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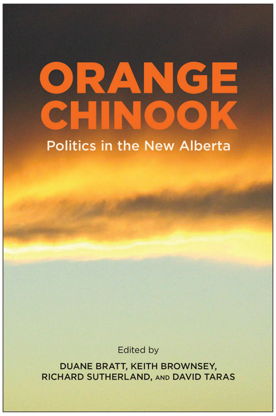

ORANGE CHINOOK: Politics in the New Alberta

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Betting on Bitumen: Lougheed, Klein, and Notley

Gillian Steward

When Alberta's first NDP government swept to power in 2015, it inherited over four decades of PC energy policies. Key to these policies was development of the Alberta oil sands, which by 2015 had become the key driver of the province's economy. Two PC premiers, Peter Lougheed and Ralph Klein, had bet heavily on the oil sands, which they saw as the crown jewel of Alberta's natural resources. Yet each had an entirely different vision of the role government should play when it came to turning the extraction of this tarry bitumen into a money-making venture that would enrich both the Alberta treasury and Albertans in general. Lougheed believed that government intervention in the market was necessary if Albertans were to prosper from oil sands development. Klein believed the project should be market driven with industry leading the way.

Lougheed was so sure the oil sands were the key to Alberta's future prosperity that his government (1971–85) invested legislative heft, brain power, and hundreds of millions of dollars of government money in an effort to kick start oil sands development in northeastern Alberta. Only seven years after Lougheed left the premier's office, Ralph Klein took over. He wanted the government to get out of the oil sands business so that the petroleum industry could move into the driver's seat and steer the province to prosperity.

How did Lougheed's and Klein's energy policies get Alberta to where it is today? And how different or similar are the policies of Premier Rachel Notley when it comes to oil sands development? There have been many political, economic, and social changes since Lougheed was premier, but after two years in power, it appears that the Notley government is trying to correct the course set by the Klein government by leaning in the direction of the Lougheed model.

The Lougheed Approach to Oil Sands Development

After Peter Lougheed and the Progressive Conservatives defeated the Social Credit Party in 1971, the Alberta tar sands soon became a critical element of the government's economic policy. Lougheed saw them as a valuable resource that, with a helping hand from government, could be exploited much more than they had been to date for the benefit of all Albertans. The new premier saw an interventionist provincial government as essential if he were to strengthen "Alberta's position in Canada, shift economic power westward, build a lasting economic infrastructure, and create strong citizen attachments to Alberta and its government."[1] For Lougheed the oil sands were a reserve of riches that would extend well into the next century and thereby assure Alberta's prosperity—not that prosperity wasn't already evident in the 1970s.

Between 1973 and 1974, the price of oil quadrupled thanks to cuts in production and an embargo against Western nations, particularly the United States, by Arab members of the Organization of Oil Exporting Countries. At the time, the price for oil produced and consumed in Canada was lower than the world price due to government regulation. But between 1973 and 1978, the price of oil and natural gas in Canada rose quickly through agreements reached between the federal government and the producing provinces, although they did not reach world levels. By mid-1978, however, the gap between domestic and international prices had closed to less than $3 per barrel.[2]

In 1976, shortly after the Lougheed PCs won their second election, the government declared its first big surplus, an estimated $600 million, much of it earmarked for pay raises, mortgage subsidies, libraries, and research. With government finances solidly in the black, Premier Lougheed rose in the legislature to announce the creation of the Alberta Heritage Savings and Trust Fund, with an initial contribution of $1.5 billion and a commitment that 30 per cent of the royalties from non-renewable resources would flow into the fund.

The Lougheed government's participation in the expansion of tar sands production was achieved in a number of ways during Lougheed's fifteen years as premier. In 1973, he established the Alberta Energy Company (AEC), which was the result of a combination of government and private financing: 49 per cent of the corporation was owned by the province with the remaining equity coming from individual Albertans who were able to purchase shares at affordable prices. The AEC included investments in oil and gas, pipelines, forestry, petrochemicals, coal, and steel. The company's first share offering in 1975 attracted 60,000 buyers and was sold out in two weeks. Those shares eventually split 3-for-1 in 1980.[3]

