Although most of our discussion has focussed on the Great Plains as a hunting-and-gathering or agricultural economy, the region has also supported extractive industries. The fundamental difference is that hunting, gathering, and agriculture, at least in theory, exploit renewable resources that may be sustained for centuries without an endpoint, while mineral deposits, once exhausted, are permanently gone. Other minerals may be discovered to be valuable and exploited in turn, but they, too, are finite. Clay, pipestone, and flint have been used for tens of thousands of years but are still relatively plentiful since they have mostly been used on a subsistence rather than an industrial scale. Gravel, cement, and limestone have been used more recently and more industrially, but they are still widely available. Gold in Montana sparked a brief rush and a wave of vigilantism, and gold led Custer into the Black Hills and the US government into the abrogation of its treaties with the Lakota peoples, resulting in, on the one hand, Custer’s death and on the other, an extremely lucrative gold-mining industry. Surface potash was a valuable resource at the time of World War
I and, with the advent of deep-mining techniques and a growing demand for fertilizers, a significant international trade product through the end of the twentieth and into the twenty-first century. Soft surface coal deposits were a curiosity for Indigenous people and a useful fuel resource for early Euro-Americans. Wyoming, Saskatchewan, North Dakota, and other northern Plains polities produce significant quantities of primarily open-pit coal, and huge deposits still remain. But the resource that has had by far the most significant environmental and cultural effects on the modern Great Plains is the remains of fossil fish and dinosaurs and their ecosystems manifested as petroleum products, oil and gas.

The petroleum industries in North America started in Pennsylvania and Ontario, but the most valuable deposits turned out to be further west, including Texas, Oklahoma, Alberta, and to a lesser extent, North Dakota, Saskatchewan, and other parts of the Great Plains. What these oil deposits and their exploitation would mean for individuals, Indigenous nations, state and provincial governments, large oil companies, and federal governments differed radically in terms of time period, jurisdiction, and the power of the oil companies. In the United States, all title to the land not already distributed resides with the federal government, except for land in the thirteen original states and in Texas, which kept control of its public lands when it became a state. In addition, the federal government retains mineral rights to all Indian reservations except that of the Osages, who purchased mineral as well as surface rights. Private land owners usually, but not always, own both mineral and surface rights. Mining laws passed in 1872 and 1873 granted absolute mineral rights on federal lands for a nominal sum to whoever found and exploited them, throwing in the land itself as well, an aspect of the law that twenty-first-century developers are now learning to exploit to carve condominium communities out of federal land while going through the motions of “developing” mineral deposits. Not until 1920 did the federal government switch to a lease system for petroleum development, but the goal was regulation, not revenue, and large oil companies in particular welcomed the stability of regulations that enhanced their prosperity by making it harder for newcomers to undercut them. Regulation is still notoriously lax, however, and the US Geological Survey, which is supposed to monitor
lease payments, has no way of determining if oil companies are actually paying what they owe.¹

In Texas, the state or private individuals own the land and the mineral rights, which can then be leased to oil companies, big and small. In the early twentieth century, Texas anti-monopoly laws prohibited Rockefeller’s Standard Oil of New Jersey or other established oil companies from achieving monopolies through “vertical integration”—any one company could choose only one aspect of production: extraction, transportation, refining, wholesaling, and so on. The Texas Railroad Commission regulated the industry, and the state received lease money and also profited from the general prosperity that oil booms brought to Texas throughout the twentieth century. Not surprisingly, Texas politics and Texas oil interests became inextricably combined, eventually influencing not only Texas regulation policy but moving up to influence, and even to some extent control, US foreign policy relating to oil and to those areas of the world where oil is produced, including Canada and the Middle East.²

