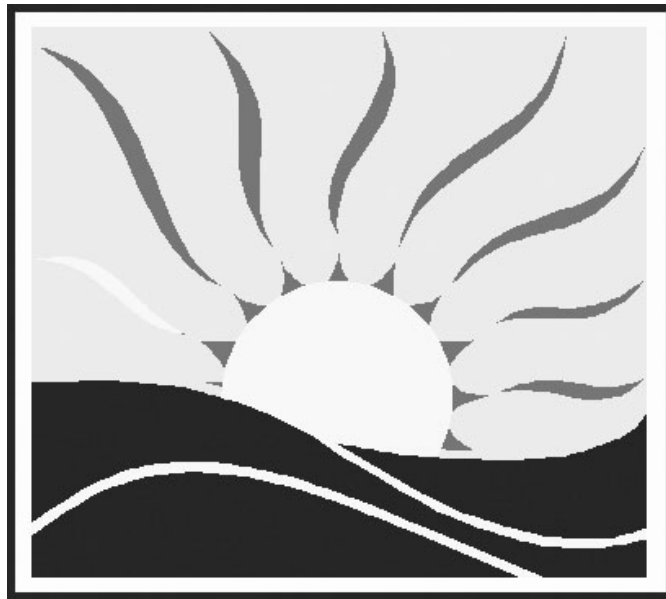


For a
People's
Energy Plan
for Canada



A Proposal from the Communist Party of Canada
September 2008

Our world – and our country – are entering a period of grave dangers, an era of potentially devastating climate changes, widespread hunger and chaos, all linked to the unchecked growth of fossil fuel consumption, greenhouse gas emissions, and wars to control oil reserves. In response, the Communist Party of Canada proposes far-sighted and radical policy changes, requiring a courageous struggle to take urgent and decisive action... in short, to adopt and implement a People's Energy Plan for Canada.

The cost of energy – at the gas pump, to heat our homes and to power our industries – is foremost on the minds of Canadians. Prices have skyrocketed, seriously cutting into the living standards of working people. At the same time, there is growing awareness and concern about the harmful impact of reliance on fossil fuels on our domestic and global environment, particularly with respect to climate change, and about the deadly wars of occupation in Iraq and Afghanistan, waged largely to secure U.S. imperialist domination over energy resources. The outcome of this debate is *central* to the entire future of Canada and its sovereignty, and to the very future of our planet.

From Canada's earliest days to the present, energy policy and development has proceeded for the most part in a completely unplanned way, driven by the anarchy of so-called 'market forces' and the interests of giant energy monopolies. When governments have intervened – through the establishment of 'crown corporations', the construction of massive hydroelectric projects and the formation of public utility companies, etc. – they have done so primarily to underwrite the huge investment costs of constructing energy infrastructure (using public funds) which is too risky and/or expensive for even the largest of the private energy giants.

The end result of this sorry history has been to fatten the balance sheets of the largest energy monopolies – especially Big Oil – while depleting non-renewable resources and fleecing working people both directly (through ever higher prices) and indirectly (by using public funds to subsidize oil & gas exploration, by cutting corporate tax rates, by reducing electricity rates for big industry, and other sorts of corporate gifts and subsidies).

Never has the scale of this corporate rip-off been more astronomical than today. As oil and natural gas prices, along with electricity rates, go through the roof, the profits of the energy giants have swollen beyond all imagination. In the first half of 2008 alone, the five biggest Canadian-based oil giants – Husky, Petro-Canada, Suncor, Encana and Nexen – raked in profits of more than *\$12 billion*. Even this obscene level of profit-taking pales in comparison to those of the global oil monopolies – ExxonMobil, BP, Royal Dutch Shell, Chevron and Total. ExxonMobil alone made US\$40.6 billion in profits in 2007 – *about US\$1,300 of profit every second of the year*.

Canadians have every right to be damn angry about this unprecedented gouging at their expense, and about Canada's military participation in US war-making to control energy.

What's more, people are increasingly aware that the institutionalized reliance on the consumption of fossil fuels also threatens the very liveability of our planet. They understand that it is precisely the enormous profitability of fossil fuel production and consumption which leads the energy monopolies (and the pro-corporate governments which serve their interests) to obstruct every effort to seriously reduce emission levels of 'greenhouse' gases.