The AEC also became a vehicle for Lougheed to promote oil sands development, particularly through Syncrude. It had been established in 1962 as a consortium of Cities Service, Imperial Oil, Royalite, and Atlantic-Richfield, with the aim of seeking approval from Alberta's Oil and Gas Conservation Board to build a second oil sands plant not far from the Great Canadian Oil Sands (which eventually became Suncor) operation north of Fort McMurray. Lougheed was so supportive of Syncrude, and oil sands development in general, that in 1974 he established the Alberta Oil Sands Technology and Research Authority (AOSTRA), a government-funded agency that aimed to accelerate the development of oil sands technology. The government pledged $100 million to AOSTRA over its first five years. Over the next eighteen years, AOSTRA spent $448 million dollars on public-private projects and institutional research, making it one of the largest research and development programs ever launched in Canada.[4] Many of the advances in oil sands extraction—including steam-assisted gravity drainage, which eventually led to dozens of in situ operations—were developed by AOSTRA.

In 1975, the proposed Syncrude project was near collapse after partner company Atlantic Richfield withdrew its support. The Alberta and Ontario provincial governments, along with the federal government, had been counting on this new mega-project to provide jobs and secure Canada's oil supply, and they were keen to see it succeed. So was the Syncrude consortium. In a series of negotiations, the remaining partners in the project—Imperial, Oil Cities Service, and Gulf Oil—used Atlantic Richfield's withdrawal to force all three governments into granting unprecedented concessions. In the end Alberta, Ontario, and Ottawa all became partners in the project—Alberta through the Alberta Energy Company. Alberta also paid infrastructure costs, including a $300-million utility plant and a $100-million pipeline from Fort McMurray to Edmonton. The province also built community schools, bridges, highways, and other services. Syncrude received world price for its oil when the oil industry in general was receiving a much lower Canadian price, and its private corporate partners received generous write-offs not only on expenses directly related to the oil sands plants but also on exploration and development projects in other parts of their operations. In the end Ottawa invested $300 million in public funds in return for 15 per cent ownership, Alberta invested $200 million for 10 per cent, and Ontario $100 million for five per cent.[5]

The scale and scope of development recommended in the government studies during the 1970s was measured. Assuming eight new projects were approved over the subsequent twenty-eight-year period, the government hoped to achieve the following benchmarks by 2000:

- An annual production rate of 1 million barrels per day
- A depletion rate of the resource at approximately 734 years
- A population of 600,000 in Fort McMurray needed to support such growth[6]

A 1972 document produced for the government of Alberta dealing with foreign ownership presents the oil sands as a unique resource capable of shifting existing trade dynamics. It notes:

> The tar sands offer a unique opportunity to change the historical trend of ever increasing foreign control of non-renewable resource development in Canada. Here is a reserve of the greatest magnitude which does not require highly speculative investment to find and prove. The world-wide demand for petroleum will be so compelling within the near future that it should be Alberta's objective to increase Canadian equity participation in the resource developments. Huge amounts of capital will be required for further development

> of technology and the purchase of plants and equipment. However, to the maximum extent equity capital should be raised in Alberta and Canada recognizing that the usual past constraints of unproven reserves and uncertain markets.[7]

In a speech to Calgary's business community in 1974, Premier Lougheed warned his audience that the province had only a decade to diversify its economy. The first objective, he said, must be "to strengthen the control by Albertans over our future and to reduce the dependency for our continued quality of life on governments, institutions or corporations directed from outside the province."[8]

Another aspect of the Lougheed government's approach to oil sands development, and that would differ from the Klein government's, was its relationship with organized labour. In 1975, at the urging of the Syncrude consortium, the AEC, which was 49 per cent owned by the Alberta government, passed over the lowest bid for construction of a pipeline from the Syncrude plant, submitted by a non-union contractor, and gave the job to a unionized bidder. Syncrude had negotiated a no-strike, no-lockout agreement in return for assurances that the pipeline would be awarded to a union contractor. Lougheed recognized that if the oil sands were to be industrialized, organized labour needed to be on side.[9]

There's no question that the Lougheed government used all the power and money it had at its disposal in the 1970s to kick start oil sands development. It assumed that if the Alberta government didn't do this it would take far too long and that most of the financial benefits would flow into corporate and government coffers outside the province rather than accrue to Alberta's government and citizens. But Lougheed's interventionist approach alarmed many captains of the oil industry who would have rather seen the government play a much more hands-off role. At one point, industry leaders were so angry with his policies that they banned Lougheed from membership in the Calgary Petroleum Club. But most Albertans concurred with Lougheed and the PCs, as evidenced by the fact that they were re-elected three times between 1971 and 1982 with landslide majorities.

