers returning home from the oil sands with disposable income to economically depressed communities, whether outport towns in Newfoundland or former mill towns in BC, has created a general perception of economic connection to the oil sands, and generated perhaps an order of magnitude larger political base than those actually employed by the industry. Further, as discussed above, the oil sands make up a critical part of the Government of Alberta's revenue stream, which renders Alberta dependent on this sector, as well as incentivizes the provincial government to pursue expansion. Although these direct economic benefits are not broadly shared outside of Alberta, the Canadian state, electoral system, and politics generally, are prone to exaggerating regionalism. And where the Prime Minister's home province, own constituency, and most loyal region of partisan support are direct beneficiaries of this bitumen-based revenue, the importance of the oil sands for Alberta's own fiscal position becomes magnified on the national stage.

Less politically tangible than the electoral math underpinning the Prime Minister's political economic programme, but perhaps as important in understanding his motives, has been a reconfiguration of Canadian corporate power centres to the west. As traced by Carroll and others, this gradual westward realignment in the geography of corporate power in Canada has been occurring since the end of WWII, with Calgary emerging as a

regional sub-metropole for energy firms following the discovery of oil in Alberta in 1946.⁶⁰ Measured in the migration of corporate headquarters and board members to Calgary from the traditional bastion of Canadian capital in Toronto, this trend has accelerated in the past decade as hundreds of billions of dollars of foreign investment has flowed through Calgary into the Canadian oil patch.⁶¹

While Toronto's role as Canada's financial centre has remained largely unchallenged, the migration of Canadian industrial capital to Calgary, alongside the growing number of Canadian subsidiaries of foreign (and particularly US) oil companies who have established Calgary-based offices, has emerged as a new Canadian power centre to challenge the traditional networks of "Laurentian elites". 62 Understanding this realignment in the geography of corporate power in Canada is a critical lens through which to understand the Prime Minister's focus on the oil sands: if Canada is to become an emerging energy superpower under Prime Minister Harper's tenure, then its new capital and power centre would inevitably be Calgary. And for a Prime Minister who came of age within the prairie populist Reform Party, whose founding rallying cry and slogan was "The West Wants In", this long-term westward reconfiguration of networks of elite power in Canada almost certainly stands as a strategic end unto itself, underpinning the drive to expand production in the Canadian oil sands.

⁶⁰ William K Carroll, "Westward ho? The shifting geography of corporate power in Canada", Journal of Canadian Studies, 2002, p. 119.

⁶¹ Theresa Tedesco, "'Toronto has less influence now': How Canadian corporate power is making a big shift westward", *National Post*, December 3, 2014.

⁶² Darrell Bricker and John Ibbitson, "Saying goodbye to the Canada we once knew", *National Post*, March 5, 2013.

However, even taking into consideration the potential political realignment that is at stake, as well as the industry's substantial economic impact, efforts to expand bitumen production can reasonably be seen as the current administration's primary politicaleconomic priority, representing a degree of influence over government policy and decision-making that appears to transcend the observable evidence. And whereas the Canadian public is broadly supportive of this goal, it is due to a concerted effort by both the Canadian state and its favourite staple to influence and shape this public opinion in their favour. Therefore, given that the oil sands now wield political-economic clout well beyond bitumen's actual material economic or political importance, additional sources of this disproportionate influence must be sought elsewhere. Indeed, through a material lens, Prime Minister Harper's rhetorical commitment to energy superpowerdom is impossible to reconcile with the intersecting forms of economic and political-dependency that, for Innis, Watkins, and Clement alike, inevitably characterize staples economies (and in particular those staples economies bound by neoliberal strictures). So what ideational factors and causal forces thus explain the current administration's fixation on bitumen, and the receptivity of the general public to the Prime Minister's energy superpower frame?

To a significant extent, I believe the answer lies in the more-than-material phenomena associated with staples economies with which Innis was originally interested. To again quote Cox, "[Innis'] interest was not just, or even primarily interested in economic

linkages per se, but in how these became imbedded in social and political structures and in mental habits." ⁶³ I began this chapter with Prime Minister Harper's "emerging energy superpower" appeal and, having examined and found wanting the evidence for bitumen's influence on the Canadian state and society, I return to this speech. As discussed above, any such prominent-placed and prepared political rhetoric is tailored to resonate with specific audiences. Although the speech's stated goals provide valuable insight into the Harper administration's political-economic programme and orientation toward bitumen, the more subtle frames and narratives deployed provide even deeper insight into the Canadian public's mental habits and socio-political receptivity to such arguments couched in the language of staples.

Modern Canadian political techniques are heavily reliant on public opinion research, and the current administration's reliance on focus groups to access Canadians' subconscious lives has long been acknowledged. Hus reverse-engineering Prime Minister Harper's first major speech abroad provides direct insight into the assumptions and strategies of its architects. Though this speech was delivered in front of an audience of British and international investors, it would have been obvious to everyone involved that the speech's coverage and impact would have been at least as significant domestically as it was to the international business people he was ostensibly addressing. Thus the decision to frame one of his administration's central political-economic pillars in this kind of nationalist

⁶³ Robert Cox, "Civilizations: Encounters and Transformations," *Studies in Political Economy*, 47, 1995, p. 17

⁶⁴ For just one relatively recent example, see The Canadian Press, "Government hones oilsands message with focus groups", February 18, 2013.

language, undoubtedly chosen following extensive public opinion research, points to an effort to speak directly to a Canadian psyche conditioned by previous staples economies and longing for national significance. That Innis believed such staples-based conditioning could become embedded in our mental habits must go some distance to explaining the current administration's bitumen fixation.

For although Innis himself took a strongly materially-deterministic approach to the causal relationship between a given staple and its cultural influence, he opened the door to understanding why bitumen has become politically and culturally ascendant in the absence of parallel material significance. Arguing that, "Later economic developments in Canada were profoundly influenced by this development [the boundaries and character of the Canadian state flowing from the political-economic conditions of the fur trade]", Innis posited that fur trade and staples that followed conditioned Canada's socio-political and institutional formations, including its ideological and cultural orientation towards staples development. ⁶⁵ That is, if we accept that a staple economy can give rise to particular social and political formations, then we can easily conclude that the cumulative cultural impact of an historical pattern of staples economies, including those that constitute our country's founding mythologies, would continue to condition the Canadian psyche in powerful ways even in the absence of a staple that is materially preponderant.

⁶⁵ Harold Adams Innis, The Fur Trade in Canada, p. 393.

Therefore, by framing his drive for oil sands expansion as a nationalist push for energy superpowerdom, Prime Minister Harper appears to have successfully leveraged an ingrained Canadian historical familiarity with natural resource extraction to help obscure his administration's construction of the neoliberal petrostate. If Canadian identity and the collective Canadian psyche are historically conditioned to respond favourably to the basic idea of staples economies, then the expression of Canadian nationalism through resource extraction is a predictable outcome. And yet Innis observed that Canada's early staples economies reinforced, and were enmeshed in, a series of imperial relations with Canada reliably playing the role of compliant resource colony to empire: first to France, then Britain, and, more recently, to the United States. From fur to bitumen, this pattern of subjugation has resulted in the kind of national inferiority complex that responds well to promises of resource-fueled superpowerdom as an explicit claim of national strength vis-à-vis other states.

The obvious irony here, however, is that the two are mutually exclusive. The appeal to energy superpowerdom, couched in nationalist rhetoric and tailored to resonate with ingrained Canadian insecurities and desire for national significance, runs headlong into the original source of this insecurity, Canada's subservient staples-based relationship to empire. This is then further compounded by pursuit of exactly the kind of circumscribed neoliberal mode of resource development, dependent on foreign states, capital, and markets, that gave rise to the insecurity and longing for national significance in the first

⁶⁶ Harold Adams Innis, The Fur Trade in Canada, pp. 391-392.

instance. The promise of superpowerdom through extracting and shipping resources to empire does not hold: this particular model of neoliberal staples-based economic development cannot but result in another round of immersion in, and dependence on, intra-imperial relations, with Canada again cast as compliant supplier of raw material inputs to empire.

Despite this, it seems intuitively to be the case that some unique characteristic of bitumen (and of oil generally) has allowed the Harper administration itself, and indeed Canadians at large, to gloss over these glaring inconsistencies in a way that would be difficult to imagine were the dominant staple something other than the oil sands. It would be broadly perceived as absurd if the federal government pursued a national political-economic programme oriented specifically toward any other staple or industrial sector responsible for a mere 2% share of GDP. Yet the unique role of oil (and, by extension, its unconventional cousin bitumen) as the dominant input of the modern industrial economy, coupled with the seemingly endless reserves of the Prime Minister's "ocean of oil-soaked sand", invokes a degree of permanence and economic reliability heretofore unknown within the staples that comprise Canadian political-economic history.

For if the Canadian psyche and Canadian identify generally have been disproportionately conditioned by our historical relationship to our staples, then they have been similarly conditioned by the repeated periods of crisis that have intermittently characterized Canadian political-economic history. Innis observed that cyclical instability is an inherent

quality of staples economies, alongside a basic vulnerability to, and dependency on, external political-economic forces beyond the control of national authorities. The combined impact of these characteristics on the Canadian psyche has been one of longing for a resource boom (for we are collectively conditioned to long for little else) over which we have domestic control, and which does not threaten to betray us in an eventual bust. While petroleum remains the dominant global industrial input, it is a resource that symbolizes power and, perhaps as important for the Canadian context, stability.

In light of the ongoing framing of the bitumen staple as the answer to our collective

Canadian desire for political-economic certainty and stability, it is perhaps unsurprising
that the bitumen staple has also become a cypher for the conservative worldview, and a
muse onto which pervasive conservative preoccupations with security and selfsufficiency have been projected. This cognitive linking of conservative ideology and
values with a specific commodity has likely been a subconscious occurrence for most
conservatives, but the rise and continued salience of the energy security frame perhaps
provides some evidence of this phenomenon. Though more research is undoubtedly
required, it seems similarly plausible that conservative values related to traditional gender
roles also find subconscious expression in support for the bitumen staple. Whereas the
majority of the Canadian economy is now comprised of public sector, white collar, and
service industry employment, jobs in the oil patch represent a bastion of rugged
masculine individualism and industry (ie. "roughnecks"), while wages in the the oil and
gas sector remain high enough (notwithstanding hyperinflation in and around Fort

McMurray) to support one-income households with male breadwinners and traditional family structures.

This claim, however, does not assume that the political actors making this bitumennationalist appeal are themselves immune to the same subconscious ideological
projection and conditioning that they have successfully leveraged to advance their
agenda. On the contrary, it appears probable that the domestic political forces arrayed
behind oil sands expansion and advancing the energy superpower narrative are
themselves equally constrained and conditioned by our shared history of staples
development and national inferiority vis-à-vis empire, and that this same conditioning has
given rise to the current administration's fixation on bitumen production in the first place.