For a Comprehensive, Integrated Energy Plan for Canada

Canada today requires a *comprehensive, integrated energy policy* – one which ensures the security of energy supply to meet the needs of our people and promotes the overall economic and social development of our country, while protecting and enhancing our environment.

The most decisive aspect of such a policy – the cornerstone upon all other measures must rest – is the public ownership of energy, from its primary production/extraction and refinement through to its distribution and sale. Any meaningful transformation of the energy “system” is impossible without wresting control from the private energy monopolies – both domestic and foreign-based – and returning that ownership and control to Canadians, including the Aboriginal peoples whose lands have been ravaged by Big Oil.

It is naïve in the extreme to hope that providing incentives will somehow encourage the energy monopolies to “reform” themselves. Even the imposition of government regulations to constrain their behaviour will have little effect. Such approaches have not worked in the past, and they are doomed to failure now and into the future.

The imposition of a “carbon tax”, a “cap & trade” system, or some combination of the two regimes – variations of which have been introduced in some provinces, are currently the topic of sharp debate by the federal parties. Similar strategies in place in Europe and elsewhere have achieved some minor emission reductions, but fall far short of achieving their purported objectives. The “cap & trade” system allows “dirty” or heavily gas-emitting companies to “pollute and pay,” justifying their criminal environmental actions. Such systems will leave intact the wide gap between the rich and poor countries, and global monitoring of “cap & trade” plans is utterly inadequate. Meanwhile, studies have shown that the current proposals for a “carbon tax” place a disproportionately higher burden (in terms of the impact on net income) on low-wage and poor people than on the wealthy. At best, these concepts are of questionable promise; at worst, they divert attention from far more urgent measures. In effect, both these concepts turn the environment into just another commodity. They rely on market mechanisms to induce lower emissions, while leaving fundamental ownership and control in the hands of the same corporations which are principally responsible for the degradation of our environment in the first place!

That’s why the demand for public ownership under democratic control is central to any genuine strategy to solve the energy crisis in favour of Canada and its peoples.

Of course, the big private monopolies which control the industry, along with their defenders and apologists in government and the mass media, will scream “heresy!” But many countries around the world have successfully nationalized their petrochemical and other energy resources and production – Mexico, Venezuela, Bolivia, and even Iraq, to name only a few. Placing Canada’s energy sector under public ownership and democratic people’s control will be a massive and complex undertaking, requiring a united and resolute struggle against the vested corporate interests which stand to lose out. But if the peoples of other countries have won public ownership of this most essential resource, the Canadian people can as well!

Public ownership is necessary to ensure that energy wealth benefits Canadians as a whole, instead of enriching a tiny minority of the super-rich. It is also central to the struggle to regain and preserve Canadian sovereignty, and it is an absolute prerequisite to transforming patterns of energy production and consumption.

Energy & Sovereignty

A People's Energy Plan for Canada is a vital ingredient in ensuring our country's sovereignty now and into the future. Its achievement must begin with immediate steps to stop and reverse the erosion of sovereignty which has already taken place under successive pro-big business governments – both Liberal and Conservative – over the past two decades or more.

Why is this necessary? Because of the onerous terms imposed by the so-called “trade” agreements which Canada has entered into – first the Canada-U.S. Trade Pact (1988) and then NAFTA (1994). Take the issue of energy exports, for instance. Under the terms of the NAFTA Treaty, Canada is “legally” prohibited from restricting the rate of exports of petroleum and other energy to the U.S., even if reserves of Canadian energy must be protected for our future needs. Left in place, this NAFTA clause will drain Canada's energy to the last drop and kilowatt to fuel the voracious appetite of the United States military-industrial complex.

Furthermore, the odious Chapter 11 of NAFTA grants U.S. corporations legal rights to sue Canada if their profits – *both current and future* – are adversely affected by government policy. This makes it virtually impossible for any federal government, acting upon the democratic will of its people, to nationalize foreign corporate holdings in this country.

The current follow-up to the NAFTA Treaty is the euphemistically-called “Security and Prosperity Partnership”. The SPP process, involving negotiations to further integrate the economies of Canada, the U.S. and Mexico, would further undermine what remains of Canada's fragile sovereignty. The SPP calls for a “continental energy and natural resources pact” which would grant U.S. monopolies even greater guaranteed access to our energy supplies by creating an integrated marketplace.