Even Grant Notley, the provincial NDP leader, agreed in principle with Lougheed's approach to the development of Alberta's petroleum riches. He supported the federal NDP's position on nationalizing Imperial Oil and then using the publicly-owned corporation to influence energy policy—much the same idea as Petro-Canada, which was established by the federal Liberals, and Lougheed's AEC. But Notley opposed the general nationalization of the oil industry as proposed by some New Democrats at the time. He reasoned that such a move would scare off moderate voters and hurt the party come election time. Notley also argued that complete nationalization would be prohibitively expensive, and that social democratic goals in energy policy could be achieved through regulatory means and an aggressive public presence in the industry. Lougheed and Notley both believed in government intervention in the economy, and in Alberta that meant the oil and gas industry. There were degrees of difference in their views on the government's role, but essentially they were on the same page.[10]

Enter Ralph Klein

Ralph Klein became premier seven years after Lougheed left office. But a lot had changed by then. Klein faced high unemployment rates following the recession that began in 1990 and continued until early 1992. By 1993, the national unemployment rate stood at 11.3 per cent.[11] Calgary had an unemployment rate of 10.4 per cent; Edmonton 11.2 per cent.[12] Alberta's economy had been hit by both the national recession and the low price of oil—which had fallen to an average of $16.75 a barrel in 1993.

The Alberta government was also in debt and had been running deficit budgets for several years. The provincial treasury needed much more revenue if it was to repay a debt of $32 billion accumulated over eight consecutive budget deficits, largely the legacy of the Don Getty government. But Premier Klein and his treasurer, Jim Dinning, didn't want to raise taxes or royalty rates on oil and gas. (Royalties are not a tax, but rather are considered as rent paid by producers for the use of a publicly owned resource such as oil.) They preferred to cut government spending and entice investment with low taxes. As Premier Klein reported to the provincial legislature in September 1993,

> The four-year plan identifies the problem as one of a spending problem and not a revenue problem. The four-year plan says that we will avoid the introduction of any new taxes,

> including a sales tax, and we will avoid, if we possibly can, raising taxes. What we want to do is maintain as competitive a tax regime as we possibly can to attract to this province new investment and to create economic growth and prosperity.[13]

Klein's energy minister, Pat Black (she later changed her surname to Nelson), wanted to make sure that investors in the petroleum industry would not be hampered by taxes, regulations, and complicated approval processes for their project applications. In a 2012 interview, she recalled the following concerns:

> We were under three million people; we didn't really have a lot of investment coming into the province. Because, first of all, we were over taxed, we were over regulated and we didn't have a very good record as far as getting applications through on the regulatory side. So, we needed an overall fiscal structure that would be seen to be friendly to investors to come here.[14]

Lougheed had hardly been hostile to the petroleum industry, but he did see government as much more of a counterweight to its economic power. Klein, on the other hand, wanted his government to step out of the way and let the industry have an upper hand when it came to designing energy policy.

The Alberta Chamber of Resources (ACR) was eager to help in this regard. It was an industry association comprised of pipeline operators, oilwell servicing companies, and other businesses providing goods and services to the oil and gas industry; it had long been touting the oil sands as the "priority mineral resource for further development."[15]

By 1993 both the federal and Alberta governments were much more open to the ideas put forth by the ACR when it came to policy incentives to spur investment in Alberta's oil sands. Jean Chrétien's Liberals had replaced Brian Mulroney's Progressive Conservatives in Ottawa. The Western-based Reform Party was the Official Opposition; it had campaigned under the slogan, "The West Wants In." 1993 was also the year that Chrétien named Edmonton MP Anne McLellan to the cabinet as minister of natural resources.

