TWELVE

THE FIRST LAW OF PETROPOLITICS

"Control oil and you control nations; control food
and you control the people."

HENRY KISSINGER, U.S. NATIONAL SECURITY ADVISOR, 1970

OIL HAS FANTASTIC powers, and like the genie from *Arabian Nights*, it can grant political wishes both fair and foul. This is why U.S. oil baron John D. Rockefeller, in a moment of reflection, called oil "the devil's tears," and why Sheikh Ahmed Zaki Yamani, in a moment of exasperation, wished that Saudi Arabia had discovered water, and why the Venezuelan writer José Ignacio Cabrujas wrote mischievously that oil can create "a culture of miracles" that erases memory.

The First Law of Petropolitics is not complicated. You won't hear it discussed at Calgary's Petroleum Club or in Ottawa's corridors, because the obvious rarely makes idle talk among the powerful. But the law does explain the bizarre and unsettled state of Canadian politics, our obsession with North American union, the authoritarian character of the Alberta government, the impervious nature of the Stephen Harper regime, the nation's dismal climate change record, and the incredibly rapid development of the tar sands. It also explains why the world's largest, dirtiest energy project has become the dominant driver of

Canadian and North American economic life without so much as a debate in Canada's House of Commons or the U.S. Congress.

New York Times columnist Thomas Friedman unveiled the law in a 2006 issue of *Foreign Policy Review*, and it goes like this: the price of oil and the quality of freedom invariably travel in opposite directions. As the price of crude oil climbs higher in an oil-dominated country, poor or rich, secular or Muslim, that country's citizens will, over time, experience less free speech, declining freedom of the press, and a steady erosion of the rule of law. Neither Texans nor Canadians are exempt. Friedman calls it "the axiom of our age."

Friedman argued that the First Law explained the emerging petro-tyrannies of Venezuela, Iran, Nigeria, and Russia. When oil hovered around $25 a barrel, Nigeria politely offered to investigate human rights abuses and root out corruption. Iran talked about dialogue and peace. But as soon as oil roared past $60 a barrel, these noble intentions evaporated. When oil sold cheaply, Russian President Vladimir Putin behaved like an enlightened political reformer. During his last years as president, he acted more like an eighteenth-century czar; he systematically used the nation's oil and gas resources to boost control of the energy sector, blackmail other nations, buy out newspapers, silence journalists, and generally entrench authoritarian rule.

Most academics know the First Law of Petropolitics as "the resource curse" or "the paradox of plenty." For years, scholars have noted that oil-rich states rarely achieve political maturity or economic diversity and inconsistently share the resulting wealth with their citizens. A resource boom can single-handedly hollow out an economy and sicken the nation with Dutch Disease: in the 1970s, natural gas discoveries so inflated the value of Dutch currency that the resource nearly killed Holland's manufacturing base. Oil can reduce every other economic sector, no matter how tall, to a midget.

Middle East specialists have long suspected that the curse explains the abiding dearth of democracy in that region's oil-rich kingdoms. Michael Ross, a soft-spoken political scientist from the University of California, checked out the idea in 2000 and proved the specialists right. Ross examined a number of social and political measurements, such as taxes and military spending, from 113 different states between 1971 and 1997 and found that a "single standard deviation rise" in oil wealth directly corresponded with a 0.72 drop on a democracy scale. The curse was very much alive.

Ross identified three subtle ways that oil hinders democracy. The first is the taxation effect. Governments with lots of oil revenue don't need to tax their citizens to govern. All they have to do is approve another tar sands project, license another gas well, or put more land up for sale. The first thing most newly minted petrostates do is reduce or eliminate taxes. Most of the U.S. Gulf states, for example, don't have any taxes. Nor does Wyoming, a treasure chest of natural gas and coal.

In the absence of taxes, people are less inclined to be vigilant about how their government spends money, and they are less inclined to ask questions. In many jurisdictions, such as Alberta, they may not even bother to vote. The province has one of the lowest voter turnouts in North America. Oil-stoked governments, in turn, are less inclined to listen to their citizens or to represent their concerns. When governments collect more revenue from hydrocarbons than they do from taxpayers, they eventually forget whom they serve. "I think this explains why even relatively democratic countries see less accountability in their government," says Ross. Thomas Friedman says that while the motto of the American Revolution was "no taxation without representation," the credo of "the petrolist authoritarian is no representation without taxation."