To restate, the evidence indicates that the Prime Minister's use of the resource superpower narrative to build support for his political-economic agenda has been based on a successfully targeted appeal to a Canadian psyche conditioned by a political-economic backdrop of historical inferiority to imperial powers and the attendant longing for national significance. Further, although it has proven resonant with a broad swath of the Canadian public, there exists a basic and irreconcilable inconsistency between the Prime Minister's bill of goods and what is ultimately being delivered to the Canadian public.⁶⁷ Though the extraction and export of raw bitumen is enmeshing Canada deeper into relationships of staples dependency with imperial powers, and facilitating this

⁶⁷ Harris Decima, "Canadians Agree a Pipeline Should be Built, Less Consensus Over Which One", November 22, 2013.

process is exacting a deep and deepening cost on the Canadian state and society (as discussed in Chapter 2), these material realities have been substantially overshadowed by the ideational and symbolic value of attaining national power, independence, and international significance through our reliance on the bitumen staple. This is Canada as energy superpower, and it is fundamentally irrational.

Furthermore, although the bitumen staple is fundamentally unsuited to a carbon-constrained 21st century, the Harper administration's calculated conflation of expanded bitumen production with the national interest has resulted in a majority of Canadians identifying as our most important industry one that is majority foreign-owned and constitutive of only 2% of Canada's GDP. We are now faced with the absurdity of a Canadian Prime Minister invoking the national interest in defense of the profitability of foreign capital, while labelling those who would see the Canadian environment protected, Canada uphold its international climate obligations, or the Canadian state retain greater value from this resource, as foreign-funded radicals.

Contemporary Canadian identity may be heavily conditioned by our historical relationship with our staples, but the Harper administration's considerable public relations efforts to cement this link implies that the two are not inseparable. In an era of climate crisis, dependency on a narrative that rationalizes oil sands expansion through an appeal to national power and agency appears broadly unsustainable. When the costs borne by the Canadian public en route to energy superpowerdom are tallied, and when

possible external forces, whether dropping oil prices⁶⁸, international carbon sanctions, extreme weather events, or a foreign oil sands investor wielding an Investor State agreement against a domestic law, eventually give the lie to the claim that bitumen is Canada's shortcut to international power in the 21st century, it would be useful to have a new story on offer.

⁶⁸ The dramatic decline in international oil prices and attendant layoffs that have occurred since this was written are little cause for gloating, as it is (always) Canadian workers and families who bear the disproportionate burden of such high risk approaches to political-economic development.

Chapter 2 – The Staples State: Impacts and Adaptations

Where Chapter 1 begins to dismantle the energy superpower narrative that has been deployed by the Harper administration to garner support for oil sands expansion, and contrasts the oil sands' outsized influence against its actual material economic importance to the Canadian political economy, Chapter 2 attempts to take stock of the specific impacts that this influence has wrought on the Canadian state. However ideological the underlying drivers of Canada's love affair with the oil sands, the consequences have been substantial and concrete, defining much of the Harper administration's political and legislative agenda.

Broadly, the impacts of the bitumen staple on the Canadian state and society can be considered in two general categories, with important instances of overlap between them. First, the impacts and oil sands-related costs are manifest socio-politically, with negative effects on the Canadian state and Canadian society. These include costs to the health of our democracy, as state is integrated with staple and the federal government conflates the interests of a particular industry with that of the country. Evidence of this phenomenon is observable as the government focuses its diplomatic and economic resources on advocacy and public entrepreneurship on behalf of the oil sands, democratic choice is curtailed by the adoption of investor-state dispute settlement mechanisms, and the coercive organs of the state are deployed to ensure development of the oil sands proceeds apace, which I have called the bitumen staple's security linkage.

Second, the costs borne alongside our bitumen dependency are environmental, as local environmental degradation and risks are obscured and normalized, and Canada abandons its responsibilities vis-à-vis climate change. Alongside specific, localized instances of oil sands-sourced pollution, as found in the Athabasca watershed, many manifestations of the oil sands' environmental impacts overlap with degradation to Canada's environmental-institutional framework. While examples of this phenomenon are found in the sharp reduction of scientific capacity and the wide-ranging repeals of Canadian environmental law⁶⁹⁷⁰, it is most significantly reflected in the oil sands' pervasive and profound influence on Canadian climate politics. I conclude that the traditional tools of staples analysis are poorly suited to accommodate a staple that contributes to the degradation of the biosphere itself. In an era of climate crisis, where the ecological linkages of the bitumen staple are essentially temporally and spatially unbounded, staples approaches require updating in order to capture the political-economic linkages rippling outward from Fort McMurray across time and space.

Public entrepreneurship, the mobilization of the state's political and economic resources on behalf of a given staple, is not a new phenomenon in Canadian political economy, and has been applied to previous staples throughout Canadian history. In his 1987 comparative work, *The Prairies and the Pampas*, Carl Solberg examines divergent Canadian and Argentinian agrarian policy in the period from 1880 to 1930. Solberg's

⁶⁹ Verlyn Klinkenborg, "Silencing Scientists", New York Times Editorial, September 21, 2013.

⁷⁰ Max Paris, "Energy industry letter suggested environmental law changes - Greenpeace says oil and gas companies got what they wanted from Ottawa", *CBC News*, January 9, 2013.

central thesis is that the reason for Canada's success in building a dominant grain industry, while Argentina's industry stagnated and was surpassed, lies squarely at the feet of Canadian public entrepreneurship. Despite their similar access to export markets and similarly favourable arable land (indeed Argentina had an edge on Canada on both counts), Solberg's study concludes that Canada and Argentina's inherent natural advantages were overshadowed by Canadian national public policy, and the institutional support given to Canadian grain producers by the Canadian state. Given identical properties of the staple, wheat in this case, and given that Argentina had a slight geographical advantage in suitability of arable land and proximity to market, Solberg's analysis focuses on the remaining institutional factors that provided Canadian grain producers with an upper hand.

Specifically, in response to the expansion of US control to the south, Canadian political institutions proved more responsive to the needs of prairie grain producers, eager to pursue a policy of nation building through expansion of the staple alongside the physical (railroads) and institutional (policing) infrastructure its development required. In short, state agency prevailed over geographical or political-economic determinism. This integral role of public entrepreneurship in the development of the wheat economy must serve to moderate any sense of inevitability toward a particular political-economic trajectory. In the 21st century political-economic and ecological contexts, Solberg's emphasis on

⁷¹ Carl Solberg, *The Prairies and the Pampas: Agrarian Policy in Canada and Argentina, 1880-1930*, Stanford University Press, 1987, pp. 227-8. Quoted in Watkins, Chapter 1: Political Economy of Growth, New Canadian Political Economy, p.19.

political agency and the role of the state also contains critical implications for Canadians concerned with transformation.

Given how apparently enamoured our Prime Minister is of the oil sands, it is evident that if Canada is to be understood as a 21st century staples state, beyond rhetorical and ideological support, some of the same political-economic patterns and public entrepreneurship should be observable. Certainly one need not look far to find examples of these phenomena, wherein various organs of the Canadian state have been mobilized in support of the development of the bitumen staple. In the contemporary Canadian context, such examples of public entrepreneurship are multi-faceted and extend well beyond the particular kinds of institutional support considered by Solberg.

One particular example is the deployment of diplomatic support in an international advocacy role for the oil sands overseas. This kind of advocacy and reputational defence of the staple by the state is found in the repeated trips abroad by senior federal Ministers, and indeed the Prime Minister himself, to do damage control in the face of environmental concerns abroad that threaten demand for Canadian bitumen. Natural Resources Minister Joe Oliver, as the article noted that quoted him, above, was at that moment in Paris, "promoting the Canadian energy sector".

This particular trip was most likely directed at lessening the damage of the European Fuel Quality Directive, a climate-oriented European Union initiative designed to decrease the carbon intensity of the continent's fuels, and as such potentially undermining the market for carbon-intensive Canadian bitumen.⁷² Although not as urgent a threat for the Canadian oil sands as the need to construct bitumen-export pipelines, efforts within the EU to limit imports of Canadian bitumen pre-emptively by labelling it "dirty" would constrain access to the nearest major overseas market should an eventual export pipeline to the east coast be built.⁷³ It would also create an international precedent that could be referred to in criticizing the industry in more important current markets for bitumen.

In another such instance, Foreign Affairs Minister John Baird traveled to Washington, DC, to press US officials specifically for the swift approval of TransCanada's Keystone XL pipeline, designed to export Canadian bitumen to overseas markets via the US Gulf Coast. Beyond the opposition of communities along the proposed route, concerned with the risks the pipeline poses to important local water resources, approval for the Keystone XL has been delayed largely due to concerns that this additional infrastructure would undermine American efforts to mitigate climate change, and Baird's trip was aimed at pressuring the US administration to set these concerns aside.⁷⁴

While such salesmanship by Canadian political figures abroad has become commonplace, one particularly notable instance was the Prime Minister's September 2013 talk before a New York business audience. The Prime Minister stated, in reference to the ongoing US

⁷² Bruce Cheadle, "Faith in oil's economic prowess drives public opinion on pipelines", 2013.

⁷³ Christopher F. Schuetze, "Is Canada's Oil Too Dirty for Europe?", New York Times, May 13, 2013.

⁷⁴ Paul Koring, "It's 'decision time' on Keystone XL, Baird says in Washington", *The Globe and Mail*, Jan. 15 2014.

review of, and pending presidential decision on, the Keystone XL pipeline, "my view is you don't take no for an answer...We haven't had that, but if we were to get that, that won't be final. This won't be final until it's approved and we will keep pushing forward."⁷⁵ Evidently, such has become the importance of this industry to the Canadian state, and the desperation to ensure an outlet for the export of Canadian bitumen, that our Prime Minister is willing to resort to public belligerence toward the US President in an attempt to secure approval for a single piece of oil sands infrastructure.

But what of more concrete instances where public entrepreneurship has manifested itself in support of the bitumen staple? Mobilization of policy levers to support staple expansion has a long history in Canada, as noted above with regard to the wheat industry, and the oil industry is no exception. In the current context, such mobilization has increasingly become self-reinforcing. Despite Crown resources falling within provincial jurisdiction, significant federal policy supporting staple development has spanned multiple administrations and most of the past century, to ensure the oil and gas sector (among other staples) has survived and flourished.

In efforts to establish the government's levels of direct and indirect fiscal support for the Canadian oil and gas industry, conflicting methodologies complicate definitive findings.

At the outset of their comprehensive evaluation of Canadian and provincial subsidies to

⁷⁵ Susana Mas, "Harper won't take no for an answer on Keystone XL PM touts benefits of proposed pipeline to business leaders in New York", *CBC News*. September 26, 2013.

the upstream oil industry, Dave Sawyer and Seton Stiebert provide a perhaps oversimplified overview of the opposing positions in order to highlight the tension:

An environmental view treats any benefit to the oil sector as a subsidy, regardless of whether or not they are available to other economic sectors. Under this view, taxes are low or not collected, royalty and land lease payments are set well below the value of the oil in the ground, and environmental services are provided for free. Oil prices therefore misrepresent the societal cost of a barrel of oil extracted, leading to higher activity levels and more environmental degradation. Here, any subsidy is unacceptable, and through subsidy reform, the costs of oil extraction need to rise to reflect the social cost.