At the time, McLellan was a lawyer with no experience of the petroleum industry. But Chrétien had other priorities in mind with her appointment, as McLellan later indicated:

> It was quite clear to me that this was the first Liberal government elected since the end of the National Energy Policy, which was of course in the first term of Prime Minister Mulroney. So I think Mr. Chrétien wanted to send a message to the Province of Alberta, and to the oil and gas industry, that things had changed. . . . I think he wanted to send a message of some reassurance to most Albertans and to the industry by appointing an Albertan.[16]

In order to formalize its position, the ACR established the National Task Force on Oil Sands Strategies. The task force's objective was to gather a "strategic group of diverse stakeholders convinced of the benefits of an action plan leading to the realization of the potential benefits of oil-sands based industrial development in this country."[17] One of the key promoters of the task force was Eric Newell, who at the time was the president of both the ACR and Syncrude Canada, the largest oil sands producer at the time.

Eventually, both the federal and Alberta governments were asked by the task force's leaders to assign representatives to its working committees so it would have the credibility of a government-sanctioned inquiry.[18] Both levels of government acceded by appointing representatives from the bureaucracy. But the vast majority of task force participants worked for private-sector corporations that were already involved in oil sands development or wanted to be. Of the 57 committee chairs and members named in the task force report, 45 came from industry ranks; 6 from the federal government; and 6 from the Alberta government. The 6 committee chairs were all industry representatives, including 2 from Syncrude.

The task force didn't hold public hearings; instead, its committees focused on researching and proposing ideas in six key areas: marketing and transportation; science and technology; environment and regulation; government and communications; fiscal and socio-economic; and materials/services and coalition-building.

Paul Precht, an economist with the Alberta Department of Energy, worked on the task force for almost two years. He recalled during an interview that the oil industry wanted to restructure the royalty and tax system so it would stimulate investment that was beneficial to the industry.[19]

After two years of study and discussion, the task force launched its sixty-two-page report at the Montreal Stock Exchange in May of 1995. Entitled *The Oil Sands: A New Energy Vision for Canada*, the report declared in its introduction that "the Task Force had identified a clear vision for growth and answered—affirmatively—the fundamental question: Should oil sands development proceed? The participants crafted an appropriate development plan, assessed the main obstacles to growth, and identified the levers of development to overcome those impediments."[20]

While many of the report's recommendations focussed on fast-tracking the development of new technologies and building collaborative networks among oil sands developers, several focused on government policy:

- The federal and Alberta governments (Finance Canada, Natural Resources Canada, Alberta treasury, and Alberta energy) should develop a generic set of harmonized tax and royalty measures based on economic profits. Such a system will provide a consistent fiscal framework for all energy projects and result in a balanced sharing of profits. These common fiscal terms are necessary for the future development of Canada's oil sands.

- Development of the oil sands should be market-driven.

- The industry will work with government agencies (the Alberta Energy and Utilities Board, Alberta Environmental Protection, Environment Canada) to develop a one-window review and decision process that harmonizes the current processes run by the Alberta and federal governments. Efforts will centre on eliminating duplication between environmental assessments and approvals done at both the federal and provincial level and between departments at the provincial level.

- Governments should continue to support pre-competitive research and development via expanded industry-led collaborative research activities under the Canadian Oil Sands Network for Research and Development (CONRAD included federal and provincial government agencies, six oil companies and two universities) and other partnerships.
- Government should maintain an attractive investment climate for science and technology efforts in the oil sands.
- Government should ensure that oil sands export restrictions are removed.[21]

According to the task force, the most important key to stimulating the necessary investment was a generic fiscal regime (taxes and royalties) for all oil sands projects rather than project-by-project agreements, which had been the case up until then. The report stated that the new fiscal regime would "divide revenues and costs fairly between investors and government, and are stable and predictable and result in a level playing field for all, including new entrants."[22]

The Alberta government didn't need a sales job. It immediately began discussions on the task force's recommendations. On 6 September 1995, four months after the release of the task force's report, the Standing Policy Committee of the Alberta government approved the generic oil sands regime. Two months later, Premier Ralph Klein announced that the new royalty regime applied to all new projects.