Canada must extricate itself from this corporate-imposed legal straightjacket by giving immediate notice of intent to abrogate (withdraw from) the NAFTA Treaty. Canada must also terminate participation in the SPP negotiations.

Energy and the Environment

A central feature of a People's Energy Plan for Canada must be the firm commitment to fundamentally transform the system of energy production and use, especially (but not solely) through dramatic overall reductions in greenhouse gas emission, air pollution, and radioactive waste. Such a transformation must include (among other measures):

- a sharp decrease in reliance on fossil fuels in favour of significant public investment in research and expansion of renewable (and non-damaging) energy sources such as solar energy, wind power and other forms of energy (tidal, geothermal, biomass, etc.);
- a massive investment in low-cost, publicly-subsidized mass transit systems in our urban centres, and inter-city, high-speed rail service to reduce reliance on private automobile and air travel (which together contribute most to climate change-causing emissions);

- the imposition and strict enforcement of substantially higher emission-control standards on vehicles sold and used in Canada, and the establishment of a publicly-owned “Canadian car” industry using new, non-polluting technologies;
- an end to coal-fired power generation stations;
- a permanent moratorium on new and proposed nuclear power generation stations, and the phased closure of existing nuclear facilities;
- a massive public investment program to environmentally retro-fit small businesses and existing housing stock – especially low-income and public housing – and higher energy-conserving standards on all new housing;
- terminate feedgrain-based bio-fuel production, which yields dubious benefits in terms of composite environmental impact and decreases the stock of arable land for food production;
- cancel the proposed Mackenzie Valley natural gas pipeline and prevent any new oil & gas projects in the Arctic and Subarctic tundra. Curtail other North-South projects in favour of the expansion of East-West pipe and electrical transmission lines as part of the development of an East-West power grid to serve the energy needs of the entire country;
- cancel further expansion of tar sands projects, and the phased reduction of current facilities as export licences expire and as Canadian domestic reliance on bitumen/refined oil gradually declines;
- a moratorium on additional offshore oil and gas exploration and operations off Canada’s coastlines and phase out current operations, based on growing evidence of their harmful environmental impact; and
- a substantial Canada-wide program of mixed reforestation to replenish our depleted forest stands, reduce soil erosion and enhance CO₂ absorption.

Energy and Canadian Economic Development

A new People’s Energy Plan must not jeopardize Canada’s overall industrial economic development. Indeed, the absence of such an integrated energy policy, together with other harmful corporate actions and governmental neglect, has contributed in large measure to the decimation of Canada’s industrial base over the past two decades. Industrial development is a cornerstone of any country’s economic health, of the maintenance and improvement of workers’ living standards, and the preservation of its sovereignty.

A People’s Energy Plan is a critical tool for the re-industrialization of our country from coast to coast to coast. Experience has shown time and again that skilled and high-paying employment in manufacturing is not only beneficial to the workers in those industries. It also creates countless more jobs in services, trades and related sectors in communities across the country; it helps raise the wage rates of workers in general; and it strengthens the capacity of the working class as a whole to intervene *as a class* to improve the economic, social and political rights of all Canadians.

The winning of a People's Energy Plan is the only way to ensure the security of energy supply to power the expansion of environmentally-responsible industry, and its achievement is therefore in the interests of all working people.

Energy and the Rights of Aboriginal Peoples

A People's Energy Plan is inextricably linked to the struggle to overcome the legacy of more than five centuries of plunder of Aboriginal peoples in Canada, including the ongoing theft of oil, gas and hydro power from their traditional lands and waters. Such a plan is crucial to achieve the genuine equality of Aboriginal peoples in Canadian society and to guarantee their national rights.

This plan would benefit Aboriginal peoples in several ways:

- because present and future energy development on Aboriginal lands (both surface and sub-surface) should proceed only with their full knowledge and consent, on fairly negotiated terms;
- because the development of a Canada-wide energy and power grid would provide stable and secure supplies of energy to the Aboriginal peoples, especially in rural and Northern communities which currently have poor if any access to energy;
- because it would lower the domestic cost of energy to those communities;
- because it would generate massive revenues, a significant part of which should be used to compensate Aboriginal peoples for the “under-development” and the outright thievery of their lands and resources over many generations.