A development view by contrast, favoured by industry and to some extent governments, is one where competitiveness is maintained through keeping taxes and royalty payments low to keep investment activity levels high. Under this view there are no subsidies. Instead, incentives and programs are designed to make the sector more competitive relative to other jurisdictions thereby attracting investment and keeping activity levels high.⁷⁶

Federal economic support for oil sands development has shifted dramatically from government to government in both kind and amount, yet the aggregate subsidization numbers provide useful insight into the overall consistency of this support during the past four decades. According to a 2000 report by the Commissioner of the Environment and Sustainable Development, during "the 30-year period from 1970 to 1999, Canadian direct federal spending on energy production from fossil fuels was \$40.4 billion", or approximately \$1.4 billion per year. With striking similarity, Sawyer and Stiebert, writing in 2010, place the federal subsidy to the oil industry for that fiscal year at \$1.4 billion, with an additional \$1.4 billion provided by the three primary oil producing provinces of

⁷⁶ Dave Sawyer and Seton Stiebert, "Fossil Fuels – At What Cost?", Global Subsidies Initiative, International Institute of Sustainable Development, November 2010. p. 11.

⁷⁷Scott Vaughan, "Chapter 4: A Study of Federal Support to the Fossil Fuel Sector", Fall Report of the Commissioner of the Environment and Sustainable Development 2012, Office of the Auditor General. p.2.

Alberta, Saskatchewan, and Newfoundland, for a total annual subsidization of approximately \$2.8 billion across between federal and provincial supports for the upstream oil and gas industry.⁷⁸

In his 2012 Fall Report, Scott Vaughan, Commissioner for the Environment and Sustainable Development, noted progress in reducing sectoral fossil fuel subsidies, finding \$508 million in direct federal subsidization during the 5 years between 2007-08 and 2011-12, and \$1.47 billion in indirect subsidization for the 5 years between 2006-07 and 2010-11, for an average total subsidization of approximately \$400 million per year for the fossil fuel sector as a whole. There are a number of factors that have likely contributed to the disparity between Sawyer and Stiebert's \$1.4 billion per year in federal subsidization and Vaughan's estimate of \$400 million. First, Vaughan notes the government's progress in largely phasing out the accelerated capital cost allowance for oil sands projects, and given that Vaughan's analysis is more current than Sawyer and Stiebert's, this phase out has not been significantly captured by their analysis. Second, Vaughan acknowledges that his methodology does not account for the use of flowthrough shares, since some portion of this subsidy also benefits the mining and renewable energy industries. Still, this indirect subsidy has gone disproportionately to the oil and gas exploration, and accounts for an additional \$2 billion in forgone government revenue over the same 5 year period.⁷⁹

⁷⁸ Sawyer and Stiebert, p 15. Though they do cite the Commissioner for the Environment and Sustainable Development in their sources, Sawyer and Stiebert's study is comprehensive and independently arrives at the same \$1.4 billion per year in federal subsidies to oil and gas production.

⁷⁹ Vaughan, p.2.

It is apparent, then, that despite promises and international commitments to phase out subsidies to the Canadian oil industry, the ongoing levels of direct and indirect subsidization remain substantial, if below historical averages for financial subsidization. And although direct expenditures have more recently been directed toward research and development related to efficiency and clean technology, arguably aimed at bolstering the oil sands' environmental reputation, the indirect fiscal support that the federal government continues to provide remains oriented primarily toward offsetting the costs of oil and gas exploration. 80 And so, despite its stated aversion to economic intervention in theory, and despite having made some progress on reducing the amount of financial subsidization of the oil sands, the current administration has generally kept with historical patterns of public entrepreneurship and displayed a willingness to intervene to support the oil sands where and when needed. It also appears plausible that any willingness to reduce direct fiscal support for the Canadian oil and gas industry is likely due to the industry's ongoing success and profitability, in addition to addressing the federal budget deficit that emerged following the 2008 financial recession. Whether due to budgetary restraints or the industry's profitability, the Harper administration's reduction of direct financial support to the oil sands appears to undermine the thesis that the bitumen staple has captured a growing degree of public entrepreneurship, leveraged by the Canadian state on its behalf.

⁸⁰ Government of Canada, "Eliminating Fossil Fuel Subsidies", Canada's Economic Action Plan.

However, outside of diplomatic or economic supports, the administration of Prime Minister Stephen Harper has found other, more novel ways to lubricate the development of the Canadian oil sands. Beginning from his appeal to British and international investors during his 2006 speech in London shortly after becoming Prime Minister, Harper and his Ministers have consistently expressed the need to attract international investment to develop the Canadian oil sands. While the same speech eschewed any Canadian state intervention in the oil sands that would be to the detriment of capital, the Harper administration did not at first apply the same standards to foreign direct and portfolio investment in the Canadian oil sands. As foreign investment into the oil sands slowed in the aftermath 2008's financial turmoil, Canada began seeking new markets for Canadian-produced bitumen, and new sources of foreign investment.⁸¹ In a pattern that has mirrored previous epochs in Canadian political-economic history, where the development of staples economies occurred alongside submergence into relations of empire, these efforts were aimed at tapping in to the energy-hungry Asian market, and vast reserves of capital held by Asian state-owned, and particularly Chinese, firms. Through great diplomatic effort, and significant climbing down from public criticism of China's human rights record, the Harper administration was able to chalk up some early successes in enticing Chinese state capital to invest in Canadian oil sands operations. Both in the form of portfolio investment and in outright purchases of oil sands firms, investment from Chinese state-owned enterprises (SOEs) constituted approximately 16% of the \$73.6 billion invested in the oil sands between 2007 and 2011.82

⁸¹ Oliver, 2012.

⁸²Timeline: Chinese ownership in Canada's oil patch, Reuters, December. 07 2012.

To further lubricate the flow of Chinese investment capital into Canada (and in addition to renting a pair of Chinese pandas⁸³), Prime Minister Harper and Chinese President Hu Jintao signed, on September 8th, 2012, the Canada-China Foreign Investment Promotion and Protection Agreement (FIPA) on the sidelines of the Asia Pacific Economic Cooperation (APEC) meeting in Vladivostok, Russia.⁸⁴ Negotiated on the model of Canada's other FIPAs, which exist primarily between Canada and developing country recipients of net inflows of Canadian capital, the Canada-China FIPA provided would-be Chinese investors with a host of favourable enticements.

As an early adopter and proponent of corporate-led economic globalization, the Canadian state has willingly placed itself at a structural disadvantage vis-à-vis foreign investment capital at least since the signing of the North American Free Trade Agreement (NAFTA) in 1994. NAFTA, successor agreement to the Canada-US Free Trade Agreement signed in 1988, contained a then-novel legal mechanism in Chapter 11, which has since become known as an investor-state dispute settlement (ISDS) mechanism, and reproduced globally in thousands of bilateral investment treaties. 85 As the most troubling provision found in the Canada-China FIPA, the essence and purpose of the investor-state dispute

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⁸³ Timothy Appleby, "Harper greets pandas at airport, calling them 'national treasures'", *The Globe and Mail*, March 25, 2013.

⁸⁴ Government of Canada, "Canada-China Foreign Investment Promotion and Protection Agreement (FIPA)", September 8, 2012.

⁸⁵ Gus Van Harten and Martin Loughlin, "Investment Treaty Arbitration as a Species of Global Administrative Law", *The European Journal of International Law*, 17, 1, 2006.

settlement mechanism, as it is in every case, is to limit states' sovereign choices where the profitability of foreign capital is concerned.

Operating entirely outside of the legal architecture of either state that is party to such an agreement, a foreign investor may challenge any legislative, regulatory, or judicial measure that it deems to have violated the broad protections contained in the FIPA. Referon example, a Chinese investor, including an SOE, could potentially a challenge a national climate policy enacted by a democratically elected government, where such policy curtailed the expansion of the oil sands. The offending policy would then be subject to six months of behind-the-scenes diplomatic pressure and, if neither side was willing to yield, to a secret review by an arbitral panel of professional international investment lawyers, whose own livelihoods arguably depend on siding with capital over states. Such rulings are binding on states via punitive financial measures, and have rarely been favourable for Canada during past disputes. Reference of the legal architecture of either state that is party to such as party to suc

Such was the emphasis placed on the need to attract Chinese capital for the expansion of the oil sands that the Canada-China FIPA represented a yet-more extreme iteration of the supranational rights afforded to capital in the course of Canada's 'normal' FIPAs. As a net importer of Chinese capital, Canada appeared willing to accept major financial risk under this agreement, should it ever be subject to an unfavourable ruling. In its other FIPAs, most of which have been negotiated with developing countries, Canada typically finds

⁸⁶ Canada-China Foreign Investment Protection and Promotion Agreement. Canada-China FIPA.

⁸⁷ Corporate Europe Observatory, "Profiting from injustice", November 27, 2012.

itself the net exporter of capital, and the recipient state must tread lightly lest it find itself challenged by a Canadian corporation. Additionally, the Canada-China FIPA was uniquely negotiated to outlast the current administration, with an initial 15 year application, followed by a 1 year notice period for withdrawal, and including an additional 15 years of application for investments made during the initial time that the treaty is in force. A final provision worth noting is that the very existence of arbitral proceedings under the Agreement can be kept secret from the Canadian public. This marks a clear break from Canada's previous FIPAs.⁸⁸

Old habits die hard, and the Harper administration's open door to Chinese capital under these circumstances can be understood in the light of staples analysis as Canada's drift into the orbit of yet another empire. Through the lens of the staples approach, this agreement makes sense in light of Canada's historical penchant for subservience and self-subjugation as supplier of staples to industrial powers. And yet the opening to new Chinese investment within this proposed framework has been anything but smooth.

Following their tentative entrance into the Canadian oil sands, the big Chinese state-owned energy firms, Sinopec and China National Offshore Oil Company (CNOOC), began making more substantial investments, culminating in the July 2012 announcement that CNOOC would purchase Canadian energy firm Nexen. The deal, worth \$15.1 billion, remains the largest purchase of a foreign company by a Chinese SOE to date. 89

⁸⁸ CBC News, "5 things to know about the Canada-China investment treaty", October 27, 2012.

⁸⁹ Aibing Guo and Jeremy van Loon, "Cnooc Buys Nexen for in China's Top Overseas Acquisition", July 23, 2012.

This investment, and to a lesser extent the state-owned Malaysian firm Petronas' bid to purchase Progress Energy for \$5.5 billion around the same time⁹⁰, brought the basic inconsistency between the nationalist 'energy superpower' narrative and the encouragement of Chinese SOE intervention into sharp relief. It resulted in significant and sustained political backlash, including backlash from within the Prime Minister's core political constituencies.⁹¹ For how could the Harper administration reconcile the radically irreconcilable propositions that Canada would become an energy superpower, but also would approve the sale of major, Canadian-headquartered oil sands firms to a foreign state? At issue is the inherent tension between the Prime Minister's explicitly nationalist justification for oil sands expansion, and the self-imposed policy constraints that flow from his neoliberal ideological commitments. That is, nationalist conceptions of energy superpowerdom depend on a degree of national control, and are thus fundamentally irreconcilable with a neoliberal political-economic oil sands development programme premised on foreign ownership and foreign profit. Yet despite this inherent inconsistency, it took a large investment by a non-American state-owned enterprise to bring this tension to the fore, and effectively highlight the mutual exclusivity between rhetoric and reality.