Second, oil-addled governments often spend their petrocash on patronage or state-funded programs that discourage thought, debate, or dissent. Throughout the Middle East, governments have deliberately dismantled independent civil groups while creating their own multistakeholder associations. In both Mexico and Indonesia, oil has consistently propped up one-party rule. Third, according to Ross, oil wealth gives wayward governments the means to invest heavily in guns, tanks, and "the apparatus of repression." When tax breaks and an orgy of patronage fail to buy people's allegiance, oil-rich states just call in security.

Ross recently dug deeper to find that oil changed the electoral fate of governments in two amazing ways. "The more oil and gas a government has access to, the wider margins it won in elections and the longer its leader stayed in power," he concluded. In other words, oil gives governments, whether ruled by kings or republicans, the financial ability to buy votes or influence the political marketplace.

Authoritarian oil-based regimes just don't decorate the jungles of South America or the deserts of the Middle East. They dot the landscape of North America, home to the world's first oil discoveries. Two U.S. political scientists, Erik Wibbels and Ellis Goldberg, recently asked if the resource curse had influenced the development of the United States. Sure enough, they found it had.

In the 1930s, Texas, California, Louisiana, and Oklahoma stood out as the world's major oil producers. In these states, oil wealth performed its usual magic: it powered political machines and fed rampant corruption as well as helping to build schools. According to Wibbels and Goldberg, oil also reworked electoral patterns. Oil-gushing states typically recorded a much higher gap in the number of votes between winners and losers (incumbents typically captured an 8-per cent higher share of the vote) wherever the government's dependence on oil revenue totalled 20 per cent or more. The parties of the winners, of course, tended to tax less at the same time as citizens witnessed a serious decline in the integrity and quality of civil institutions.

In a separate 2008 study, Wibbels and Goldberg analyzed electoral data spanning seventy-three years in the United States. They again found that oil, gas, and coal had left a recognizable stain on the democratic cloth. The electoral record indicated that "politicians in resource rich states have shown considerable skill in using mineral wealth to their advantage." Oil consistently allowed those politicians to buy public support and enrich their friends, thereby stunting the development of a viable opposition and of related democratic institutions. Oil also insulated bad government by giving it the capacity to survive public disapproval with lots of cash. For every 1-per cent increase in resource dependence, an oil-rich state usually upped its per capita spending by

$3.43. The authors concluded that "political incumbents in resource abundant polities with fair and free elections manage to win by larger margins and preserve vote shares in the face of adverse circumstances in a way that politicians without access to mineral rents will not."

Huey Long, the populist demagogue of Louisiana, made a tidy example of how the First Law of Petropolitics fuels authoritarian regimes. The governor came to power under the slogan "Every man a king," and he ruled Louisiana in the late 1920s much like a monarch. Although Long used oil wealth to build schools and improve public health, "the Kingfish" also used the money to fashion a political machine that, as Wibbels and Goldberg noted, "more nearly matched the power of a South American dictator." The machine behaved much like Louisiana's previous unelected ruler, the Standard Oil Company. Long's political network took kickbacks, exported oil illegally, and boosted the profits of oil companies in which Long supporters held stock.

Texas, the capital of oil for the western world, has long saluted the First Law as a distinct petrostate. It has even sent two oil men from the same powerful family to the White House. Financed by Big Oil, both presidents have acted as shameless advocates for the industry. In Texas, the resource has created such "an equilibrium of interests between industry and politics" that George Bush Jr. has no problem holding hands with Saudi princes. Even seasoned Republicans admit, as the *Observer* reported in 2002, that Texas has "vending machine politics: you puts your money in and you gets your product out."