We have already seen the deleterious effects of oil on the Osage and other Indigenous peoples settled in eastern Oklahoma. The attempt to suppress Debo’s And Still the Waters Run indicates the power of oil and graft in Oklahoma in the 1930s, while Robert Sherill noted in 1983 that “if an oilman must stand trial for fraud [including false reporting on oil obtained from Indian land], Oklahoma is by far the best place for him to be; in that state, judges are notoriously sympathetic to anyone who handles crude.” This is not to say that all oilmen were or are corrupt. John Joseph Mathews, whom we have already met at some length, was closely associated with the Oklahoma oil industry, both as a geologist and as the beneficiary of an Osage headright. His 1951 biography of E.W. Marland, Life and Death of an Oilman (apparently the only full-length book published by an American Indian author during that decade), provides a strong sense of the early oil industry as practiced by actual field geologists and of how that differed from the institutionalized industry that came to dominate the oil business. Mathews admired Marland for his ability to look closely at the land, the way an Osage might have were he exploring it for oil, and for his employment of young university students, also trained in a specific and rigorous kind of land knowledge. Mathews also honoured Marland’s
willingness to pay a good wage and to provide decent housing to his workers. Marland succeeded in building a successful oil company but, according to Mathews, lost it to the Morgan bankers who, instead of capitalizing his expansion, eventually forced him out of his own enterprise. (As we shall see shortly, the saga bears a remarkable resemblance to the later history of Jack Gallagher and Dome Petroleum, a similarity to ponder for those who blame the National Energy Policy for all that went sour in the Alberta oil patch in the 1980s.) Although Marland became a congressman and eventually the governor of Oklahoma, Mathews presented him as a thwarted figure who never lived up to his personal or professional potential. Oil has been a mixed blessing for many of the people who have touched it.

The early twentieth-century oil developments in Alberta were, like those in Texas and Oklahoma, colourful mixtures of wildcatters, boom-and-bust wealth, and both co-operation and conflict with different levels of government, but there were vast dissimilarities as well. At Confederation, the British North America Act (the Constitution Act of 1867) apportioned control of natural resources to the provinces. But when the original North-West Territories were formed into Saskatchewan and Alberta in 1905, Ottawa retained control of the resources, supposedly because the new provinces were in a state, more or less, of tutelage. Control of natural resources was a particular sore point and focus for western alienation until 1930, when the Natural Resources Transfer Act finally transferred control over lands and resources to the Prairie Provinces. As in the United States, ownership of surface lands does not necessarily mean ownership of mineral rights. Depending on the year, homesteaders might or might not have obtained mineral rights, and Indigenous parties to the numbered treaties, which cover the Prairies, have consistently argued that their intent was to share surface use of the land, not to surrender exclusive use to all of the land and resources, a concept that neither the federal government nor the provincial governments have effectively acknowledged or negotiated.

Although people had noticed and even made casual use of various oil and gas seeps for centuries, the western Canadian oil and gas industry began in Turner Valley just before World War I. Natural gas quickly became a household commodity, but the oil industry did not fully take off until the
famous Leduc No. 1 well came into production in 1947, the first of the fields that would establish Alberta as a major world oil producer.\textsuperscript{5} As we have seen, Saskatchewan also discovered and exploited oil and gas, though on a smaller scale. While the ccf actively developed petroleum policies that would subsidize social programs for the people of Saskatchewan, Alberta’s Social Credit government charged relatively low royalties and gave the oil companies—domestic and foreign, but particularly American—more or less free rein. Wrote John Richards and Larry Pratt, “The striking failure of the post-Leduc resource boom to replicate the historical conditions of turn-of-the-century Texas and to nurture a powerful class of Alberta entrepreneurs united with populist farmers in hostility to a takeover by external corporate and political interests is one of the great puzzles of modern prairie development.”\textsuperscript{6}