Energy and the Provinces

Under current constitutional arrangements, provinces maintain primary control over natural resource (including energy) development on their territories. This delineation of powers poses a major legal and structural obstacle to the implementation of a new People's Energy plan for Canada. But it is our view – shared by the majority of Canadians – that crucial decisions over energy development should primarily rest with the Canadian people *as a whole*, not with the sectional interests of provinces. The sole exception should be Québec, which constitutes not just a province but also a *nation* within Canada.

We call for the widest possible public consultations on this constitutional change, which should be negotiated by governments and the Aboriginal peoples, and approved at the earliest possible time, along with equitable agreements on federal/provincial sharing of the wealth generated through extraction and development of energy resources.

Energy and a Foreign Policy of Peace

The energy issue is closely connected to Canada's foreign and defence policies, including our participation in the dirty war in Afghanistan. The U.S.-led wars in Iraq and Afghanistan are motivated in large part by the drive of U.S. ruling corporate circles to dominate and control energy resources in the occupied territory itself (as in Iraq), or in adjoining regions vital for the transmission of resources (as in

Afghanistan). These are not the first aggressions carried out under other pretences, but driven primarily to serve imperialist ambitions, nor are they likely to be the last.

Canada must categorically reject the use or threat of military aggression to secure access to energy or other natural resources. An inherent part of a new People's Energy Plan for Canada is the unconditional defence of Canadian sovereignty over its own vital energy resources; we must also fully respect the sovereign rights of other states and peoples to control their own resources.

A People's Energy Plan would contribute to the world-wide struggle against militarism and war. Military armaments and standing armies are heavily reliant on – and incredibly wasteful of – energy resources, both nuclear and non-nuclear. In fact, the arms race and the maintenance of nuclear arsenals constitute the single greatest threat to humanity, to the environment and to the very survival of the planet. Canada should speak out forcefully against this grave danger and in favour of peace and universal nuclear disarmament. Canada can contribute in a concrete way to this cause by immediately ending its participation in the occupation of Afghanistan, by withdrawing from NATO and Norad, by speaking out forcefully against any and all violations of the UN Charter and international law, and by cutting its own bloated (and growing) military budget, and by redirecting those resources to peaceful and socially useful purposes.

Implementing the “People’s Energy Plan”

We need a broad people's movement to launch a political struggle to win and implement a People's Energy Plan, a struggle which will likely involve many pitched battles and partial victories along the way. The first steps should include the following immediate measures, in addition to the policies addressed above:

- The rollback (and then capping) of retail energy prices, especially for home heating;
- Reversal of the Harper Conservative government policy to renege on Canada's Kyoto Accord commitments and its opposition to mandatory post-Kyoto targets;
- Withdrawal from the NAFTA Treaty; termination of Canada's involvement in the SPP process;
- Imposition of a 100% “Windfall Profit Tax” on the large oil & natural gas corporations (both foreign and Canadian-based) so that the billions in super-profits which these corporations are amassing due to high world prices can be used for public investment;
- Renationalization of Petro-Canada and privatized utility companies such as Ontario Hydro, Nova Scotia Power, and others;
- Re-establishment of a two-price system for oil and gas, with reduced rates for domestic use and higher (world price) rates for exported energy;
- Legislation of a shorter work week with no loss in pay, which would create more jobs for Canadians and reduce fossil fuel consumption at the same time.

The centrepiece of the People's Energy Plan is public ownership through nationalization, and the democratic, popular control of energy resource extraction, production and distribution. It is around this

pivotal question that the most intense battles will be fought. But its achievement will be decisive in breathing real content into the entire plan, (1) because nationalization and the resulting access to the enormous wealth it generates are necessary to publicly finance the other investments and transformations elaborated in the plan; and (2) only through the sweeping nationalization of Canada's energy resources will it be possible to break the economic and political power of the giant monopolies – the fiercest enemies of energy democratization.

At every stage in the struggle, and with every partial demand that we advance, we must keep our eyes focused on the strategies and tactics needed to win the “main prize” – Canada's energy for the needs of the people, and under the ownership and control of the people.