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⁹⁰ Edward Welsch, "Malaysia to Buy Canada Gas Firm", June 28, 2012.

⁹¹ Most Canadians Would Block Proposed Takeover of Nexen, October 16, 2012, http://www.angusreidglobal.com/polls/most-canadians-would-block-proposed-takeover-of-nexen/

And so, in an effort to mitigate the political fallout that was emerging from the CNOOC-Nexen purchase, the Harper administration, while finally announcing approval of the sale, also drastically tightened the rules against further direct SOE investment into Canada. This prompted a backlash from the Canadian oil patch, and was an important factor in the massive reduction of foreign investment into the Canadian oil sands that followed. Despite this tightening on new foreign state-investment, the degradation of democratic choice inherent in the ISDS provisions between Canada and the US, and Canada and China following the ratification of the Canada-China FIPA, combined with major new private and state-origin foreign oil sands investments, remains among the most serious costs borne by the Canadian state and public as a result of our affinity for the bitumen staple. In a democratic country, any long-term forfeiture of democratic choice, beyond that required to ensure the maintenance of basic human rights, must be viewed with the utmost concern.

Yet beyond the diplomatic capital and soft-power expended on oil sands advocacy abroad, beyond the fiscal supports offered to a profitable industry alongside reductions in other government spending, and beyond legal constraints on democratic choice in order to entice and mollify foreign capital, perhaps the most severe socio-political impact on the Canadian state and society has been the mobilization of the Canadian state's security apparatus to suppress and surveil resistance to the Harper administration's political-economic programme. As outlined by Clement in Chapter 1, the staples tradition

⁹² Patrycja Romanowska, "Will Canada's new foreign investment rules kill oil sands development?", *Alberta Oil Magazine*, March, 2013.

"revolves around...linkages, contending that there are leakages from the benefits connected with resource development and associated distortions" 3. Traditionally, these "distortions" have been understood primarily as political economic distortions resulting from the unique intra-imperial power dynamics associated with staples economies. Yet the pursuit of oil sands expansion in an era of climate crisis has engendered profound political resistance, and in the face of such opposition, the state's overriding goal of ensuring that expansion of the bitumen staple proceeds unimpeded has resulted in a securitized, and at times coercive, response. Thus approaching this phenomenon through the lens of staples analysis, but beyond the economistic linkages typically associated with staples analyses, it is helpful to conceive of this phenomenon as a "security linkage" between the staple and Canadian political institutions.

Staples analysis is often criticized for a misleading level of determinism that interrupts the possibility of agency. Yet the present thesis does not support the conclusion that staples economies are materially deterministic of the associated socio-political formations. To the extent that there is an element of determinism embedded in the present analysis in relation to a "security linkage", it depends on the premise that the Harper administration remains committed to oil sands expansion. That is, it constitutes determinism only insofar as the political agency exercised by the administration is first oriented towards developing the bitumen staple. Nevertheless, given the Prime Minister's repeated commitment to this goal and willingness to deploy security resources to this end,

⁹³ Wallace Clement, Debates and Directions, Chapter 2: A Political Economy of Resources, The New Canadian Political Economy, Wallace and Williams Eds., McGill-Queens University Press, 1989. p. 37.

the linkage between bitumen and securitized responses to public opposition, as a coercive form of public entrepreneurship, is assured.

Evidence of securitization is widespread, and exists alongside significant rhetorical efforts to delegitimize oil sands opponents and rationalize the deployment of security resources. Perhaps the best example in recent years of such delegitimization is found in a public letter written on January 9th, 2012, by then-Minister of Natural Resources Joe Oliver. Its title signalled a principally economic intent: "on Canada's commitment to diversify our energy markets and the need to further streamline the regulatory process in order to advance Canada's national economic interest". But it presents this intent in specifically security-oriented phrases, reading in part:

We know that increasing trade will help ensure the financial security of Canadians and their families.

Unfortunately, there are environmental and other radical groups that would seek to block this opportunity to diversify our trade. Their goal is to stop any major project no matter what the cost to Canadian families in lost jobs and economic growth. No forestry. No mining. No oil. No gas. No more hydro-electric dams.

These groups threaten to hijack our regulatory system to achieve their radical ideological agenda. They seek to exploit any loophole they can find, stacking public hearings with bodies to ensure that delays kill good projects. They use funding from foreign special interest groups to undermine Canada's national economic interest. They attract jet-setting celebrities with some of the largest personal carbon footprints in the world to lecture Canadians not to develop our natural resources. Finally, if all other avenues have failed, they will take a quintessential American approach: sue everyone and anyone to delay the project even further. They do this because they know it can work. It works because it helps them to achieve their ultimate objective: delay a project to the point it becomes economically unviable.

...

Our regulatory system must be fair, independent, consider different viewpoints including those of Aboriginal communities, review the evidence dispassionately and then make an objective determination. It must be based on science and the facts. We believe reviews for major projects can be accomplished in a quicker and more streamlined fashion. We do not want projects that are safe, generate thousands of new jobs and open up new export markets, to die in the approval phase due to unnecessary delays.

Unfortunately, the system seems to have lost sight of this balance over the past years. It is broken. It is time to take a look at it.

It is an urgent matter of Canada's national interest. 94

Tactically, Oliver's letter appears to have been intended both pre-emptively to delegitimize opponents to his administration's plans, and to create a sense of urgent necessity around planned legislative reforms. Yet given securitized and coercive state responses to oil sands opposition that have come to light since the letter was published (and discussed below), the missive also contains a foreboding subtext. In an effort to create a wedge between 'us' and 'them', Oliver frames the "environmental and other radical groups" as foreign or foreign-influenced and in opposition to both "the financial security of Canadians and their families" and "our" right to "develop our natural resources".

Several important manoeuvres are at work in this letter, each targeting previously accepted ways of handling environmental and resource policy. First, Oliver targets existing rights of participation in natural resource policy-making for Canadians falling within his "environmental" catch-all. Oliver also undermines trust in the existing regulatory system itself, characterizing it as prone to being hijacked by foreign interests and becoming something of a fifth column as it is turned inward against the Canadian people. While Oliver's "foreign-funded radicals" epithet later became something of a joke within activist circles, it does provide us with critical insight into how the Harper administration perceives the legitimacy of its critics, or at least how it chooses to present those critics to the Canadian public, and especially its own constituents. Finally, in

⁹⁴ Joe Oliver, "An open letter from the Honourable Joe Oliver", Ministry of Natural Resources, January 9, 2012.

keeping with the general rhetorical tone of the Harper administration, it links the specific interests of the resource sector with Canada's national interests. It is within this political-economic context, where the interests of a specific industry are explicitly conflated with those of the Canadian state, that the staples state is most radical. Oliver's letter points to an effort to exclude opponents of the administration's preferred political-economic trajectory from the category of "Canadians and their families". Though metaphorical, Oliver's use of the language of "killing" and "hijacking" associates the environmental opposition with immorality and criminality. Taken together, the overall effect is to construct opponents as threats and non-citizens, illegitimate voices within the democratic process.

One might shrug off this letter as superficial partisanship, but its tone reflects a shift in orientation that is also visible within the non-elected security apparatuses of the state. The extent to which the state has constructed the opponents of oil sands expansion, including those opposed to the pipelines and the tankers they require, as a threat to the national interest has only recently come to light. Jeffery Monaghan and Kevin Walby trace the construction of environmental and other protest groups as threats within RCMP and CSIS 'Threat Assessment' frames,

An underlying characteristic of these groups lumped in the category MIE [multi-issue extremism] – although often not stated – is their willingness to use publicity strategies and/or direct action tactics. These range from media stunts, to blockades, to property destruction. The category of MIE thus blurs 'extremism' with public dissent. CSIS increasingly blurs categories of 'terrorism' and 'extremism', by which

'extremism' becomes a catch-all for a host of groups associated with civil disobedience and direct action.⁹⁵

Crucially, Monaghan and Walby also offer important insights into how threats to the Canadian state and public have been conflated with opposition to private development:

The blurring of terrorism/extremism is accompanied by a re-conceptualisation of what constitutes a threat to the Canadian public. Traditionally terrorism involves violence against civilian populations...yet no group mentioned within the MIE category have deliberately harmed or attacked a civilian population. Nonetheless, CSIS blurs the protection of private property...within the rubric of national security.⁹⁶

Finally, with specific regard to the oil and gas sector, the authors observe that,

In addition to the blurring of terror/extremism, CSIS invokes the use of 'critical infrastructure' in their defence against sabotage. While early Threat Assessments discuss nuclear facilities and other sensitive public infrastructure such as electric power lines, ITAC reports indicate that MIEs are exclusively focused on the disruption of private property... In one assessment, a reference to a Greenpeace media stunt near an Alberta oil sands development, ITAC [Integrated Threat Assessment Centre] warns: 'issue-based groups continue to use direct action tactics in protest against the operations of domestic and foreign energy companies'. ⁹⁷

⁹⁵ Jeffrey Monaghan and Kevin Walby, "Making up 'Terror Identities': security intelligence, Canada's Integrated Threat Assessment Centre and social movement suppression", *Policing & Society*, 22.2, June 2012. p.144.

⁹⁶ ibid.

⁹⁷ ibid. Monaghan and Walby also note that authors Cowen and Bunce (2006) and Collier and Lakoff (2008) have also made the point about the use of the "critical infrastructure" designation of as justification for the deployment of security resources.

In this light, Trans Canada CEO Girling's use of the phrase "critical infrastructure" as part of the sales pitch for his Energy East pipeline (see above), appears much more intentional.

Monaghan and Walby show how CSIS has conflated activism, extremism, and terrorism, and the public interest with the private. They argue convincingly that this serves to justify its domestic spying on opponents of the Harper administration's political-economic agenda. As recently released documents indicate, the spying programme has been extensive and long running, with groups such as Idle No More, ForestEthics, Sierra Club, EcoSociety, LeadNow, Dogwood Initiative, and the Council of Canadians, all having run a-foul of CSIS Threat Assessments. First Nations groups have also been a central focus of these efforts, especially as their activism has related to, again, "critical infrastructure". A special RCMP Aboriginal intelligence division was established in 2007 to, "monitor protests by First Nations, including those that would attract national attention or target 'critical infrastructure' like highways, railways and pipelines", and which reported weekly to, "approximately 450 recipients in law enforcement, government, and unnamed "industry partners" in the energy and wider private sector."

In one recent instance of a 'Threat Assessment' that was particularly reflective of Monaghan and Walby's observations, produced in the context of National Energy Board

⁹⁸ Martin Lukacs and Tim Groves, "Canadian spies met with energy firms, documents reveal", *The Guardian*, October 9, 2013.

⁹⁹ Tim Groves and Martin Lukacs, "Mounties spied on native protest groups", *Toronto Star*, December 4, 2011.