Perhaps it can be explained in part by the different relationships between corporations and the federal government in Canada and the United States. As noted earlier, the transcontinental railways in both countries were examples of premature development. Both had federal subsidies, but neither subsidy was enough, so both groups of entrepreneurs attempted “creative financing” schemes to raise the rate of return. Credit Mobilier in the United States was successful in that the Union Pacific was built, the builders got rich, and the fallout from the scandal was minor and transient. Rather than being tarred by it, James Garfield was subsequently elected president with a reputation for honesty. In Canada, the Pacific Scandal toppled the government and delayed the completion of the Canadian Pacific Railway until after Macdonald could be re-elected. The federal government subsidized construction and guaranteed the repayment of monies that were borrowed. Still, both the railway and probably the country would have failed had not the Northwest Resistance shown the “need” for both a federal government and a transcontinental all-Canadian railway. The size of Canada’s landmass and the forbidding nature of most of its territory (at least to European temperate-zone sensibilities) coupled with its small population base means that most major Canadian economic enterprises are “premature,” whether they be the CPR in the 1880s or the Alberta oilfields of the 1940s or the oil sands of the 1980s to the present, and thus must be underwritten in part by federal or provincial governments, or both.
Most Canadian political scandals, historically and currently, involve skimming off government funds raised from taxes for the private gain of the skimmers and their allies. Most American political scandals, at least the directly economic or financial ones, on the other hand, involve the private taking of “public” properties, whether it be land or resources owned by Indigenous people, oil or other minerals discovered on public lands, or intangibles such as broadcast airwaves, although Enron broke the pattern by manipulating natural resources for private gain. Canadian taxpayers are, not unjustifiably, enraged to see funds drawn in whole or in part from direct tax dollars going into private coffers with no public return. American citizens, on the other hand, with the exceptions of various public watchdog organizations and their individual supporters, are remarkably blasé about the theft of land, minerals, air, and water, and are even likely to applaud the grafters, at least up to a point. One can see the continuation of these traditions in the reactions to Ad-scam and Enron around the year 2005. Ad-scam, the Canadian sponsorship scandal, led to an election in which a large Liberal majority was replaced by a whisker-thin minority Liberal government in 2004 and a 2006 election that yielded a Conservative minority government. Enron had almost no political fallout and led only to a few highly publicized trials, despite the far more widespread economic and social destruction wrought by the Enron collapse both on the community as a whole and on individual workers and shareholders and despite the close connections between leading Republicans and Enron. By the time the Democrats gained both the White House and substantial Congressional majorities in 2008, Enron was long forgotten by almost all voters.

Pratt and Richards are perhaps naïve in judging Texas’s success in withstanding external takeovers. To a large extent, the Texas oil magnates simply merged with New Englanders, such as the Bush family, successfully extending their influence to Texas and Florida. To some extent this is happening now in Alberta as corporate headquarters move from Montreal or Toronto to Calgary. On the other hand, Calgary, long the most American city in Canada, is becoming more and more an outpost of American oil. Alberta, like Texas, certainly had its oil pirates (some were my relatives) as well as its highly skilled and community-minded oil magnates, such as Eric Harvie, whose gift lay in sorting out and acquiring land titles confused by
years of overlapping provincial and federal jurisdiction and by arguments over the siting of land claimed by the railways for successfully laying tracks across the continent. What Alberta lacked was the Texans’ facility for mutually beneficial graft that allowed state governments, their regulatory bodies, and their regulated industries to move the most public domain into the fewest private pockets with the least public outcry.

The changes in the oil industry between the OPEC oil crisis of 1973 and the worldwide recession a decade later allow us to see both differences and similarities in the petroleum industries of the Canadian and American Great Plains, to evaluate their continuing impact on regional and local economies, and to consider how, or if, they could be managed for a more equitable and even sustainable future. In his provocatively titled 1975 book, Making Democracy Safe for Oil, Christopher Rand argues that OPEC (and its oil embargo of 1973, leading to long lines at the gas pump) was not the cause or even the beneficiary of the price rises and the reorganizations of the industry that followed the embargo. Rather, the major American oil companies brought about the shortage by refusing to invest in refinery capacity in 1972. (The rapid rise of oil prices between 2005 and 2008 was also the result of limited refinery capacity, and while oil companies blame environmentalists for the lack of new facilities, it is those very companies that have reaped record profits from the rapidly rising prices and have refused to build less polluting facilities.) In the early 1970s, the Nixon administration publicly agreed with the oil industry’s contention that the embargo was working, in order to force US policy away from a pro-Israel slant to become at least somewhat more even-handed toward the Palestinians. According to Ed Shaffer, the shortage in the United States could have been avoided by taking Canadian oil, and eastern Canada would not have been dependent on imported oil had Canada not accepted the American and oil company arguments for not extending the cross-country pipeline all the way to Montreal in 1961, when it was extended to Ontario: accepting those arguments caused western Canadian producers to become dependent on US oil and gas markets. More than other Western industrialized nations, Canada has a split between producing and consuming regions. Before the 1973 crisis, Ontario actually purchased Alberta petroleum at higher than world prices, but after the oil shocks, made-in-Canada prices meant that Alberta oil companies were selling their crude to the rest of Canada at
prices that eventually equalled only slightly more than half of world prices. Even though production costs had not gone up, both Albertans and the oil companies themselves resented the loss of profits—from the inflation of world oil prices—that could have been ploughed back into exploration and development. The 1973 crisis and the events surrounding it entrenched the relationship between the Texas and US governments and the big American oil companies. It also increased oil company profits, and thus activity, leading to booms in Texas, Alberta, and other oil-producing areas of the Great Plains. And it set off a considerable power struggle between Alberta and Ottawa over who should keep the profits of the boom, a struggle that intensified in 1980 with the National Energy Policy and has continued through the first decade of the twenty-first century.

