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Oil Sands in the Promised Land?

by
John Hiemstra[©]

Alberta, Canada contains oil sands that cover an area the size of New York State. With the rise in oil prices, companies from around the world are competing to mine the sands in order to extract oil from them, an expensive process that was not profitable before oil prices began to skyrocket. The western province of Alberta is also getting ready to celebrate its 100th anniversary and many of its inhabitants, says John Hiemstra, see it as the Promised Land, a land flowing with milk and honey. Hiemstra, a political science professor at The King's University College in Edmonton, warns, however, that not all is well in the promised land. The myth of perpetual progress should be exposed for what it is. The province is growing wealthy, but there are also growing deficits—environmental degradation, poverty, the questionable shifting of fiscal burdens, and even a decline in democratic participation.

*Below we excerpt from a speech Hiemstra gave last May on conflicting visions of Alberta's future—"Pop Goes the Progress Myth." The full speech is available in essay form in the journal *Ecumenism*, published by the Canadian Centre for Ecumenism in Montreal (514-937-9176), and on the web in full from <http://action.web.ca/home/cpj/attach/popping.pdf>.*

Our interest in Hiemstra's comments on the oil sands development relates to the larger question of ever increasing worldwide consumption of oil and gas at a time when everyone knows that these resources are becoming ever more costly and increasingly scarce. To what lengths will countries like the United States go to continue to build their economies on the consumption of nonrenewable resources? For example, even though Canada is the top supplier of crude oil to the United States with an increasing amount of that supply coming from the oil sands, the increased imports are not reducing American dependence on Middle East oil. Moreover, it takes the processing of about two tons of oil sands to produce one barrel of crude oil. Production companies move about 1 million tons of earth a day. The environmental impact of all this is not known (Washington Post, 6/15/05). But production and consumption continue at a terrific pace as if there is no tomorrow.

Meanwhile, what are we doing in the U.S. to reduce consumption? The U.S. Department of Transportation announced in August new “fuel efficiency standards” for SUVs, light trucks, and minivans. “Under the proposed rules average mileage for such vehicles would have to rise by just 1.8 miles per gallon over the 2008 to 2011 model years, reaching an average of about 24 mpg by the end of that time. The [Bush] administration estimates that this change will save 10 billion gallons of gasoline over about 15 years. This amounts to a total of about 25 days of consumption under current trends . . . “ (Washington Post, 8/29/05). That’s only 25 days out of 5475 days in 15 years. Yet technology is available to produce far more fuel efficient vehicles. —The Editor

Have you ever seen anything so puzzling? Its like a cancerous growth that we feel obliged to keep feeding rather than fighting. We wildly invest billions of dollars into high technology projects to extract synthetic oil from the oil sands, and then (largely) ship them south of the border to power SUVs, heat oversized homes, and produce consumer goods for highly wasteful lifestyles.

Adding insult to injury, studies indicate that we burn 25 calories of natural gas to produce 100 calories of synthetic crude oil, and that does not count the additional energy needed to transport and refine additional products and then transport them further. In the biblical view of what is economic, extracting energy from the oil sands in this way is simply *uneconomical!* Wouldn’t it be more logical today to use revenues gained from selling the original 25 calories of energy in order to subsidize and stimulate new energy conservation projects?

But things get worse. A 2005 Pembina Institute study shows that the policies of both the national and Alberta governments encourage rapid extraction of oil and gas. They offer *massive subsidies to the oil sands projects through low taxation, low royalty rates, and support for research and development.* In fact, the current provincial oil sands royalty scheme essentially has the people of Alberta—the owners of this resource—pay off the initial oil sands capital investments of large corporations! In 1996 the Alberta government set in place a generic royalty regime for projects developing the oil sands. Under this policy, an *Edmonton Journal* editorial reports, “companies pay only one per cent royalty on new projects until the capital costs are paid off. At that point, the royalty rate bounces up to the standard 25 per cent of revenues.”

Finally, we know that oil sand developments have very high environmental impacts. They cause high levels of GHG emissions, significant surface land disturbance, high levels of air contaminants (including acid rain), not to mention that they rapidly exhaust a non-renewable resource.

What’s going on here?

Clearly, some companies and investors are getting rich, some workers have high paying jobs, and sovereign consumers in the markets—at least those with economic power to register their demand—are served. And this clearly raises the urgent need for justice, equity, and redistribution.

But at the deepest spiritual level, the oil sands development is a “sign of the times.” It ought to call Christians to engage the religious direction of our culture! Perhaps many Albertans fail to question the validity of these projects because we are hypnotized by our commitment to progress through narrow economic growth. While social justice pleas for technical adjustments to governmental fiscal policy, environmental regulations, or economic practices are crucial, do they really address the “spirit of our times” demonstrated in these developments?

Idolatry requires depth level social analysis, an approach that should also push us to recognize the corporate and individual need for *repentance* and *conversion*. These are biblical practices that Christians should be well equipped to bring to the social justice table. By doing so, we can prophetically call for biblical norms and values—justice, equity, solidarity, stewardship, and peace—to be moved up from afterthoughts to the place of starting points for renewing society and all of God’s creatures.

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