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## Oil industry clout the background issue in upcoming election

With boom picking up speed, voters will be asking 'What's the rush?'

**Sheila Pratt**

The Edmonton Journal

*Sunday, February 03, 2008*

Stick your head out the window these days and you might well get doused by the massive wave of pre-election spending sloshing around this province.

Ed Stelmach filled the Tory bucket to the brim with taxpayers' dollars last week and is throwing them in every direction -- \$420 million to Fort McMurray, a nice, warm \$96 million to Edmonton and two cheques totalling \$153 million for Calgary. Oh, and don't forget the \$196,000 for Edmonton's Meals on Wheels. Then there's \$160 million for new schools.

An election call is expected Monday or Tuesday.

Well, old-fashioned vote-buying often works with Alberta's docile electorate -- though Stelmach may not realize this kind of ad hoc outlay of dollars does set the lie to his key campaign promise that he has a "plan." A plan means orderly spending, not a grab bag of goodies.

This kind of election spending always makes it tough for Liberal Leader Kevin Taft, who is limited to luring voters with policies and ideas that the Tories are already stealing. Stelmach is hinting he'll cancel medicare premiums, a move long advocated by Taft's Liberals.

Like Ralph Klein in 1993, Stelmach is facing an uneasy electorate that is looking for change, sort of, in that non-

committal Alberta way. With 27 per cent undecided, according to a recent poll, votes are up for grabs even in the Tory stronghold of Calgary.

While the politicking so far is pretty standard vote-buying, there's an underlying issue of this campaign, and it's the same one that drove Stelmach into the premier's chair a year ago.

That's the question of how much influence the oil boardrooms of Calgary will have in running this province.

A year ago, Stelmach's victory over Calgary's favourite son Jim Dinning was the first sign grassroots Tories were unhappy with the long-term, cosy alliance between the oilpatch and the Conservatives. People tired of downtown Calgary

running the province voted for Steady Eddie from the North. So did people uneasy that this lopsided boom is great for the oilpatch but too costly for everyone else.

Stelmach tapped into that sentiment when he appointed the royalty review panel in his early days as premier, a move Klein had avoided. For a few months in 2007, the province had a semblance of democratic debate.

After a heavy-handed oil industry backlash, Stelmach soon got back to business as usual.

He rejected most of the panel's recommendations and opted for a modest increase in royalties after closed-door

negotiations with the oil companies.

To this day, with oil hovering around \$100 a barrel, the oilpatch and much of Calgary feels the royalty increases were too harsh and punitive. But many ordinary Albertans feel Stelmach let them down.

It was also in 2007 that the people of Fort McMurray learned that oil companies have more clout than they do. That city's plea to put on hold a couple of oilsands megaprojects until the city could catch up were rejected.

This issue of oil companies' power and influence won't get discussed in the campaign, but it's the backdrop to so many crucial issues.

For instance, Stelmach's weak and embarrassing greenhouse gas plan was another signal of government catering to big oil while ignoring many Albertans who are deeply concerned about climate change and the environmental impact of oilsands development. With his meagre 14-per-cent reduction in emissions by 2050, Stelmach managed to do far less than even Stephen Harper.

There are good reasons for the influence of the oil companies in Alberta. They got used to having their way in the Klein years. As we now know from last fall's auditor general's report, Klein and cabinet ignored for five years warnings from the energy department that royalty rates needed to be increased as oil prices soared past \$70 a barrel.

In those same years, more oil companies, including huge international players, arrived in Alberta with staggering multibillion-dollar investments in Alberta's oilsands. Most recently, Suncor announced a massive \$20-billion expansion. That's almost two-thirds of the entire provincial budget, enough to give any Tory government stars in their eyes. Now there's a sign there was nothing onerous about Stelmach's new royalty regime.

It's tough for any government to be ungrateful for the thousands of jobs the oil industry is producing, even when this red-hot pace of development is bringing all sorts of other problems.

But there are a few signs of push-back these days.

A coalition of environmentalists, social action groups and unions announced a campaign to slow the economy. They've bought ads in weekly newspapers that call for a halt to oilsands approvals.

But it's an uphill battle against the powerful warnings from all sorts of places: with half the jobs here connected to the oilpatch, don't rock the boat.

"That kind of messaging makes Albertans think they have no choice," says Leila Darwish of the Sierra Club. "But we need to wake up and take ownership of the government."

These voices got support from an unlikely corner last week in a CBC interview with former premier Peter Lougheed.

He would never be on the same stage as environmentalists, but in fact his criticisms go down the same road -- the need to slow down oilsands development.

The overheated economy is causing high inflation that's hurting the average Albertan, says Lougheed. The province should stage the megaprojects one at a time to avoid excessive growth pressures.

For the oil industry, though, everything has to be done now, as fast as possible. But for the rest of Alberta, what's the rush? Somebody should ask that question in this election campaign.

This will be my last regular column as I move on to other writing duties. It's been fun and I want to thank all those readers who sent me thoughtful comments over the years.

spratt@thejournal.canwest.com

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