Joint Review Panel hearings into Enbridge's Northern Gateway Pipeline, CSIS explained that, "the Leadnow and Dogwood Initiative will be providing an afternoon workshop and skills training that will provide tools and strategies for community resistance and solidarity to members of the public." Responding to the released document, Leadnow's Julia Pope characterized the event as, "a workshop organized to teach retired senior citizens how to use story-telling techniques to get the public more interested in political discourse", stating, "monitoring the actions of those using paintbrushes in church basements says a lot about the state of our democracy right now." As the Threat Assessment appropriately concludes, "there is no specific threat to personnel or property." Yet in the absence of any reasonable suspicion that the safety or security of Canadian citizens is under threat, the deployment of the state's surveillance tools are in and of themselves illegitimate and corrosive of democracy.

More troubling still, a significant portion of recent intelligence gathering and coordination appears to have been directed by the National Energy Board itself, in the context of its public hearings into Northern Gateway. Documents released to journalist Matthew Millar under the Access to Information and Privacy Act, detail the existence of a "Security Team" within the NEB, directing the deployment of RCMP personnel around pipeline hearings, and stating that, "the Security Team, together with our police and

¹⁰⁰ National Energy Board Threat Assessment, obtained through Access to Information. 2013.

¹⁰¹ Matthew Millar, "National Energy Board responds to questions on spying", *Vancouver Observer*, December 14, 2013.

¹⁰² National Energy Board Threat Assessment, released to Matthew Millar through Access to Information and Privacy Act. 2013.

intelligence partners, will continue to monitor all sources of information and intelligence." ¹⁰³ This is of particular concern given the NEB's mission statement includes no security role and is intended to serve as a neutral arbiter. That mission statement reads as follows:

The National Energy Board is an independent federal agency established in 1959 by the Parliament of Canada to regulate international and interprovincial aspects of the oil, gas and electric utility industries. The purpose of the NEB is to regulate pipelines, energy development and trade in the Canadian public interest. These principles guide NEB staff to carry out and interpret the organization's regulatory responsibilities. ¹⁰⁴

On the surface, it does not appear logical that an independent federal regulatory body, tasked with issuing approvals and ensuring compliance in the energy industry, would interpret its mandate to include directing the security and intelligence organs of the state to spy on Canadian citizens. However, such a scenario is better understood in the context of a state that has wholly internalized the expansion of a particular industry as synonymous with the national interest, and in which unprecedented institutional capacity has been mobilized toward this singular end.

Additional documents released in 2013 under Access to Information to Canadian journalist Matthew Millar paint an additionally disturbing picture of the increasingly blurred lines between public interest and private. Not only has the Canadian state security

¹⁰³ Millar, "Harper government's extensive spying on anti-oilsands groups revealed in FOIs", November 19, 2013.

¹⁰⁴ National Energy Board, "Who we are".

apparatus been mobilized to monitor public opposition to specific private infrastructure projects, but this intelligence appears to have been handed directly to the industrial interests to whom these citizens are opposed. For this explicit purpose (it would appear), the Ministry of Natural Resources has been hosting a biannual, "Classified Briefing for Energy and Utilities Sector Stakeholders," since 2005. This brings together Canada's police and surveillance agencies with leading companies within the oil and gas sector. One such meeting, held at CSIS headquarters on May 23rd, 2013, with "Breakfast, Lunch and Coffee sponsored by Enbridge", included participants from the RCMP, CSIS, Communications Security Establishment Canada (CSEC), and "representatives from scores of companies who obtained high-level security clearance". 106

Now, while Prime Minister Harper came to power in 2006, this particular instance of collaboration between the energy industry and the Canadian security apparatus began in 2005, and thus predates the current administration. The fact points to an underlying securitized institutional orientation towards public opposition, and echoes a trend observable over the longer history of Canada's staples economies. Yet given the apparent proliferation of such programs post-2006, with the 2007 creation of the RCMP's resource-oriented Aboriginal intelligence division, the 2011 renaming and repurposing of Integrated Terrorism Assessment Centre (ITAC) to include domestic opposition to energy

¹⁰⁵ Martin Lukacs and Tim Groves, "Canadian spies met with energy firms, documents reveal", *The Guardian*, October 9, 2013.

¹⁰⁶ Martin Lukacs and Tim Groves, "Canadian spies met with energy firms, documents reveal", *The Guardian*, October 9, 2013.

infrastructure¹⁰⁷, and 2014 revelations about the use of the Government Operations

Centre (which includes ITAC) to monitor not only Idle No More demonstrations, but

potentially *every* demonstration to ensure that energy infrastructure would not be

impacted¹⁰⁸, the Harper administration appears to have entrenched and encouraged these

latent institutional tendencies.¹⁰⁹

It is the specific process of threat construction, where political opposition becomes framed through a security lens, that enables participants in such an exercise to rationalize the anti-democratic fusion of public and private interests. As reported by *The Guardian*, the "meetings were officially billed to discuss 'threats' to energy infrastructure but also covered 'challenges to energy projects from environmental groups', 'cyber security initiatives' and 'economic and corporate espionage,'" and, "were an opportunity for government agencies and companies to develop 'ongoing trusting relations' that would help them exchange information 'off the record."¹¹⁰ Indicative of the socialization required for building "trusting relationships" to facilitate "off the record" information exchange about, for example, "challenges to energy projects from environmental groups", the May 2013 briefing also included an informal "networking reception" the preceding evening at Ottawa's Fairmont Chateau Laurier. The event was co-sponsored by

¹⁰⁷ Integrated Terrorism Assessment Centre. 2014.

¹⁰⁸ Feds plan to monitor every demonstration, David Pugliese, Edmonton Journal, June 5, 2014.

¹⁰⁹ Matthew Millar, "Harper government's extensive spying on anti-oilsands groups revealed in FOIs", *Vancouver Observer*, November 19, 2013.

¹¹⁰ ibid.

Brookfield Renewable Energy Partners and by Bruce Power, which is 31% owned by Trans Canada Corporation.¹¹¹

The challenge to democracy posed by such integration between state and industry, by the conflation of the national public good with the interests of a particular sector, is captured well in the following quote from Elizabeth May, Member of Parliament and Leader of the Green Party of Canada. She herself turned up on an NEB Threat Assessment: "It's the death of democracy if you've got non-violent, law-abiding First Nations, environmentalists and Canadian groups of all kinds being subjected to surveillance then handed over to industry groups. Frankly, it's scary". She continued: "What Stephen Harper has essentially done is to take the spy agencies of the federal government of Canada and put them at the service of private companies like Enbridge." Thus the bitumen staple's security linkage has flourished in the context of a willing state partner, emerging organically as an institutional response to ensure the expansion of the staple proceeds. Further research could establish whether a pattern of similar staples-based security linkages exists within resource-fueled regimes of the global South. 113

One final example epitomizes Canada's descent into a 21st century staples state and the socio-political costs associated with this trajectory. It can be found heading the body

¹¹¹ TransCanada Corporation, Assets

¹¹² Millar, "Harper government's extensive spying on anti-oilsands groups revealed in FOIs", November 19, 2013.

¹¹³ Nigeria comes to mind, although Algeria, Russia, or Saudi Arabia could potentially prove useful corollaries.

tasked with oversight of CSIS, the Security Intelligence Review Committee (SIRC). Bill C-38, the same act that dismantled much of Canada's environmental legislation, simultaneously closed the office of the CSIS Inspector General. This left sole oversight of the spy agency, sole responsibility for determining whether it has overstepped its legal bounds, in the hands of SIRC's five part-time members and a staff of only 8.114 With his former appointee to SIRC Chair imprisoned in Panama and fighting extradition to Canada for fraud and conspiracy charges, Prime Minister Harper appointed former federal Conservative Cabinet Minister Chuck Strahl to head the Committee in June 2012. 115 In January 2014, it emerged that Strahl is registered with the Government of British Columbia as a lobbyist for Enbridge's Northern Gateway Pipelines subsidiary. 116

Strahl, then, is the most important person tasked with oversight of an intelligence agency that, at the behest of the federal energy regulator, has been carrying out surveillance of opponents to oil sands expansion and the same pipeline construction projects for which Strahl is registered to lobby. Although Strahl, in his defence, promised to recuse himself from any Enbridge-related SIRC responsibilities, the five-member board also contains one former Trans Canada board member, and one who is currently a Director of Enbridge New Brunswick. 117 It would appear that this poses something of a conflict of interest for all three board members tied to the energy industry. Yet Strahl's refusal to resign either

¹¹⁴ Canadian Press, "Axing CSIS watchdog 'huge loss,' says former inspector general", August 10, 2012.

¹¹⁵ Andy Blatchford, "Arthur Porter to fight extradition to Canada, seek bail in Panama", *Canadian Press*, May 30, 2013.

¹¹⁶ Matthew Millar, "Canada's top spy watchdog lobbying for Enbridge Northern Gateway pipeline", January 4, 2014.

¹¹⁷ Greg Weston, "Other spy watchdogs have ties to oil business", *CBC News.* January 10, 2014.

his SIRC post or his Enbridge lobbying contract seems to imply that shifting cultural norms of permissibility toward such behaviour in elite Conservative circles have attended the collective drift toward the fusion of staple and state.¹¹⁸

In the context of state-staple connections that are both structural and systemic, the importance of any one individual is limited. Yet the critique that Canada has become a 21st-century staples state is exemplified by Mr. Strahl's position. This, then, constitutes a new era of public entrepreneurship, one that extends beyond the original parameters of Solberg's usage of the term. 21st-century Canadian public entrepreneurship must now be understood to include the merger between the coercive powers of the Canadian state and the narrow interests of a particular industry, resulting in a securitized approach to staples development and the delegitimization and criminalization of dissent. 119

Having thus outlined some of the specific socio-political impacts associated with the oil sands' influence on the Canadian state and society, the second broad category of effects are environmental. These reach well beyond Canada's borders. From the pollution of adjacent air and water, to the oil sands' outsized contribution to climate change, the

¹¹⁸ In the interim between writing this and final submission, Strahl bowed to public pressure and resigned his post. Hope springs eternal.

¹¹⁹ At this stage in our national history, an analysis of Canada's descent into petrostate has, it appears, a relatively limited shelf-life. Since this Chapter was initially written in late 2014, an RCMP intelligence assessment, dated January 24, 2014 was leaked, stating *inter alia*, "There is a growing, highly organized and well-financed anti-Canada petroleum movement that consists of peaceful activists, militants and violent extremists who are opposed to society's reliance on fossil fuels" (Globe and Mail, Feb. 17, 2015). Further, the Harper administration's introduction of Bill C-51 on January 30, 2015, which contains new powers to surveil and suppress the activities of environmental activists, among others, represents precisely the kind of policy that this thesis' analysis would envision for a state fixated on eliminating every possible barrier to expanded bitumen production.

environmental costs associated with the bitumen staple span local, regional, and global spheres. Third, the deliberate degradation of Canada's scientific capacity and the dramatic reduction of environmental regulation can be considered national institutional impacts, linking socio-political impacts to environmental ones.