After decades of industry lobbying, the province implemented a generic royalty and tax regime that was devised by the industry and would apply to all oil sands projects. The province would receive a minimum royalty of 1 per cent on all production. The royalty would increase to 25 per cent on net project revenues after the project developer recovered all start-up costs, including research and development costs and a return allowance. More importantly, for project developers, all capital costs—including operation, and research and development costs—would be 100 per cent deductible in the year incurred.[23]

The generic royalty regime was designed to encourage oil sands investors by assuring them that they would pay almost no royalties until they had paid off all the costs of constructing the project. So while the project could in fact be producing oil for sale to the market at the going price, royalties would be set at only 1 per cent until the cost of construction was entirely paid off. Between 1997 and 2010, tar sands producers paid Albertans less than $20 billion in royalties and land sales for the rights to more than $205 billion worth of bitumen.[24] In other words, the industry was getting "free oil" and putting it on the market when, by 2008, US refineries were paying US$100 a barrel for Canadian crude oil.

In the end, the Klein government adopted all of the task force's recommendations that applied to government policy. It fast-tracked project-approval processes, cut back on the number of environmental reviews, introduced self-regulation—which meant oil sands operators became responsible for regulating themselves—made it more difficult for the public to express objections to projects, and funded industry research. Although the task force report did not mention unions, the Klein government took a decidedly different approach than Lougheed had. In 2006, it applied a rarely used section of the labour code so that Canadian Natural Resources Limited could have one bargaining unit for all the construction workers building its multi-billion-dollar Horizon oil sands mine and up-grader rather than separate agreements negotiated by various contractors with unionized workers. This made it much easier and cheaper for contractors to recruit foreign workers, since they didn't have to go through union hiring halls. The Christian Labour Association of Canada, an organization that is not recognized by the Canadian trade union movement, was appointed as bargaining agent. None of the workers had a vote on the matter.

Enter Rachel Notley and the NDP

When Peter Lougheed became premier in 1971 the Great Canadian Oil Sands mining operation just north of Fort McMurray was producing 30,000 barrels of oil a day. By 2014, Alberta's production of crude bitumen reached over 2.3 million barrels a day,[25] and it came from the Peace River and Cold Lake areas as well as the Fort McMurray region. Much of that growth occurred between

1996 and 2007, when oil sands production more than doubled, from approximately 540,000 barrels per day to 1.4 million barrels per day.[26]

The feverish pace of oil sands development initiated by Klein led to enormous changes in Alberta. The population increased by over 500,000 to 3.5 million as people from across the country and around the world came to Alberta to work in the oil patch and related businesses.[27] Wages in all sectors of the economy shot up as construction companies and oil sands operators competed fiercely for workers. But so did the cost of living, especially for housing, as it was in short supply compared to the demand created by newcomers. The provincial and municipal governments found themselves struggling to keep up with the demand for schools, hospitals, transportation infrastructure, and other public services. By 2006 Alberta had the highest inflation rate of all the provinces.[28] The provincial government was paying top dollar for labour and materials.

The Klein government posted hefty budget surpluses between 2000 and 2008 due to increased government revenues from the energy sector and reduced spending. But its industry-supported low oil sands royalty regime also meant that the province left billions of dollars in royalties on the table, dollars that ended up in bulging corporate coffers.[29] And Albertans could no longer count on the Heritage Savings Trust Fund to accumulate wealth for the province. It had been Lougheed's intention to deposit 30 per cent of royalty revenues annually into the fund and to use the money "to save for the future, to strengthen or diversify the economy, and to improve the quality of life for Albertans."[30]

But the royalty payments were stopped in 1987 during the Don Getty government. The Klein government changed the terms of the Heritage Fund so it could no longer be used by government for direct economic development or social investment. It became simply an investment portfolio that contributed annual earnings to the government's general revenues.[31] Even when Klein's government amassed record budget surpluses, Klein did not rebuild the Heritage Fund. In a 2009 interview, Lougheed said that "Klein wasn't interested for a variety of reasons, in sustaining The Heritage Savings Trust Fund. He set up other funds. So it never really fully met the objective of diversification."[32] By 2015 the price of oil had sunk drastically and Alberta was once again faced with the prospect of deficit budgets, soaring debt, and higher-than-usual unemployment rates. The Klein government's market-driven approach to oil sands development had not produced the long-term prosperity for the province that the industry and government had predicted.