By any conservative definition, Alberta makes an attractive poster child for the First Law. Oil and gas revenues compose a quarter of the province's GDP and provide the government with more than 30 per cent of its total revenue. Not surprisingly, the province has been ruled by the same political party for thirty-nine years. Like most Middle East countries, Alberta has no sales tax. It also has the lowest overall taxes in Canada, with no general capital or payroll taxes.

Since the discovery of oil and gas in the 1920s, the province's politics have faithfully mimicked those of most petrostates. Ruling parties typically win by large margins, and their leaders stay in power much longer than in any other jurisdiction in Canada. Although naive commentators call Alberta a political "maverick," it is nothing of the sort. Oil and gas wealth have merely bent its political character, leaving it fat and lazy.

As in oil-rich Louisiana, Albertans commonly call their political leaders kings. Ralph Klein, a boozy journalist, gambler, and free-market version of Huey Long, ruled the province for fourteen years with massive pluralities. The media affectionately dubbed him King Ralph. As soon as Klein's successor Ed Stelmach won massive pluralities in 2008, the media obediently crowned him King Eddy. In bitumen-soaked Alberta, even journalists forget an elementary school lesson: kings do not rule democracies.

Citizen engagement is largely a spent force in Alberta, even compared to petrostates such as Venezuela. In each subsequent election, fewer citizens bother to vote. Only 40 per cent of the electorate marched to the polls in the 2008 provincial election, the lowest voter turnout in the history of Canada. This dismal pattern worries thoughtful Tories such as well-known blogger Ken Chapman: "If we do not start to have politics that are relevant and engaging to our citizens we open ourselves up to all kinds of problems from corruption and demagoguery to despair with a disintegration of our sense of social cohesion and common purpose."

Every petrostate develops its own unique authoritarian style. Some, such as Venezuela, use the money to insert the state into places it does not belong. Others, such as Alberta, neglect to collect the money and allow the marketplace to govern in places where it should have no authority. Klein and his successors have hijacked the machinery of the state to unduly enrich multinational corporations.

King Ralph behaved like a Huey Long in reverse, a Robin Hood for the rich. He started by undoing all the democratic controls on petrowealth that Premier Peter Lougheed had put in place in the 1970s. To minimize the resource curse, Lougheed established a Norwegian-type regime long before Norway improved on his ideas. He increased royalties to 40 per cent of total oil and gas income and set up the Heritage

Fund for the future. He also established a Crown corporation, the Alberta Energy Company, that Albertans could invest in. The company gave the province's citizens an open window into the oil patch. But Klein undid the whole works. In 1993, he fired a host of economic analysts in Alberta Energy because, as one former civil servant recalled, "He wanted industry to tell him what to do." Klein let royalties drop to 15 per cent of the hydrocarbon pie, which made the province one of the most enriching regimes anywhere for multinationals. Instead of saving for peak oil, such as Alaska and Norway do, Klein capped contributions to the Heritage Fund, and it stopped growing altogether. In 1996, he sold off the Alberta Energy Company, along with some of the province's richest hydrocarbon assets, at a third of their market value, to the company that became EnCana.

Klein also used every petrofuelled machination documented by the political scientists to buy the fidelity of the electorate. When a botched electricity deregulation plan drove electrical prices skyward, the king dipped into his handy hydrocarbon revenues (largely from natural gas sales) and spent $4 billion on power and natural gas rebates before the 2001 election. In the same situation, most other governments would have gone bankrupt or suffered defeat at the polls. Klein just bought another political victory.

King Ralph, who openly admitted that he preferred governing "on auto pilot," vowed that taxes would only go down. True to his word, he used his hydrocarbon revenue to lower income and corporate taxes in the province. He even handed out $400 prosperity cheques, or "Ralph bucks," to the electorate in 2004 at a cost of $1.4 billion. It's no accident that Kevin Taft, the former leader of Alberta's fledgling Liberal Party, called his book about Canada's hydrocarbon kingdom *Democracy Derailed*.