If acting as a public-entrepreneurial state in support of staples industries means providing financial assistance or lobbying for the industry abroad, the Harper administration has found other, more novel ways to lubricate oil sands development. Scientific concerns related to both climate change and to localized environmental and health impacts have recast oil sands development in Fort McMurray in a negative light. Work done by respected scientists, such as University of Alberta Professor of Ecology David Schindler, have highlighted these impacts, tracing the environmental contamination of the Athabasca watershed that has flowed directly from oil sands development. Such research has inevitably fueled opposition to development of the oil sands generally, as well to specific pieces of oil sands-related infrastructure including pipelines. If, as Hutton and others argue, a plurality of views related to resource development is welcomed in a balanced, "mature" staples economy, they are evidently less so within a state becoming increasingly unbalanced.

¹²⁰ Oil sands development contributes elements toxic at low concentrations to the Athabasca River and its tributaries, *Proceedings of the National Academy of Sciences*, Vol. 107 No. 37, Erin N. Kelly, David W. Schindler, Peter V. Hodson, Jeffrey W. Short, Roseanna Radmanovich, and Charlene C. Nielsen, pp. 16178–16183.

Although Canada possesses robust scientific capacity, private research and development funding is low, and our leading scientists are disproportionately publicly employed or publicly funded. The state of Canadian science, under an administration focused on oil sands expansion, is therefore facing profound challenges. More than 2000 federal scientists have been dismissed since 2009, dozens of federal research facilities shuttered, science libraries closed, library collections destroyed, oversight bodies dismantled, research funding reallocated to "industry relevant" (ie. uncritical) research, and the federal scientists who remain disallowed from speaking publicly or without a minder present, to name but a few. 121 A New York Times Editorial, from September 21st, 2013 succinctly captures the apparent motive, "The Harper policy [with regard to science] seems designed to make sure that the tar sands project proceeds quietly, with no surprises, no bad news, no alarms from government scientists. To all the other kinds of pollution the tar sands will yield, we must now add another: the degradation of vital streams of research and information."122

Perhaps the most formal environmental impact designed to aid the pursuit of expanded bitumen production has been on the Canadian environmental legal architecture. In its effort to rid itself of internal, structural constraints to oil sands expansion, the government's dismantling of legislative and regulatory barriers has been a high priority.

¹²¹John Dupuis, "The Canadian War on Science: A long, unexaggerated, devastating chronological indictment", May 20, 2013. In a heroic act of public service and of bearing witness, science librarian John Dupuis has taken it upon himself to chronicle the steady decline of public scientific capacity under the Harper administration. His list, citing only credible and verifiable sources, likely represents the best and most comprehensive accounting of its kind.

¹²² Verlyn Klinkenborg, "Silencing Scientists", New York Times Editorial, September 21, 2013.

Dated December 12, 2011 and obtained through an Access to Information request released to Greenpeace Canada, a letter addressed to the federal ministers of Environment and Natural Resources foreshadowed, with remarkable precision, sweeping changes to Canadian environmental law. Signed by the Presidents of the Canadian Energy Pipeline Association, the Canadian Gas Association, the Canadian Petroleum Products Institute, and the Canadian Association of Petroleum Producers, the letter states, *inter alia*:

The Canadian energy industry has a significant role to play in shaping Canada's future. Realignment of approaches to regulation, environmental protection and conservation, and public interest decision making can support the Government's efforts to maximize the benefits of strong fiscal management. Today the major resource projects awaiting Federal government decisions amount to \$120 Billion of shovel ready investments. That constitutes a huge stimulus and job creation opportunity with no government monies; this is all private investment.

...

In addition to process issues, we believe that the basic approach embodied in existing legislation is out-dated. At the heart of most existing legislation is a philosophy of prohibiting harm; 'environmental' legislation is almost entirely focused on preventing bad things from happening rather than enabling responsible outcomes. This results in a position of adversarial prohibition, rather than enabling collaborative conservation to achieve agreed common goals. ¹²³

Less than one month after receiving this joint letter, Joe Oliver published the "foreign-funded radicals" letter cited above. The phrasing of this letter suggests an effort to create a sense of urgent necessity around the planned legislative reforms, alongside an attempt to forestall the inevitable opposition to such sweeping reforms. On both these points, the letter appears to have failed. For although Prime Minister Harper commands a majority in both Houses of Parliament, is able to essentially pass legislation at will and did so in this case, his administration faced intense criticism from the general public as the industry-requested legislative changes were enacted. Moreover, beyond the now-customary public

¹²³ Brenda Kenny et al., "Dear Ministers Kent and Oliver", 2011.

backlash that accompanies the Conservative legislation, opposition in this case emerged from more unusual quarters including: four former Progressive Conservative Fisheries Ministers¹²⁴, former Reform MP and Chair of the Environment Committee Bob Mills¹²⁵, sitting Conservative MP David Wilks¹²⁶, influential conservative commentators ¹²⁷, and former Progressive Conservative Prime Minister Brian Mulroney.¹²⁸ Though a significant amount of this non-traditional backlash hung on the negative implications for democratic process embedded in 400 page omnibus Bills, environmental concerns remained of central importance to the ensuing opposition.

Nevertheless, within one year following receipt of the energy industry letter, two pieces of omnibus legislation, Bills C-38 and C-45 (ostensibly implementing budgets), were passed through Parliament. Taken together, these pieces of legislation amended, rewrote, or repealed outright, nearly every significant piece of Canadian environmental law. While representative of larger and longer-term efforts by the fossil fuels industry to communicate their agenda, ("It's one element of a very long engagement process we've had with government," signatory and CAPP President Collyer stated in his defence), it would seem that the letter's demands had found a sympathetic ear in the Harper

¹²⁴ Andy Radia, "Bill C-38 gets high-profile opposition with four former fishery ministers speaking out", *Yahoo News*, June 2, 2012.

¹²⁵Kelly McParland, "Elizabeth May leads commendable effort to halt Tory omnibus juggernaut", National Post, June 11, 2012.

¹²⁶John Ivison, "Criticism by Conservative MP shows depth of unease over omnibus budget bill", National Post, May 23, 2012.

¹²⁷ Andrew Coyne, Bill C-38 shows us how far Parliament has fallen, National Post, April 30, 2012.

¹²⁸Kelly McParland, "Elizabeth May leads commendable effort to halt Tory omnibus juggernaut", National Post, June 11, 2012.

administration. Of the specific pieces of legislation named in the letter as "adversarial", only the Species at Risk Act and the Migratory Birds Convention Act (the only one of these protected by international treaty) were not weakened or entirely repealed. If the existence of an environmental movement sufficiently robust to influence a state's behaviour, or the capacity of a state to balance competing interests between, for example, the fossil fuels industry and environmental protection, are the hallmarks of a mature staples state, or indeed a post-staples state (as Hutton, Howlett and Brownley argue), then the lack of such a movement, and the state's inability, or perhaps unwillingness, to balance interests, as evident in contemporary Canada, points to a regression toward a radically more unbalanced relationship with the bitumen staple.

Reflecting on 50 years of staples analysis and our contemporary Canadian circumstances, and quoted at the outset of this thesis, Watkins names extreme climate change and its consequences as the peculiar dark side to the bitumen staple.¹³⁰

Of all the negative effects of the bitumen staple on the Canadian state and society, this

global ecological impact of Canada's commitment to developing the oil sands promises to subsume all others, and it is this effect with which this Chapter concludes. The climate and greenhouse gas effects of the bitumen staple must not be conceived of as the 900-pound gorilla in the room, but rather, in a very concrete sense, as a foundational threat to the room itself. The most abundant greenhouse gas, atmospheric carbon dioxide (CO2)

¹²⁹ Max Paris, "Energy industry letter suggested environmental law changes - Greenpeace says oil and gas companies got what they wanted from Ottawa", *CBC News*, January 9, 2013.

¹³⁰ Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory @ 50*, p. 128.

has increased more than 30% above the level that existed prior to the industrial revolution.¹³¹ And as they did at outset of the industrial revolution, fossil fuels still provide the overwhelming share of energy consumed in our global economy, and the burning of fossil fuels is the primary source of anthropogenic CO2 in the atmosphere. Human industry has now caused the global average temperature to increase by nearly 1 degree Celsius above pre-industrial temperatures. Due to the time lag between the positive radiative forcing (heating) caused by elevated concentrations of atmospheric CO2, and the Earth's temperature 'catching up' and arriving at a new equilibrium, we are approaching an additional 1 degree of latent warming even if we stopped using fossil fuels tomorrow. 132 An increase in 2 degrees of global average warming has been established an important scientific and political line in the sand, beyond which positive feedback loops may trigger nightmare scenarios of runaway global warming that could render human civilization unable to adapt. 133 Nevertheless, even our current levels of warming have already caused dangerous disruption to the Earth's climatic system, and the global economy is on course to surpass the 2 degree threshold.

This uncontrolled experiment on our own global habitat also represents a fundamental injustice, as the consequences of climate change are already being felt most immediately and most severely by communities in the global South, who have contributed least to the

¹³¹ National Oceanic & Atmospheric Administration, Earth System Research Laboratory, Global Monitoring Division

¹³² Intergovernmental Panel on Climate Change, Working Group 1, 2013.

¹³³ Joeri Rogeli, et al., "Copenhagen Accord pledges are paltry", *Nature*, 464, pp. 1126–1128, 2010.

problem and have the least capacity to adapt to its impacts. ¹³⁴ Rising sea levels, unpredictable rainfall patterns, more severe tropical storms, the loss of arable land, the spread of vector borne diseases, growing water scarcity, and the looming collapse of marine food sources represent a host of interconnected and mutually reinforcing impacts of global warming that are already occurring, and if left unmitigated will continue to disproportionately undermine the livelihoods of marginal societies with already limited institutional and adaptive capacity.

However, in pursuit of bitumen-fueled superpowerdom, in 2012 the Harper administration legally withdrew Canada from our international obligations to reduce CO2 under the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC). This decision marked the first time in our history that Canada had renounced international legal obligations, or had withdrawn from a ratified treaty. 135 Since the Kyoto withdrawal and the subsequent pledge to align our CO2 reductions with those of the US, Canada has committed to a shameful CO2 reduction target that, if met, would actually lead to a 3% increase in emissions above the 1990 baseline by 2020. 136 Even Environment Canada now acknowledges that this target, too, will fail to be met by a wide margin, due principally to expansion in CO2 emissions from the oil sands. 137 Oil

¹³⁴ Intergovernmental Panel on Climate Change, Working Group 2, 2007.

¹³⁵ Stephen Leahy, "In Unprecedented Move, Canada Withdraws from Kyoto Protocol", *InterPress Service*, December 14, 2011.

¹³⁶ Canada's commitment to an absolute CO2 reduction of 17% beneath 2005 levels by 2020 would lead to an increase of 3% above the 1990 Kyoto Protocol baseline measurement, compared to our Kyoto obligation to reach 6% below 1990 levels by 2010.

