



**DON'T BITE
THE HAND THAT
FEEDS YOU**

Biting the Hand that Feeds You

A Review of the Open Letter to PM Trudeau by 265 Academics

BITING THE HAND THAT FEEDS YOU

On March 25, 2020, a [group of 265 academics from across Canada](#) signed a letter to Prime Minister [Justin Trudeau](#) expressing concern that, according to a Globe and Mail report, the federal government was considering a \$15 billion “bailout package” for oil and gas companies.

CANADA
NATIONAL OBSERVER

[ABOUT](#) [NEWS](#) [OPINION](#) [ANALYSIS](#) [FEATURES](#) [SPECIAL REPORTS](#) [MULTIMEDIA](#) [DONATE](#) [ETHICS](#)

265 academics to Trudeau: No bail out for oil and gas in response to COVID-19

By Laurie Adkin & Debra Davidson | Opinion | March 25th 2020

#130 of 223 articles from the Special Report:
[Coronavirus in Canada](#)



The group’s objections reveal, among other things, the usual biases held by those who believe the theses that human emissions are causing catastrophic global warming and that actions to harm the Canadian hydrocarbons industries will somehow stop this. To quote from the letter:

“It is not acceptable to give privileged access to big business associations while excluding representatives from trade unions, universities, municipalities, Indigenous communities and non-profit organizations that work on behalf of the public interest.”

Public investment in oil and gas at this time is a highly speculative proposition, and particularly unwise given the urgent need for strategic investments in economic recovery.

Premier Kenney argues that Canada 'cannot afford to lose the single largest subsector of the Canadian economy'. We question whether Canada can afford to continue to support it. To presume that this industry can be protected with subsidies from the broader circumstances threatening the oil and gas sector globally is folly. As the current price war makes clear, Canada has no control over global oil prices, and growing demand for climate-friendly energy sources threatens the viability of high cost, carbon-intensive oilsands production.

Instead of purchasing equity in oil and gas, Canadian governments should pursue the retraining of fossil fuel workers, and public ownership of Canada's renewable energy sector, where government coordination and large-scale investment are needed in the short term and where investments will be repaid."

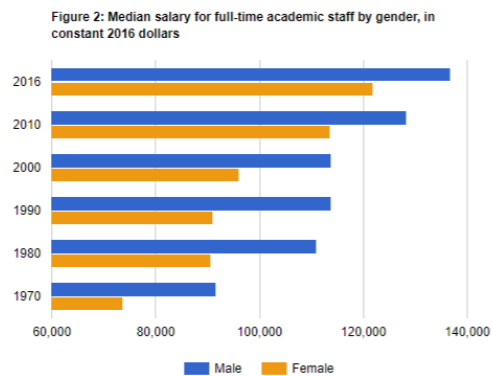
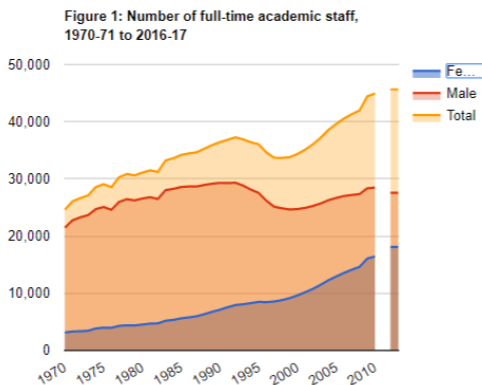
Those few quotations demonstrate a variety of misconceptions, logical inconsistencies and special interest pleadings. I'll come back to that later. The purpose of this article is to take note of the identities of many of the academics who signed the letter.

Thirty-eight of the signees are working at Alberta universities and eight are working at universities in Saskatchewan. They work in a broad range of disciplines, but only three in economics in Alberta and one in economics in Saskatchewan, a rather small cohort considering that the main thrust of their letter relates to a possible economic policy decision. Given the hundreds of professors working in universities in Alberta and Saskatchewan, we need not take this sampling to be particularly representative. Eighty of the signatories to the open letter are serial letter

On February 27, 2020, the University of Alberta received an 11% cut to our provincial funding in the [Government of Alberta's 2020 budget](#). This reduction in provincial funding includes an overall 8.9% cut to our Campus Alberta grant and another 2% reduction from the elimination of targeted enrolment expansion as a separately funded item....Job losses: By the end of the fiscal year on March 31, 2020, we project a total of 400 lost jobs in 2019-20 through attrition, lay offs, retirements and position closures. For 2020-21, we estimate a loss of approximately 635 additional positions. <https://www.ualberta.ca/vice-president-finance/resource-planning/the-university-budget/index.html>

writers and signatories - that is individuals who have signed similar open letters in the last few years on a variety of issues such as the UNIST'OT'EN activist efforts to block the Coastal GasLink project, opposition to British Columbia's Site-C hydroelectric dam, the TECK Resources Frontier oil sands mine, and the TransMountain Expansion oil pipeline project.