The derailing has taken many forms besides the passing out of "Ralph bucks." Distinctions between the business of hydrocarbons and civic affairs, for example, have all but disappeared in Alberta. Within six months of quitting his job as Alberta's number-one petrobully, Klein became a paid senior business adviser in the oil patch for Borden Ladner

Gervais LLP. He told the *Star Phoenix* in 2008 that he now promotes multinationals and their tar sands developments only "if they pay me." Klein also writes reports for conservative think tanks that advocate the laissez-faire program he promoted as premier: bargain-basement-priced hydrocarbons and a "long-term continental strategic framework" that supports further integration of North American energy markets. His former chief of staff, Peter Elzinga, leapt from Klein's office to the employ of the tar sands giant Suncor as a lobbyist in 2004, only to jump back into politics as the executive director of Alberta's Conservatives nine months later. Three months after quitting politics, former Alberta Energy Minister Greg Melchin joined the board of an oil company, while the former minister of economic development, Mark Norris, was appointed chairman of Wescorp Energy Inc. After nine years as chairman of the Alberta Energy Resources Conservation Board, during which time he gave a green light to rapid tar sands development, Neil McCrank went on to private sector glory in 2007. Like Klein, McCrank now works for the law firm Borden Ladner Gervais, and he sits on the boards of AltaGas Income Trust, MegaWest Energy, and Petrobank Energy and Resources Ltd.

Alberta's former ambassador to the United States, Murray Smith, now sits on TD Bank's Energy Advisory Board, but he gives the same speeches he gave as a provincial energy minister. In 2007, Premier Ed Stelmach hired Heather Kennedy, a Suncor vice-president, to direct the Oil Sands Sustainable Development Secretariat. Her job is to help sort out the chaos caused by rapid tar sands development. The highly competent oil-patch executive will serve as an assistant deputy minister in the provincial treasury department but be paid by her company. It's a unique relationship.

Given their one-dimensional character, oil regimes generally fear transparency, and Alberta is no exception. The province has one of the most secretive governments in Canada. In 2006, Alberta's Conservative government made it legal for its petropoliticians to lock away internal audits for fifteen years and for government ministers to keep their briefing binders out of public view for five years. Freedom-of-information requests take months and cost a small fortune to obtain. Most material arrives blacked out.

Critical information has a way of disappearing in a petrostate. When a confidential 2006 report by a team of anti-terrorism experts documented "serious concerns" about the state of security at the world's largest energy project, Klein refused to release the document. The report warned that "an attack against any of the oilsands facilities could be easily achieved" and said that the tailings ponds seemed particularly vulnerable: "If the berm [of Syncrude's dam] was breached, the ensuing environmental impact would not only close down the oilsands, it would cause long-term damage to the eco-structure of the Athabasca River." According to Nathan Jacobson, a Toronto businessman who is one of the report's authors, the document was deep-sixed. The security team also found a sophisticated bugging device in the office of the Treasury Department in the Terrace Building at the Alberta Legislature. The public was never told that a foreign government or corporation probably knew about the contents of the province's budgets before Albertans did. A 2007 report by the Canadian Security Intelligence Service, released under the Freedom of Information Act, also concluded that the tar sands industry represents an "ideologically attractive and strategic target" for groups like Osama bin Laden's al-Qaida. But in Alberta, the alarming political risks of becoming the world's number-one oil supplier to the United States is never discussed.

Petrostates also know how to control the conversations of ordinary people. The Alberta government currently spends $14 million a year and employs 117 full-time staff in its Public Affairs Bureau to tell Albertans what to think. It has devoted another $25 million to convincing both Alberta's citizens and U.S. oil consumers that the tar sands are greener than Kermit the Frog. The Public Affairs Bureau works much like the Politburo in the former Soviet Union. Not even George W. Bush Jr. has employed a propaganda arm this large in the White House.

The tone of the Alberta government has become increasingly authoritarian. Premier Ed Stelmach declares that he can't "touch the brakes" on rapid development in the tar sands, any more than his counterparts in Venezuela or Russia can, say, touch the brakes on aggressive nationalization. Yet only drunks and hit-and-run drivers use this sort of language without irony. Stelmach, now Canada's highest-paid premier, has also begun to call opposition parties "subversive."