¹³⁷ Christopher Majka, "Passing gas: Peter Kent and Canada's bogus GHG emission targets", August 13, 2012.

sands proponents in both industry and government cite the relatively modest share that the sector contributes to Canada's overall CO2 emissions, and the similarly small share of Canada's emissions relative to the world's. As of 2009, the oil sands contributed 6.5% of Canada's national CO2 emissions, a small share though disproportionate relative to their 2% of our GDP. Similarly, Canadian CO2 emissions represent approximately 2% of global emissions. From these two figures, the Alberta government further calculates that oil sands emissions represent only 0.15% of global CO2 emissions, implying that the sound and fury of opposition to this industry has been wholly disproportionate to its relative contribution to global warming. 138

However, a careful reading of these figures points to another story. First, although proponents argue that oil sands production is becoming more efficient and CO2 emissions per unit of output have fallen, due to a broader shift from open pit mining to more energy intensive *in situ* production, any efficiency gains have begun to reverse in recent years, and the oil sands' share of Canada's emissions is expected to grow. Second, the accounting of oil sands-sourced CO2 emissions only captures a portion of the upstream emissions caused by the staple's extraction and limited initial processing. This accounting wholly excludes emissions resulting from downstream refining and consumption of the exported bitumen, as Canada's responsibility for the staple's climate impacts end upon export. Although these downstream emissions are eventually accounted for by the country that processes and consumes this resource, a holistic approach to

¹³⁸ Government of Alberta, "Alberta's Oil Sands, Climate Change", 2014.

¹³⁹ Government of Canada. "National Inventory Report, 2013." Environment Canada. p. 45.

accounting for the oil sands' political-economic and ecological costs would transcend political boundaries when the staple's impacts on climate are global. A final point, in response to oil sands proponents' "drop in the bucket" defence, is the climatic context: in order to prevent the 2 degree threshold from being breached (to which Canada has agreed), we must reduce our CO2 emissions by approximately 90% below current levels by 2050. Yet our emissions continue to climb. 140

Another example of the folly of our bitumen-based political economic trajectory, and an example of the potential costs borne by the Canadian state and public as a result, is found in a report by the Carbon Tracker Initiative. A financial analysis, undertaken to assess the risk to equity markets with large exposure to fossil fuel companies, the report states starkly that, "there are more fossil fuels listed on the world's capital markets than we can afford to burn if we are to prevent dangerous climate change", and that 80% of proven fossil fuel reserves must remain in the ground if we are to forestall more than 2 degrees of warming. 141 This reality, where fully 80% of proven fossil fuel reserves must be left unburned, represents a vital threat to the stability of capital markets, as \$20 trillion of value worldwide stands to be wiped out if this "carbon bubble" eventually bursts.

Needless to say, Canada's banks, stock exchanges, and institutional investment funds such as the Canadian Pension Plan are disproportionately exposed to the risk of a carbon bubble, and we would be wise to remove our collective nest eggs from the bitumen basket.

¹⁴⁰ Government of Canada. "National Inventory Report, 2013." Environment Canada. p. 45.

¹⁴¹ Carbon Tracker Initiative, "Unburnable Carbon 2013: Wasted capital and stranded assets."

In assessing the costs of our pursuit of the bitumen staple to Canadian society, it bears repeating that the consequences of climatic destabilization, which we are directly responsible for through our pursuit of the bitumen staple, are felt most severely by vulnerable communities in the global South who are least responsible, and least able to adapt to its impacts. As such, Canada's pursuit of energy superpowerdom on the backs of the world's poorest and most marginal peoples is indefensible. Although perhaps impossible to quantify, this psychic burden, coupled with the Harper administration's relishing its status as international climate pariah, has caused real and profound harm to those Canadians who have taken note and who understand what is at stake. Thus the gravity of the global climate crisis must catalyze a shift in Canadian policy away from our growing dependency on, and quest for energy superpowerdom through, the bitumen staple. As Canadian staples state and its extractive-industrial base have pushed to revert to something resembling an ideal-typical staples economy, the costs to Canadian society, and to the global environment, have continued to mount.

In an era of climate crisis and lengthy commodity chains, the tools of staples approaches must be adapted to account for linkages to the bitumen staple that spread well beyond the borders of both the Canadian state and those of the imperial centres to which our resources are sent. Given that the impacts of the bitumen staple will be felt globally and by future generations, it is necessary to develop new conceptual tools, perhaps using

¹⁴² Intergovernmental Panel on Climate Change, Working Group 2, 2007.

language of spatial and temporal linkages, to begin to capture the political-economic impacts of bitumen beyond the industrial and monetary connections conventionally considered by staples analyses. If the climate-altering ecological linkages of the bitumen staple are inherently global, and their impacts largely externalized and unaccounted for within the global economy, then substantial conceptual work is required to capture these effects using traditional staples approaches. For example, conventional definitions of forward linkages do a poor job of accounting for staple-related waste. As such, new ecological linkages to the bitumen staple must be developed and refined in order to capture the climate-oriented adaptations taking place outside of direct social, political, or economic connections to the bitumen staple, and connected only (and even then indirectly) by atmospheric carbon dioxide.

Still more difficult to capture are the temporal linkages flowing from the bitumen staple. Given the time delay between the release of carbon dioxide into the atmosphere and its warming impact on global average temperature, the effect of carbon dioxide released during bitumen production today will continue to reverberate globally for generations. And so while the contemporary consequences of the bitumen staple on the Canadian state and society are substantial and negative, we can draw a direct link between today's bitumen production and the consequences it will impose on future generations both in Canada and abroad. Thus in an era of climate crisis, any staples analysis of bitumen must reconcile linkages that are, for all intents and purposes, neither spatially nor temporally bounded. This is staples analysis as destiny, where an assessment of the impacts of

bitumen production today must also include impacts to be borne by future and distant generations, falling entirely outside of the staple's conventional and spatially-bounded orbit. Given the disproportionate North-South impacts of climate change, whereby the most severe and immediate impacts are borne by the globe's most vulnerable communities, who themselves have contributed least to the climate crisis, carbon dioxide has become a medium of power through which the global North continues to impose itself on the South. Through this lens, Canada's pursuit of the bitumen staple imposes unequal and concrete, if broadly distributed, costs on the rest of the world. Thus the development of conceptual tools to link contemporary, localized political-economic phenomena to future, global political-economic costs and constraints is now urgently required in order to challenge both the underlying assumptions of, and trace the power relations embedded in, Canada's growing dependency on bitumen.

Conclusion – Pipeline Politics and the Search for Alternatives

This thesis has had two central objectives: first, it reflects an effort to understand why the expansion of bitumen has exerted such a dominant political-economic influence over the policies and political machinations of the Harper administration; and, second, it attempts to demonstrate that the Canadian state has become increasingly defined by this pursuit of energy superpowerdom through the export of bitumen, and that this growing staples dependency has had discernible negative effects on the Canadian state and society. Approaching these questions using a strategic staples analysis, I have taken an explicitly normative and highly critical view of the impacts that our current political-economic trajectory has had on Canada and on Canadians generally.

Finding that the cultural and political influence of bitumen on both the Harper administration and the Canadian public radically outweighs the bitumen staple's material influence on the Canadian economy, Chapter 1 of this thesis concludes that the success of the Prime Minister's "emerging energy superpower" narrative points to a Canadian psyche that has been powerfully conditioned by our historical relationships with the staples and staples economies that constitute our founding Canadian myths. Given the specific intra-imperial power dynamics embedded in staples economies past and present, this historical relationship between Canadians and our staples may render us particularly receptive to narratives about national power and political autonomy, while

Similarly, if staples have shaped our identity to this degree, they have also provided the ideational architecture within the Harper administration has conceived of its own political programme.

Taking this largely successful conflation of the national interest with that of the bitumen staple as its point of departure, Chapter 2 set out to catalogue two primary kinds of impacts associated with the deployment of the Canadian state in pursuit of bitumen extraction. The first of these two categories consists of socio-political impacts that have flowed from the mobilization of the state toward bitumen-oriented public entrepreneurship. These include government expenditures in the direct and indirect subsidization of the industry, the expenditure of soft-power and diplomatic resources through oil sands advocacy efforts abroad, the limiting of future governments' democratic choice through the adoption of Investor State Dispute Settlement mechanisms to entice foreign investment capital into the oil sands, and, in what I have termed the security linkage to the bitumen staple, the mobilization of the Canadian state security apparatus to surveil and suppress potential opposition by the Canadian public to oil sands expansion or new pipeline infrastructure.

The second broad category of effects is environmental, and more often highlighted in public policy discussions about oil sands expansion. Local and regional oil sands-sourced environmental contamination provides an obvious and potentially devastating example, especially for the First Nations whose traditional territories lie in the likely fallout zones.

Less obvious are the instances of Canadian institutional degradation that assist in smoothing the path of oil sands expansion. These include the drastic reduction of Canadian environmental law at the specific request of the industry, and the similarly drastic reduction and silencing of scientists in the federal employ who could potentially give lie to the claim that our extraction and export of bitumen is proceeding responsibly. Most important in this latter category are the effects of the bitumen staple on global climate stability. Chapter 2 provides an overview of the impact that the unimpeded pursuit of bitumen exports will have on Canada's ability to meet its existing shameful climate targets, and on the climate itself. Given that most of the climatic consequences of this development have yet to be felt, and will be borne primarily beyond Canadian borders, Chapter 2 concludes with an appeal for new analytic tools, well outside the traditional ambit of staples analyses, in order to account for impacts of the bitumen staple that are not the spatially or temporally constrained. The atmospheric CO2 that has accompanied our pursuit of energy superpowerdom has become a medium of power through which contemporary Canadian prosperity is leveraged against future global scarcity and hardship, and the conceptual tools at our disposal have yet to catch up to this new reality. I conclude that the overall influence of the bitumen staple on contemporary Canadian society and the Canadian state has been substantial and destructive.

In an era of climate crisis, Canada's contribution to any science-based international agreement will require every power and capacity of the Canadian state to be working productively toward solutions. Yet despite the urgency, and the unfathomable costs of

failure, Canada continues to pull with all its might in the opposite direction. How, then, do we collectively work both to mitigate the damage, and to prevent the further entrenchment of the bitumen staple in Canadian life? Or, posed another way, if for the good of Canada and the world, most of the bitumen must remain in the sand, how do we leave it there and keep it there? The Prime Minister appears determined to entrench our growing political-economic and cultural dependency on bitumen in ways that outlast his grip on power, and so the search for alternatives to Canada's current staple-oriented political-economic trajectory must also be both material and ideational. Although not a viable long-term solution, pipeline politics represents a beguiling solution to the material side of the equation, and one that has been effectively seized by Canadians.

Like the rivers and railways that proved critical to Canadian staples economies in previous centuries, pipelines are critical conduits for the expansion of the Canadian oil sands. The spatial concentration of our bitumen deposits require a distributed network of pipelines to carry the staple to tidewater for export overseas, and the demand for these pipelines has created important opportunities for public participation. Although legislative changes to the National Energy Board's review processes have been specifically designed to limit public participation, pipelines have nonetheless emerged as a critical point of leverage in what has been a profoundly asymmetrical affair for opponents of our collective national descent into staples statehood. Indeed in the absence of a national climate strategy or a responsible federal government with regard to climate

change, preventing the construction of new bitumen export pipelines can serve as a *de facto* moratorium on additional oil sands expansion.¹⁴³

Staples approaches' unique spatially-sensitive insights are well suited for understanding the orientation toward place and recourse to specific geographies that opponents of the oil sands have successfully relied upon to limit to prevent or slow pipeline construction.