We should, however, note the incongruence between the role that the oil and gas industry has in the economic fortunes of Alberta and Saskatchewan, and the antipathy demonstrated by those who directly benefit from the revenues so provided to their employers. Provincial governments pay about 70% of the operating costs of the universities, including, of course, these professors' salaries, so where universities get their funds matters. The universities that are the beneficiaries of oil industry taxpayer support are not responsible for the political activities of the professors they employ, but they might be expected to exercise a certain disdain when the professors include their university affiliations in a letter for which no such affiliations were required.



2018 – “Canada released University and College Academic Staff System survey data for the first time in five years. (The survey had been scrapped in 2012 and revived in 2016.) This data on full-time faculty at 112 universities and colleges offers an important snapshot of Canada’s professoriate.” Images: <https://www.universityaffairs.ca/features/feature-article/history-canadas-full-time-faculty-six-charts/>

The median salary is \$160,161 for full professors, \$126,413 for associate professors, \$99,323 for assistant professors, and \$94,515 for entry-level academic staff. Source: <https://www.universityaffairs.ca/news/news-article/data-number-professors-salaries-released-five-year-hiatus/>

Let us consider some statistics concerning the financial contribution of the oil and gas industry:

- According to the [Canadian Energy Centre](#), an Alberta Crown Corporation, between 2000 and 2018, Canada’s oil and gas production industry paid almost \$240 billion in direct

provincial revenues and \$66 billion in direct federal revenues. In addition, through the income taxes paid by industry employees, the industry indirectly paid nearly \$54 billion in federal and provincial taxes.

- Of these amounts, \$36.7 billion were paid to provincial governments in corporate tax revenues.
- From 2008 to 2018, \$166 billion was paid in rents and royalties to provincial governments
- Alberta accounts for about 82% and Saskatchewan for 12% of Canada’s oil and gas production, and the revenues to the provincial government roughly mirror that split.
- Oil and gas industry revenues accounted for 11% of total Alberta government revenues in 2017-2018.
- Individual oil companies have made major contributions to capital projects in Alberta and Saskatchewan universities.



Alberta experienced a steep drop in investment in 2014, in part due to a drop in global oil prices, but more to over a decade of the foreign funded, international #TarSandsCampaign.

So, who are these university professors who think so little of the oil and gas industry? A list of their names and university affiliations is attached as Appendix A in case any of those who read this article and live in Alberta and Saskatchewan might want to contact the professors to express their appreciation and gratitude for the position they take.

Energy

Yedlin: \$50B drop in oilpatch investment demands action

Deborah Yedlin · Calgary Herald
April 8, 2016 · 4 minute read



Tim McMillan, president and CEO of the Canadian Association of Petroleum Producers. TED RHODES / Calgary Herald

A Few Facts

I do not know the status of the federal government’s consideration of assistance to the oil and gas industry or to any of the other Canadian industries affected by the Coronavirus and by the forced closing of workplaces, but I do know a few things about why the oil and gas industry faces such difficult financial circumstances. This goes well beyond the trends in international oil markets and prices.

- Over the last three years, federal government decisions, influenced greatly by the organizations with which many of the letter signers are associated, were responsible for the loss of \$32.5 billion of capital investment in oil pipelines that would have assured access to export markets, along with the loss of 3,500 long-term jobs.

UNIVERSITY OF CALGARY

Page | 5

News from the University of Calgary today (Monday, Nov. 18) that 250 jobs will be eliminated are proof of more broken promises from the UCP, says the Alberta Union Of Provincial Employees (AUPE).

“The UCP was elected on a promise of creating jobs, but now we are losing hundreds of positions at just one university. Imagine how many hundreds more will be lost at universities and colleges across the province,”

says Bobby-Joe Borodey, vice-president of AUPE, which represents about 96,000 workers including some of those affected by these job cuts.

“The government also said most of the jobs it wanted to axe in the public sector would be through attrition. That’s another broken promise. The University of Calgary said today that 150 full-time positions would be terminated and 100 lost to attrition,” says Borodey.