In 2009, Stelmach's petro Tories again displayed their autocratic colours by firing Lorne Gibson, Alberta's chief electoral officer. Gibson's principal crime was writing an annual report that documented the party's chaotic conduct of the March 2008 provincial election. Voters faced long lineups, Tory-affiliated returning officers, and voting cards that directed citizens to the wrong voting stations. About 25 per cent of the voters did not appear on the voters' list because Stelmach's party failed to nominate returning officers in time. In the end, Alberta Justice did not lay charges for the numerous cases of campaign finance violations identified by Gibson's office. Nor did the government move to clean up the whole dysfunctional process. It just fired Gibson. "The sequence of events sends a terrible message to other independent legislative officers, such as the auditor general, the information and privacy commissioner, the ethics commissioner and the ombudsman," wrote Paula Simons, a columnist with the *Edmonton Journal*. "Are they to understand that they too might lose their appointments if they criticize and embarrass the government?"

Although Alberta has many strong environmental rules, it rarely implements them. A recent Cornell University doctoral study on the province's resource curse concluded that "responsibility buck passing" and lack of public input, combined with no cumulative environmental studies and a steady "institutionalized development bias," have made the province's environmental department toothless. The government has instructed Alberta Environment employees, for example, to refer to air pollution as "air emissions." Alberta's environment minister, Rob Renner, talks like a minister of development. Renner disclosed in 2007 that he wasn't concerned about the hectic pace of oil and gas activity: "The speed with which economic development takes place is not something the government has control over ... slowing the pace inevitably results in stopping the development and it's difficult to get it going again." The minister also confirmed that "it's not the role of Alberta Environment to advocate on behalf of the environment." (In 1974, Alberta's first environment minister, William Yurko, said exactly the same thing.) To date, the department has been largely a silent bystander in the tar sands. A recent analysis of Alberta Environment's quarterly reports revealed that most tar sands projects, despite leaks, spills, and upsets, faced only a single fine between 2006 and 2007. With regard to water quality, the federal government's enforcement of the *Fisheries Act* between 1988 and 2005 was equally uneventful.

In recent years, Alberta has increasingly sacrificed the rule of law to ease the flow of energy exports. Whenever open public debate threatens to challenge a government-sanctioned energy project, the Energy Resources Conservation Board, a de facto rubber stamp for oil and gas development (it approves more than 94 per cent of all applications), shuts down public participation, citing "security" reasons. In 2007, the board even hired spies, at a cost of $100,000, to gather "covert intelligence" on rural landowners peacefully questioning the pace of energy development in their backyards. Premier Stelmach initially defended the spying. In a petrostate, even the voice of a disenfranchised senior citizen can be perceived as a dangerous threat.

Elected bodies no longer pull much weight in Alberta, either. In 2007, the council of the Regional Municipality of Wood Buffalo, a democratically elected body representing the hard-working citizens of Fort McMurray, presented compelling arguments for a slowdown of tar sands development in order to preserve some sense of community. The ERCB, a government-appointed body with no public oversight, overruled the municipality every time. Not surprisingly, only 21 per cent of the people in the Fort McMurray area voted in the 2008 provincial election. They know that bitumen calls the shots, and many of them won't be staying long.

The democratic gap between the rulers and the ruled grows wider every day. Polls show that Albertans overwhelmingly favour real reductions in carbon emissions, yet their government champions a laughable program to reduce emissions by 14 per cent by 2050. Most people want a slowdown in the tar sands, but the government will hear nothing of it. Rural Albertans ask for tough groundwater protection but get more oil and gas drilling in their backyards instead.

Exercising freedom of expression in Alberta can be dangerous, as Dr. John O'Connor found when he called publicly for a health study of communities downstream from the tar sands. Following O'Connor's political persecution, the Canadian Medical Association passed a motion in 2007 urging that doctors be protected from "reprisal and retaliation" when they serve as community advocates.

Rapid development of the tar sands is transforming the Canadian government into a petrostate, too. Given that Canada now produces more oil than Kuwait, that it derives nearly 9 per cent of its gross domestic product from energy exports, and that it will soon be the globe's fourth-largest exporter of oil, the Conservatives in power have increasingly saluted the First Law of Petropolitics.