By the time Notley came to power in 2015, the oil sands were indeed the key driver of Alberta's economy. However, just like Ralph Klein, Notley also had to contend with low oil prices and low energy revenues, along with the added strain of international requirements for lower carbon emissions and more renewable energy. Oil sands operations and their soaring greenhouse gas emissions had become a powerful symbol for climate change activists such as 350.org in the United States, and they used it relentlessly as an example of why carbon emissions must be reduced if climate change is to be blunted. Alberta also found itself in the crosshairs of international environmental organizations. In 2008, the death of 1,600 ducks on a Syncrude tailings pond brought to world-wide attention the size and scope of the oil sands extraction process and its toxic wastes. Pipeline projects designed to transport Alberta's bitumen to ports on the West Coast were denounced by people worried about tarry oil spilling from tankers and ruining the coastline. Alberta's oil sands economy was getting lots of attention beyond its borders, but for all the wrong reasons.

Notley has made it clear that while her government will continue to encourage oil sands development, like Lougheed she wants a more measured pace of development and more controls on carbon emissions and environmental consequences. This is evident in the Climate Leadership Plan, which imposes a 100 megatonne cap on oil sands greenhouse gas emissions, thereby slowing development and/or forcing oil sands operators to develop technology that significantly reduces carbon emissions.[33] The cap means that the development of oil sands operations is not an open-ended project, but must conform to government's expectations rather than market forces.

Notley's Climate Leadership Plan features a levy on the consumption of fossil fuels in the province. There was no such levy in Lougheed's day, but Notley plans to use revenue from the carbon tax to kick-start the development of renewable energy in the province much like Lougheed used government revenues to kick-start the development of oil sands technology.

Alberta's carbon-pricing scheme is linked to the plan to reduce carbon emissions put forward by Justin Trudeau's Liberal government. Trudeau needed Alberta to be an enthusiastic partner in the national plan if it was to succeed. Notley, who was elected just a few month before Trudeau, agreed in hopes that Alberta's participation would soften opposition by opponents in other provinces to proposed new oil pipelines.

The Trudeau/Notley plan hit a big bump in the road when BC NDP leader John Horgan formed a minority government with the support of three Green Party MLAs in 2017. Horgan had promised to stop the Trans Mountain pipeline expansion, which had been approved by the federal government and would triple the amount of oil shipped from Alberta to ports in British Columbia's Lower Mainland. His primary concern was the increase in oil tanker traffic and the likelihood of a spill of diluted bitumen in British Columbia's coastal waters. In early 2018, Horgan proposed legislation that would restrict shipments of bitumen through the province. Notley fought back and introduced legislation designed to restrict oil shipments from Alberta to other provinces. She also let it be known that Alberta would drop its support of Trudeau's carbon emission reduction plan if the pipeline wasn't built. By early May, US-based Kinder Morgan, the pipeline proponent, announced that it might abandon the project because the political uncertainty was costing the company's shareholders too much money. After weeks of negotiations with Kinder Morgan, the Trudeau government, with the full support of Notley, bought Kinder Morgan's old pipeline and infrastructure for $4.5 billion and vowed to restart construction of the additional capacity.

Notley's promotion of the nationalization of energy infrastructure certainly hearkened back to the 1970s, when Lougheed, with the support of Grant Notley, Rachel's father, invested heavily in such oil sands operations and infrastructure as the pipeline from Fort McMurray to Edmonton. Rachel Notley also showed the same kind of fight as Lougheed when she stood up for Alberta's interests by fiercely attacking Horgan's efforts to stop the pipeline while at the same time pushing the federal government to assert its authority on behalf of Alberta. The irony was that Notley had aligned Alberta with Justin Trudeau, whereas Lougheed had fought Justin Trudeau's father, Pierre Trudeau, over federal energy policies.

But like Lougheed, Notley has also shown a proclivity for encouraging Alberta-based energy companies to work closely with her government. Lougheed promoted his Alberta-first strategy through the AEC and his support for Syncrude. When Notley announced her Climate Leadership Plan on 22 November 2015 in Edmonton, she was joined on stage by CEOs from

Canadian Natural Resources Limited, Suncor Energy, Cenovus Energy, and Shell Canada.[34] All those companies have significant oil sands operations and, with the exception of Shell Canada, are formidable home-grown oil and gas producers.