- Over that same period, \$67 billion in capital investment in three liquified natural gas plants were foregone due to delays and opposition from the same groups.
- This year, the Tech Frontier Oil Sands mine, a \$20 billion investment that would have provided 2,500 long term jobs, was cancelled due to federal delays and barriers, again promoted by these same groups.
- Over the 2014-2018 period, Canadian heavy crude producers lost \$40 billion due to market discounts directly resulting from inadequate pipeline capacity.
- Canadian oil producers now pay \$30 per ton in carbon taxes that are not paid by competing energy producers in other countries, and that tax rate is scheduled to continue increasing.
- According to the C.D. Howe Institute, **Canada lost \$100 billion in upstream oil and gas investment over two years**, due almost entirely to government policies.
- In 2012, Alberta's employment rate was 70%, the highest of all provinces. The unemployment rate in Alberta was 7.2 % at the end of 2019, much above the national average of 5.9% at that time.
- Despite the claims in the letter, the federal and provincial governments provide several subsidy programs to the renewable energy industry and none to the oil and gas industry. There is a difference between the two industries in this regard. The so-called "subsidies" paid to the oil and gas industry are investment incentives, payments that the industry converts into very large investments and billions of dollars in taxes and royalties to governments. These so-called 'subsidies' fall under categories common to virtually all businesses in Canada. By contrast, the subsidies to renewable energy industry run the gamut from research and development assistance to supply subsidies to favourable regulations to tax exemptions. **Try to find out how much the renewables industry pays in taxes; you won't because it doesn't.**
- Global oil demand grew by over one million barrels per day per year from 2012 to 2019 and is at its highest level in history; almost every other major oil producer has been able to benefit from this growth through increased

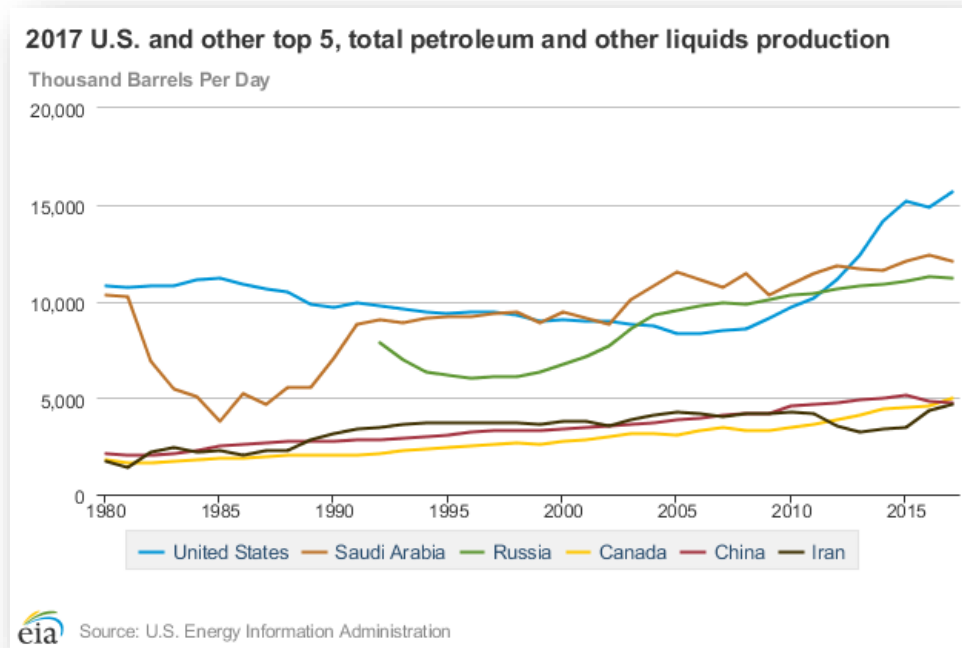
UNIVERSITY OF LETHBRIDGE

ge | 6

The University of Lethbridge will be laying off employees and increasing tuition and student fees to cope with provincial funding cuts.

The final butcher's bill for funding cuts to the University of Lethbridge resulting from Thursday's provincial budget will be 6.6 per cent, or about \$7 million, this year, confirmed U of L president and vice-chancellor Mike Mahon during a press briefing on Friday afternoon. Mahon also confirmed this total, combined with a total of 3.2 per cent, about \$3.4 million, already cut out of the university's budget last fall, means the U of L will take a 9.8 per cent total provincial funding cut, or just over \$10 million, in an 18-month period. Mahon said the province has also been signalling its intent to cut around five per cent more to the Campus Alberta Grant fund province-wide next year and the same amount again the year after. He said this really leaves the U of L with little choice but to enact "significant" layoffs at the institution.

investment and production and will go on doing so after the coronavirus pandemic passes – investment in Canada’s industry has declined because of government climate policies.



Canada is the only one of these top six competitor nations constrained by the International green trade war known as the #TarSandsCampaign and stringent, ever-changing, climate policies.

To be sure, declining international crude prices have reduced the funds available to invest in the Canadian industry. However, investment has increased sharply elsewhere, like the United States, while declining in Canada. In other words, it is not only the market that has done harm to the oil and gas industry. It is Canada’s own citizens. People like those who signed the letter.