Stephen Harper, Canada's own blue-eyed sheik, has become an able spokesman for bitumen and a skeptic of climate change. Harper hails from Alberta, where the largest bitumen producer, Imperial Oil, once employed his father. His best friends include a bevy of climate change deniers and oil sands developers. In 2009, Harper appointed Dr. Mark Mullins, then executive director of the Fraser Institute, to the Natural Sciences and Engineering Research Council of Canada. In 2007, Mullins told *BC Business Online* he believes that climate change is "somewhat sensational and definitely exaggerated." Harper also appointed John Weissenberger, an oil patch geologist and active climate change skeptic, to the Canada Foundation for Innovation. Weissenberger once characterized climate change science in the *Calgary Herald* as "a cabal of government-funded scientists, environmental activists and journalists." One of Harper's chief political mentors, Tom Flanagan, referred in 2009 to anthropogenic global warming as "allegedly caused by carbon-rich greenhouse gas emissions." Flanagan also described lawsuits and blockades as "security threats" to energy developments in the tar sands. In addition, the federal government no longer has a chief scientific advisor; a group called the Science, Technology and Innovation Council now serves in that key role. The council's 2008 annual report lists "energy production in the oil sands" and "resource production" in the Arctic as key priorities. Climate change adaptation is mentioned once.

Such affiliations explain why Harper has dismissed Canada's international obligations under Kyoto to reduce carbon emissions with all the flair of a Hugo Chávez, violating legal agreements with multinational companies. To successfully stall any real action on energy or climate change, the prime minister has appointed a succession of environmental ministers who largely view rapid tar sands development as a responsible and sustainable activity.

Harper's George Bush-like oil agenda is no secret. His oil allegiances are well known. He tried to appoint Gwyn Morgan, a Tory fundraiser and former head of EnCana (North America's largest natural gas producer and one of the largest holders of tar sands leases), to oversee government accountability. Morgan, a Canadian version of Dick Cheney, proposed to work for free. The position would have made Morgan, a champion of continental integration, the key overseer of many Crown corporations, including the National Energy Board. Much to Harper's dismay, parliamentarians rejected the appointment. Al Gore was right when he observed that "the financial interests behind the tar sands project poured a lot of money and support behind an ultra-conservative leader in order to win the election and to protect their interests."

Since his 2006 election, Harper has steadfastly earned a reputation as a secretive and heavy-handed leader. The country has no deputy prime minister, and cabinet ministers rarely speak out of line. To ask questions, journalists must scurry to get on a preapproved list, cap in hand. "To search the annals for another Canadian PM who accumulated so much cold-blooded authority in such a short time is to come up empty," wrote *Globe and Mail* columnist Lawrence Martin. That's saying a lot. Canada, a country founded on the exploitation of one staple after another, from furs to uranium, has a long tradition of *caudillo*-like leaders.

Bitumen has contaminated the fiscal machinery of Harper's government too. Every day, the feds give the tar sands industry a million dollars' worth of tax breaks. It took a formal petition filed with Canada's auditor general by the church group Canadian Ecumenical Justice Initiatives to force the government to confirm the scale of the giveaway. Harper's government, however, refused to answer the petition's key question: "Why does Canada spend millions of dollars on subsidizing oil and gas industries—a prime cause of climate change—and so little money on great alternatives?"

Bitumen has also begun to reorient the federal bureaucracy. In 2004, the National Energy Board (which some critics suggest should be renamed No Energy Policy), signed a Memorandum of Understanding with the U.S. Federal Energy Regulatory Commission (FERC) to expedite "coordinated action on significant energy infrastructure projects." Similar memorandums have been signed to expedite bitumen pipelines. In 2008, the militaries of Canada and the United States cosigned a Civil Assistance Plan that allows soldiers from either country to curb civil unrest, defend oil facilities, or "support rapid decision-making in a collaborative environment."