In the 1971 election, the somewhat sleepy laissez-faire Social Credit administration in Alberta had been defeated by the dynamic business-savvy leadership of Peter Lougheed, who was determined to capture oil revenue for the province. Meanwhile, Pierre Trudeau had to manage the fallout of oil prices rising rapidly in the less economically robust East while Ontario enjoyed Alberta oil that could certainly be profitably produced and transported for considerably less than the world price. Alberta resented what felt like subsidizing the rest of Canada, especially as the estimates of oil available in Alberta fell drastically between 1972 and 1974. Whereas Lougheed had a substantial majority government, Trudeau was at the helm of a minority government dependent on the NDP, who consistently argued for using the revenue of natural monopolies for the people as a whole. Although Texas oil was nominally regulated by the Texas Railroad Commission, the commission was for the most part controlled by the American oil companies, while the Federal Power Commission under the Nixon administration began controlling gas prices to give incentives to production companies, not just to maintain fair prices.

The US system was cozy, and the industry, state, and federal shares of oil and gas profits seem to have been satisfactory to all, though consumers endured a nasty shock in both oil prices and oil accessibility. A final source of contention in Canada in the 1970s was the commission headed by Thomas Berger to look at the feasibility of a gas pipeline down the Mackenzie Valley. Berger listened closely to the concerns of Indigenous people and returned a
plan that would postpone development until an Indigenous infrastructure was in place to protect against the economic and social damages that had resulted from previous projects such as the Al-Can Highway. The lack of a Mackenzie pipeline threat weakened Canada relative to the United States in the late 1970s, but along with oil sands development, it currently represents a huge, untapped Canadian source of energy of considerable interest to the United States. And the United States, both in terms of its oil companies and their intertwined relationship with the state and federal governments, was a major presence in all of Canada’s internal arguments about oil. After all, Americans owned much of Canada’s oil and gas infrastructure, whether companies were subsidiaries of major American oil companies or American-owned independents. Canadian-owned and -operated vertically integrated oil companies were simply non-existent, partly because provinces controlled resources but the federal government controlled commerce and hence Canadian pipelines, which tended to be partly publicly owned. Canadian independents excelled at exploration and production. Although there are oil refineries such as the Strathcona plant (Humble Oil) in the Edmonton area, and the city’s National Hockey League team is called the Oilers in honour of the region’s industrial role in the industry, much of Alberta’s oil is still refined outside the province in eastern Canada or the United States. Arguments about economic diversification include urging Alberta to develop more “downstream” processing for its oil.

In 1976, the United States elected Jimmy Carter, a most anomalous president, who, unlike his immediate predecessors and his immediate successors, did not come from a major oil-producing state or from an oil family. Particularly concerned with bringing peace to the Middle East, he was ironically rewarded with the toppling of the Shah in Iran and his replacement by a hardline, anti-American religious leadership in 1979. The Shah’s fall was a case of chickens coming home to roost, but they were not Carter’s chickens. American power had overthrown the Iranian nationalist government of Mosadegh in 1953 in order to displace both the Iranians and the British as the controllers of Iranian oil and to guard against any alliance between Iran and the Soviet Union. The Eisenhower administration’s decision to topple a non-sectarian, nationalist, and popularly elected government in favour of the Shah continues to resonate around the world, but
in 1979, the Shah’s overthrow had the effect of discrediting Carter’s peace policies and also sending world oil prices skyrocketing once again. Not surprisingly, this also shattered the accommodation on oil prices that Alberta and Saskatchewan had reached with the federal government. Another collateral casualty of the Shah’s fall was the brief Progressive Conservative government of Joe Clark, which fell over a budget that tried, unsuccessfully, to balance the needs of the oil-consuming and oil-producing provinces. Trudeau and the Liberals regained power, while in the United States, Carter gave way to Ronald Reagan, a nationalistic neo-conservative from a major oil-producing and -refining state, California. The stage was set for the National Energy Policy, the West’s most hated and most debated program since the CPR.