Despite a profound power imbalance between the oil sands' proponents and opponents, the particular spatial conditions involved in the extraction and transportation of bitumen have opened up space for geographically distributed, civil society-driven intervention in, and influence over, Canada's political-economic trajectory. To paraphrase Innis' quip about the geographic basis for Canadian unity, pipelines have emerged as an important site of contestation, not despite their specific geographies, but precisely because of them. 144

Preventing the construction of new bitumen-export pipelines is an inelegant instrument compared to the urgent need for a comprehensive national climate strategy, and this is reflected in the dominant framing and mode of opposition that has emerged in response to these projects. As long as pipeline opposition remains centred around hyper-localized critiques of the environmental risks to borne by communities along the routes of these outlets for Canadian bitumen production, the risk remains that the immense industrial and political interests arrayed behind these projects will succeed at framing these debates

¹⁴³ Michael Holden, "Pipe or Perish: Saving an Oil Industry at Risk", Canada West Foundation, 2013.

¹⁴⁴ Harold Adams Innis, The Fur Trade in Canada, p. 393.

through a cost benefit lens, and leveraging their vastly superior financial means to buy popular support and assuage local concerns through financial compensation. Under such conditions, localized critiques of environmental risk may not ultimately prove sufficient to prevent the construction of these projects. To mitigate against this eventuality, opponents of our current political economic trajectory should perhaps work to preemptively build a popular support base for a political-economic paradigm properly suited to 21st century climatic constraints, and broaden their narratives of resistance to include the full scope of negative effects associated with Canada's descent into staples statehood. Broad and resilient public opposition to the construction of bitumen export pipelines will require a direct challenge to the industry's central premise that these projects represent progress and a public good.

An important exception to this assessment of contemporary Canadian pipeline politics is the opposition of the majority of First Nations affected by these projects, particularly in British Columbia. Enbridge's Northern Gateway Pipeline, perhaps the paradigmatic example of pipeline opposition, is intended to stretch from from Bruderheim, Alberta, to Kitimat on the BC coast, would run 1177 kilometers, and cross 1000 rivers and streams, including both the Skeena and Fraser River watersheds. And yet the pipeline's route across British Columbia is comprised almost exclusively of unceded First Nations'

¹⁴⁵ Forest Ethics Advocacy, "The Facts - Enbridge Northern Gateway", 2014.

territory. Especially in light of the recent and important Tsilhqot'in decision¹⁴⁶, Enbridge's decision to push ahead with this project in the face of profound and widespread opposition by local First Nations looks particularly foolhardy, in addition to displaying a wrenching disregard and disrespect for aboriginal rights and title. While not universal, the opposition of First Nations to Northern Gateway has been overwhelming, and is effectively captured in both the Coastal First Nations Declaration, signed by First Nations from Haida Gwaii and the North and Central BC Coast, and the Save the Fraser Declaration signed by at least 48 First Nations from the Fraser River watershed. [147148] Taken together, these efforts by First Nations communities to defend their traditional territories represent a foundational place-based critique of this project, one that will almost certainly stand as a constitutional line in the sand against construction of the material infrastructure needed to facilitate further entrenchment of the bitumen staple. [149]

Turning now to the longer-term, ideational work required to divert Canadian society away from our current political-economic trajectory, what alternative vision for Canada can successfully challenge the Harper administration's "energy superpower" narrative and stand as a foundation from which to critique his conception of Canadian identity? As

¹⁴⁶ Tsilhqot'in Nation v. British Columbia, 2014 SCC 44, June 26, 2014. Though the full legal implications are not yet clear, since this passage was written First Nations' rights and title have been significantly strengthened in Canada following the Tsilhqot'in ruling. Beyond consultation, there has now been explicit judicial reference made to a requirement for First Nations' consent where resource development on unceeded territory is concerned. See Bruce McIvor, "The Significance of the Tsilhqot'in Decision", July 1, 2014, for an effective preliminary discussion of the implications of the ruling.

¹⁴⁷ Coastal First Nations Declaration, March 23, 2010.

¹⁴⁸ Save the Fraser Declaration, "Gathering of Nations protecting our watershed from oil", 2013.

¹⁴⁹ Given our collective colonial legacy, it is also imperative that we (settler Canadians of European descent) do not take for granted or attempt to instrumentalize Constitutionally enshrined aboriginal rights and title as a legal option of last resort in our efforts to prevent the construction of these projects.

demonstrated above, the Conservative vision for Canada as a neoliberal bitumen-fueled superpower must first be shown to be both internally inconsistent and ultimately corrosive to the Canadian state and to our society. Given the resiliency of the Prime Minister's narrative to date, and the resources that have been deployed to reinforce its intended resonance with our foundational myths, any new story or counter-narrative that we advance about Canadian identity must be able to outcompete the Harper administration's aspirational appeal to our historically-ingrained conditioning around strength through resource extraction, and a parallel longing for national significance.

Telling a new story that is capable of mobilizing the same constituencies captured in defense of the staples-dependent status quo, depends on understanding how the energy superpower frame has resonated with the identities and legitimate material interests of Canadian citizens. While drawing out the basic inconsistencies inherent to any appeal for national significance based on the export of staples, we must simultaneously recognize that this narrative has successfully captured some enduring kernel of truth about the identity and aspirations of Canadians, and it is from this recognition that we can begin to build a new popular majority and political-economic programme suited to the 21st century.

This is a difficult task that I believe is best accomplished in three primary ways. First, given the urgency and moral imperative it represents, the climate crisis must become and remain central to the story, alongside the local risks and impacts of bitumen development.

This is essential, lest we forget that if new export pipelines are constructed, there is no mitigation plan on offer for the CO2 that will be emitted from the millions of additional barrels of oil sands bitumen that will be burnt. Framing this reality through the a need to take responsibility for ourselves and defend the interests of future generations of Canadians may provide part of that story.

Second, a coherent critique of the negative effects of staples dependency on the Canadian economy and democracy must be advanced and sustained. This must be expressed both in general terms, and in light of the specific costs associated with the bitumen staple. Drawing together a balance sheet that captures the effects that our pursuit of the bitumen staple has wrought on the Canadian state and society, and assessing the substantial costs against the oil sands' actual material benefits, could potentially provide a critical perspective to enable Canadians to assess the staple's true distribution of costs and benefits. I believe that the energy superpower narrative has resonated with a broad swath of Canadians, conditioned by Canada's historic relationship to its staples and by an entrenched desire for national significance linked to this relationship. And insofar as this thesis is accurate, to counter the energy superpower narrative is to describe Canada's political-economic role lucidly in relation to empire within the bitumen economy, and to question whose interests are served by majority foreign ownership, anti-democratic decision-making processes, and asymmetric rights afforded to capital. It is also to begin deconstructing this narrative's basic conflation of national interest with dependency both

on a particular staple, and on the vested (and largely foreign) interests that have helped drive that conflation.

This latter piece is critical in order to dismantle the specific sociopolitical formations that have arisen around the bitumen staple, including the effective mobilization of working-class Canadians in support of the Conservative Party. Beyond those workers employed directly in the oil sands, the symbolic value of this staple and of the high-paying jobs it has created has, through extensive government oil sands-funded public advocacy, effectively leveraged more widespread political support for the Harper administration.

Third, the fundamental challenge that is embedded in indigenous and ecological worldviews to industrial models of economic growth and development can serve as a bridge between global imperatives and statist narratives of power and dependency.

Premised on the essential interconnectedness between human and nature, and between local and global spheres, the adoption of such an ecological lens would prove an invaluable foundation from which to approach the debate over Canada's relationship to its staples. Similarly, it would also provide a critical foundation for the assessment of the bitumen staple's costs and benefits. In an era of climate crisis, reconciling a left-nationalist critique of the current political-economic trajectory with an (inherently global) ecological worldview is critical in order to arrive at long-term solutions. Sustaining and coherently integrating this critique into opposition to oil sands infrastructure is urgently required.

Yet beyond their critique of the status quo, both ecological and left-nationalist paradigms must simultaneously provide the basis for a new path forward. While the Harper administration conceives of First Nations rights, climate change, and labour shortages through a staples lens and as impediments to oil sands expansion, it is imperative to invert this perspective by challenging it's assumptions and asking why. Opponents to the staples-oriented vision of the Harper administration must affirm that any industrial development must only be considered a public good insofar as it respects aboriginal title and self-determination, adheres to ecological constraints, and exists, not as an end in itself, but as an end measured first against its impacts on workers' lives and those of Canadians generally. This would, I believe, represent the beginning of a people and planet-centred political-economic programme suited to the 21st century.

Fifty years following the publication of his 1963 paper, "A staple theory of economic growth", Watkins writes, "It feels good to have written something with a shelf life of half a century. It feels not so good that fifty years on the resource-based structure of the Canadian economy, and polity—with their dependence on global forces largely beyond our control and with their increasing capacity for environmental degradation—has actually deepened." An apt and frequently quoted adage states, "every time history repeats itself, the cost goes up", and so it is with the current Canadian relationship to the oil sands and to bitumen as staple. As we have turned toward yet another cycle of staples

¹⁵⁰ Watkins, "Rejoinder: Bitumen as a Staple", in *The Staple Theory @ 50*, p. 128.

dependence, the cost has certainly increased. Published after the first draft of Dismantling Dependency was written, Watkins continues in his "Bitumen as Staple" rejoinder, "We barely know what we have done [to the climate]—much less what can be done about it. Which is not to say that there is not a study waiting to be done on 'Staples and Protest'—with a final chapter on how pipelines were stopped."¹⁵¹ The search for alternatives to the current political-economic trajectory is urgent, and preventing the construction of new bitumen export pipelines represents a critical stopgap measure. Yet if our critique is genuinely centred on ensuring decent lives for future generations, it must also be concerned with ensuring the same for this current generation of Canadians.

Having worked both in pipeline construction and on drilling rigs, my own lived experience spans some of these tensions and, in critiquing the excesses of this industry and its negative impacts on the Canadian state, we must exercise caution and acknowledge the hundreds of communities and thousands of livelihoods linked directly to bitumen. However, like any troubled partnership, we must simultaneously acknowledge our staples' positive historical contributions, identify shortcomings within our present circumstances and, moving forward, work to better balance this relationship. This, then, presents the Canadian left with an opportunity and a challenge: to break this new cycle of staples dependency by bringing to the table a progressive political-economic critique of the staples-dependent status quo, and advancing a political-economic programme capable

¹⁵¹ Watkins, p. 131.

of reconciling the development of Canada's resource wealth with the global imperative of preserving a habitable planet for future generations.

Implementing such a political-economic programme, centred on both the material interests of workers and the constraints posed by climate change, must be the central objective of 21st century Canadian social democracy. Labour and the old left, then, must not be constituted as oppositional to this effort, but a central constituency required in constructing the political will necessary to dismantle our oil sands dependency and build a just transition toward a climate-compatible political economy. In the context of climate change, it is imperative that we pursue public policy capable of reconciling the demands of climate justice with the thousands of livelihoods dependent on our staples economy as it now exists. This will require holistic thinking and policy-making and, beyond barrels per day, elevating the long-term wellbeing of Canadians and of the world to a rightful position as the primary determinants of our national interest, and the central measure of Canada's success.

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