I personally object on principle to the idea that governments should provide taxpayer subsidies to private industry, but with the current Coronavirus, we find ourselves in unique times. Having decided to shut down a substantial portion of the Canadian economy in the name of slowing the spread of the virus, governments are now morally obliged to attempt to offset the more adverse consequences for companies and their employees of the restrictions imposed. To suggest that the oil and gas industry should be deprived of assistance available broadly to other industries betrays an ideological bias. In the case of the oil and gas industry, **the damage caused by government policies has far exceeded that imposed on any other sector of the economy, so the assistance provided, if any, should reflect that.**

Appendix A

LIST OF ALBERTA AND SASKATCHEWAN-BASED SIGNATORIES OF LETTER TO PRIME MINISTER

Ricardo Acuña	Policy Analyst	University of Alberta	Political Economy
Shelagh Campbell	Professor Emerita	University of Alberta	Biological Sciences
Alexandre Da Costa	Professor	University of Alberta	Sociologist / Education
Anthony Dionigi	Professor	University of Alberta	Urban Planning
David Kahane	Professor	University of Alberta	Political Scientist
Sally Leys	Professor	University of Alberta	Biologist
Sourayan Mookerjea	Professor	University of Alberta	Sociologist Post-Doctoral Fellow in Transition in Energy
Anne Pasek	Post-Doctoral Fellow	University of Alberta	Transition in Energy
Makere Stewart-Harawira	Professor	University of Alberta	Education
Sheena Wilson	Professor	University of Alberta	Energy Humanities
Laurie Adkin	Professor	University of Alberta	Political Economist
Debra Davidson	Professor	University of Alberta	Environmental Sociology
David Cooper	Professor	University of Alberta	Accountant
Peter Gabor	Professor	University of Calgary	Social Work
Carol Ing	Dr.	University of Calgary	Social Work
Byron Miller	Professor	University of Calgary	Geographer
Kristine Alexander	Professor	University of Lethbridge	Historian
M. Bryson Brown	Professor	University of Lethbridge	Philosophy
James M. Byrne	Dr.	University of Lethbridge	Geography and Environment
Paula Cardozo	Professional Librarian	University of Lethbridge	Professional Librarian
Laura Chasmer	Dr.	University of Lethbridge	Geographer
Robbin Derry	Dr.	University of Lethbridge	Management
Rumi Graham	Librarian	University of Lethbridge	Librarian

Chris Hopkinson	Professor	University of Lethbridge	Geography
Leona Jacobs	Librarian	University of Lethbridge	Sciences Librarian
Stefan Kienzle	Professor	University of Lethbridge	Geography and Environment
Brenda Leung	Dr.	University of Lethbridge	Epidemiologist
Richard Mueller	Professor	University of Lethbridge	Economics
Kent Peacock	Professor	University of Lethbridge	Philosophy
Gregory Pyle	Professor	University of Lethbridge	Biologist
William Ramp	Professor	University of Lethbridge	Sociology
Rob Sutherland	Dr.	University of Lethbridge	Neuroscientist
John Vokey	Professor	University of Lethbridge	Psychology
Julie Young	Professor	University of Lethbridge	Geographer
Trevor Harrison	Professor	University of Lethbridge	Political Economist
Jason Laurendeau	Dr.	University of Lethbridge	Sociologist
Carol Williams	Dr.	University of Lethbridge	Historian
Katherine Arbuthnott	Dr.	University of Regina	Psychology
Simon Granovsky-Larsen	Professor	University of Regina	Political Scientist
JoAnn Jaffe	Professor	University of Regina	Development Sociologist
Samantha Lawler	Professor	University of Regina	Astrophysicist
André Magnan	Associate Professor	University of Regina	Sociologist
Andrew Stevens	Dr.	University of Regina	Sociologist
Michael Trussler	Dr.	University of Regina	Professor
Emily Eaton	Professor	University of Regina	Economic Geographer
Amy Snider	Instructor	University of Regina	Language Instructor
Garry Sran	Dr.	Alberta Union of Provincial Employees	Policy Analyst
Michael Gismondi	Dr.	Athabasca University	Sociologist

About the Author

Contributed by Robert Lyman, former public servant of 27 years and diplomat for 10 years. His full bio can be read [here](#).

About

Friends of Science Society is an independent group of earth, atmospheric and solar scientists, engineers, and citizens who are celebrating its 17th year of offering climate science insights. After a thorough review of a broad spectrum of literature on climate change, Friends of Science Society has concluded that the sun is the main driver of climate change, not carbon dioxide (CO₂).

Friends of Science Society

P.O. Box 23167, Mission P.O.

Calgary, Alberta

Canada T2S 3B1

Toll-free Telephone: 1-888-789-9597

Web: friendsofscience.org

E-mail: contact@friendsofscience.org

Web: climatechange101.ca