Foreign Affairs, when not issuing press releases on Canada's role as a northern Saudi Arabia, operates a new "energy secretariat." The bitumen-friendly agency says that the government must resist "efforts to label one form of energy as appropriate such as renewables and others as inappropriate such as hydrocarbons and nuclear." Natural Resources has a new Energy Infrastructure Protection Division solely concerned with the protection of critical pipelines and refineries. The division also participates in Security and Prosperity Partnership initiatives, such as the North American Energy Working Group, that publish reports on how "the oil sands can make a truly significant contribution to North America's energy supply and security." Canada is increasingly a country about bitumen, for bitumen, and by bitumen.

In 2006, the Library of Parliament released a little-read report entitled *Energy Resources: Boon or Curse for the Canadian Economy?* that found increasing evidence of the resource curse. The report concluded that Canada "does appear to have some symptoms of the Dutch Disease as can be seen in the relatively high value of the Canadian dollar and manufacturing job losses." It recommended that Canada follow the example of Norway and abide by the protocols of the International Monetary Fund, which advises oil-rich nations to separate oil income from other revenues and set up a dedicated resource fund.

To date, the federal government has ignored this advice. In 2006, Canadian governments garnered $26 billion in royalties, lease bids, and income taxes from oil and gas projects. Of that sum, Ottawa pocketed about $5 billion in corporate income taxes from the tar sands. By 2020, the federal government will have made at least $50 billion from rapid tar sands development. True to the First Law of Petropolitics, government has used this windfall so far to reduce corporate taxes and slash 2 per cent off the federal sales tax. While Norway has kept the resource curse largely at bay with clear accounting and its dedicated oil/pension fund, Ottawa has spent the cash to win friends and influence elections.

The increasingly tyrannical nature of bitumen and its public servant, the federal government, openly revealed itself at an unusual hearing of the Standing Committee on International Trade in May 2007. The committee was studying the benefits of the Security and Prosperity Partnership, which advocates for a North American economic union and total energy integration.

Gordon Laxer, an outspoken nationalist and director of the Edmonton-based Parkland Institute, made the mistake of raising a number of very conservative arguments at the hearing. First, he accurately reported that Canada had no energy plan. While Canada now exported most of its oil to the United States, half the country (including Quebec and the Atlantic provinces, whose workers toil in the sands) remained dependent on oil imports from Algeria, Saudi Arabia, and Iraq. "How secure is that?" Laxer asked. He also wondered why the National Energy Board had conducted no studies on security of supply and why Canada, unlike most developed countries, kept no oil in strategic petroleum storage for emergencies.

Committee chair Leon Benoit, a Member of Parliament from Alberta, intervened to tell Laxer that he was off topic. Drawing upon instructions contained in a two-hundred-page petrostate manual on how to control government committee meetings and gag dissent, Benoit tried to bully Laxer into silence.

"Mr. Laxer, if you are here to discuss the energy security of Canadians, then you are off topic of the study."

"I don't see that."

"We are here specifically to talk about the Security and Prosperity Partnership of North America."

"Isn't it [Canada] part of North America?"

"Mr. Laxer, please wait until I'm finished."

"I'm sorry."

"If you're here to talk about energy security as a general topic, without making that connection, then you're off topic for today."

When Laxer continued to highlight more facts about the adolescent state of energy policy in Canada, Benoit cut him off and stormed out of the room, as advised by the Harper manual. His temper tantrum illustrated the long shadow of the First Law and proved that "emerging energy superpowers" have little tolerance for the inconvenient debates that keep democracies democratic.

The resource curse has invaded the North, once strong and free. In the absence of proper safeguards and transparency, hydrocarbons and democracy mix no better here than they do in Nigeria, Russia, or Texas. Easy wealth has turned Alberta into a petrotyranny, while Canada has adopted all the trappings of an impervious oil kingdom, with a profound bitumen bias. As Canadian political leaders behave and talk more and more like careless Saudi princes, the devil's tears fall in one endless stream. Oil corrupts and corrupts absolutely.

Thomas Friedman offered but one antidote to the rising price of oil and its authoritarian proclivities: "Thinking about how to alter our energy consumption patterns to bring down the price of oil is no longer simply a hobby for high minded environmentalists or some personal virtue. It is now a national security imperative."

To put it plainly, citizens of Canada and the United States who value democracy at home and abroad must consume less oil.