Unlike Lougheed, however, Notley chose not to impose higher royalty rates on the petroleum industry even though a royalty review had been one of her main platform planks. Early in her mandate she struck a Royalty Review Advisory Panel to examine current royalty rates and make recommendations to government. The panel recommended a number of structural changes to the royalty system for conventional oil and gas but virtually no changes to the royalty rates over all, including the 1 per cent oil sands royalty designed by the Klein government. Notley concurred even though the NDP had pushed for higher royalty rates, particularly for the oil sands, when Premier Ed Stelmach launched a royalty review panel in 2007.

Unlike Klein or Lougheed, though, Notley has established a consultative strategy when it comes to devising energy policy. Rather than leave the development of policy to only one stakeholder—the petroleum industry—as Klein did, Notley has established several review panels and committees comprised of representatives of industry, academia, First Nations, environmental NGOs, labour, and citizens at large. These panels have been tasked with holding public hearings and/or bringing ideas and recommendations to the government. They include the Climate Change Policy Review Panel, the Royalty Review Advisory Panel, the Energy Efficiency Advisory Panel, and the Energy Diversification Advisory Committee.

Notley's government may take a more collaborative approach than those of former premiers because it doesn't have the luxury of an overwhelming majority in the legislature, as both Lougheed's and Klein's had. Since Notley's shocking win in 2015, Alberta's two conservative parties, the Alberta Progressive Conservatives and the Wild Rose Party, have united to form the United Conservative Party under the leadership of former federal cabinet minister Jason Kenney. Without the prospect of vote-splitting among conservatives, as in 2015, Notley's NDP could end up a one-term wonder. Kenney has vowed to repeal the carbon tax and is more likely to hew to Ralph Klein's way of doing things when it comes to oil sands development and energy policies in general.

Much like her father, Rachel Notley has developed her own brand of energy policies, policies that often stand in stark contrast to the policies of the federal NDP and other provincial wings such as that in British Columbia. For example, she unapologetically promotes oil pipeline proposals and works to develop new markets for Alberta's fossil fuels, which runs counter to the federal NDP's platform. Like her father, Notley seems to realize that many Albertans depend on the petroleum industry for well-paying work. Too much socialism, the elder Notley reasoned, would scare off moderate voters and hurt the party come election time. He also argued that social-democratic goals in energy policy could be achieved through regulatory means and an aggressive public presence in the industry.[35]

There's no question that both Lougheed and Klein (and her father) have influenced Notley's energy policies. But so far Notley's vision of government's role, especially when it comes to oil sands development, hearkens back to the Lougheed era. Her policies indicate that there is too much at stake for all Albertans when it comes to development of the province's energy resources to give control to one key stakeholder—the petroleum industry—as Klein did. Like Lougheed, she adheres to a vision in which government has a responsibility to consider the needs and interests of all stakeholders, particularly the owners of the natural resources—the people of Alberta.

Notes

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4 A Hester and L. Lawrence, *A sub-national public-private strategic alliance for innovation and export development: The case of the Canadian province of Alberta's oil sands* (Santiago, CL: UN Economic Commission for Latin America and Caribbean, 2010.

5 D. Finch, *Pumped: Everyone's guide to the oil patch* (Calgary: Fifth House, 2007); Doern and Toner, *The Politics of Energy.*

6 Government of Alberta, *Fort McMurray Athabasca tar sands development strategy*, Edmonton: Conservation and Utilization Committee, 1972.

7 Ibid., 16.

8 Quoted in Richards and Platt, *Prairie capitalism*, 233.

9 Ibid., 236.

10 See Allan Tupper, "Grant Notley and the modern state," in *Essays in honour of Grant Notley: Socialism and democracy in Alberta*, ed. L. Pratt (Edmonton: NewWest Press, 1986).

11 Statistics Canada, "National Unemployment Rates," 2015, http://www.statcan.gc.ca/pub/71-222-x/2008001/sectiona/a-unemployment-chomage-eng.htm (accessed 15 October 2016).

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