Trudeau’s National Energy Policy (NEP) was a political solution to a number of problems raised by increasing oil prices and the resultant increase in activity and prosperity in the Alberta oil patch particularly. Alberta had about 10 percent of Canada’s total population but 80 percent of its oil revenues. As a federal leader, Trudeau really had no choice but to capture some of the “economic rents” from oil and gas for the nation as a whole and particularly for population- and industry-rich central Canada. Although Trudeau opposed Quebec nationalism and chose world peace as his legacy for Canada, he was enough of a Canadian nationalist to be wary of the power of US oil companies, US investors, and their symbiotic relationships with the US government. Trudeau and his advisors believed that Canada’s future economic and energy security depended on having Canadians owning and operating their own oil industry. These were not unreasonable goals for Ottawa to pursue, nor were they even goals most Albertans would challenge as a whole. Even a quarter century after the NEP, when oil prices have reached and far exceeded the $50-per-barrel prices envisaged in the early 1980s, the oil sands are economically (though perhaps not environmentally) viable, the Mackenzie pipeline is once more on the drawing board, and American ownership and management are even more strongly entrenched in Canada’s oil industry, most Albertans are not averse to the goals of the NEP—even if they do recoil in horror at hearing those three successive initials. As Shaffer says, Peter Lougheed was not in favour of having the “eastern Canadians ['bastards' was the bumper sticker
language] freeze in the dark.” He wanted Ottawa to import more oil, forcing Alberta oil prices up to the world benchmark more quickly. Lougheed, as was evident in the negotiations to patriate the Constitution, was a federalist and a Canadian nationalist in many of the same ways as Trudeau.14

The actual effects of the nep as they developed in the real world are much more difficult to calculate, let alone evaluate. As Tammy Nemeth points out, the unilateral arrogance of the way the Liberal government imposed the nep has poisoned the discussion in Alberta forever afterward. Certainly, the various taxes that the federal government was able to impose shifted substantial portions of the economic rents of the oil industry away from the oil companies and away from Alberta, and keeping a made-in-Canada price for Canadian oil protected Canadian consumers from greater price shocks than they would otherwise have received, at the expense of oil company profits and Alberta provincial revenues. Federal incentives for oil exploration on federally, rather than provincially, owned lands did divert exploration away from Alberta, though the following quarter century suggests that most of Alberta’s future petroleum reserves lie in the oil sands rather than in large finds still to be discovered by conventional exploration: the exploration rigs, therefore, would have moved out in any case. Nemeth shows, however, that the oil rigs began moving in response to the nep, harming Canadian juniors and secondary and tertiary businesses in Alberta before the economic downturn of the early 1980s created the same sort of busts in the oilfields of Oklahoma and Texas.15 Small finds are still being made in Alberta, showing that exploration did not stop altogether. New and environmentally controversial methods of gas production are coming into vogue, again suggesting both that exploration did not stop and that finds of the old sort were not there to be made, no matter what government policies were followed.

Petro-Canada, constructed as Canada’s window on the oil world and as an alternative to the nationalization of the oil industry (as was happening in other countries), was able to grow by acquisitions, but it never served its purpose and has since, bit by bit, been privatized. Canadian ownership also meant the purchase by Canadian independents of American and other foreign-owned oil properties, but they were buying in a seller’s market and in inflated dollars from the “stagflation” period of the late 1970s, with high
interest rates. The saga of Dome Petroleum is instructive here. Dome, one of Canada’s most innovative and successful independent companies, purchased Hudson’s Bay Oil from the American company Continental Oil in 1981—with a $2 billion mortgage held by both Canadian and US banks. When the economic downturn came, Dome was in effect taken over by the banks—exactly as Mathews’ friend Marland had been more than half a century earlier and half a continent further south. That some of the banks had strong connections to US oil companies was probably no coincidence. Buying a national oil industry in the open market without any Daddy Warbucks was spectacularly unsuccessful.

As for the rest of the National Energy Policy, even Roger Gibbins, CEO of the Canada West Foundation, is doubtful. In an op-ed piece for the Alberta Centennial, Sydney Sharpe quoted him as saying: “It is difficult to disentangle what happened to world energy prices from the NEP itself. . . . I’ve always wondered whether we’ve loaded more on the NEP and whether that was appropriate given the other changes that were going on globally. Lots of things went pear-shaped in terms of energy markets at that time.”

To be sure, the drill rigs left Alberta and their departure was hastened by NEP incentives to explore on the “Canada Lands” in the North and East—but they pulled out of Texas as well. The same bumper stickers appeared on trucks at both ends of the Great Plains: “Please God, if You let us have another boom, I promise not to piss it away this time.” Oil mansions were foreclosed in Calgary and in Houston. The secondary industries (those who produced parts and services for the exploring crews, drill rigs, and pipelines) and tertiary industries (those like hotels and gas stations that served the entire economy) were harder hit than the oil companies themselves because they could not pick up and leave. In Saskatchewan and Alberta, it was the junior companies that were really the Canadian-owned and -operated part of the oil and gas business, the ones that any successful program for Canadian ownership needed to nurture and protect—but they were the ones that really suffered from the NEP.

Neither the big oil companies nor the US government wished to see the NEP succeed, so it is likely that American companies that pulled out of Alberta and Saskatchewan, complaining that it was not fair to change the rules in the middle of the game, were as concerned to defeat Canada’s goals
of self-sufficiency and control as they were with their own short-term profit. The rules in the oil game were *always* changing as conditions changed, and American oil companies had been remarkably successful in getting the rule changes they wanted from bodies as different as the Texas Railroad Commission and the US State Department. Reagan began deregulating the American oil and gas industry soon after the NEP began operating, rule changes that were *not* opposed by the oil industry, and small Canadian oil operations who moved to the States did not actually find the US market system as congenial as rumour had it. If we look to Saskatchewan, we can also see that world economics were more important than attaining a free market system for extractive industries. For all of Grant Devine’s proclaiming that Saskatchewan was “open for business,” privatized potash was not bringing big prices any more than Alberta oil was selling for $50 per barrel.¹⁹ The oil companies, the federal and provincial governments, and the banks had all believed that high prices had come to stay in 1980. They were all wrong—as they would be again in 2008.

Peter Lougheed was certainly right in believing that the federal government was moving to block Alberta’s rise to power. A federation in which 10 percent of the population, concentrated in one of ten provinces, was becoming fabulously wealthy in contrast to and to some extent at the expense of most of the rest of the population (assuming that BC, Saskatchewan, and the Territories stayed relatively the same) would not have been stable. As was often the case with Trudeau and the West, the issue was not really so much what he did as how he did it. The West saw him as insufferably arrogant in general and particularly so in his attitude toward the West. Trudeau saw the Prairies not necessarily as deficient—but certainly as insignificant. Provincial control of natural resources, for which Alberta and Saskatchewan had had to fight so hard for the first twenty-five years of their existence as provinces, was a particularly sensitive subject, and the idea that Trudeau would come waltzing into the oil patch with a bevy of new fees deliberately designed to shift oil wealth from Edmonton to Ottawa maddened Albertans. They were legal in that they were neither exactly royalties nor exactly income taxes, but they were levied only against oil and gas, and were especially gallling, since the feds called on Albertans to drop their royalties if the federal tax bite threatened the profitability of
any of the oil companies. The Liberals would not dare do something like this to Ontario or to the sacred cow of Quebec, Albertans reasoned, and if oil profits could be siphoned off, so could the hydro profits of Quebec and Ontario, which also come in part from the US market. And the Albertans were absolutely correct in this suspicion. But Ontario and Quebec each have a good deal more than 10 percent of the population of Canada, and hydro competes in a limited regional market, not the global market of oil. Hydro is also renewable, not a finite resource, and it has never undergone the extreme price spikes that petroleum did in 1973 and 1979. The federal government believed, correctly, that if it did not get its finger in the conventional petroleum pie in the 1970s there would be nothing but crumbs left in the future.

By 1981, Alberta and the feds had shaken hands. By 1984, Trudeau was gone for good, and Conservative Brian Mulroney was in office. He would abolish most of the NEP, begin the reprivatization of Petro-Canada, and negotiate a free trade pact with the United States. Free trade outlawed any kind of National Energy Policy and eased both American participation in Canadian oil and gas extraction and Canadian dependency on US oil and gas markets. According to Shaffer, the actual winners in the battle between Lougheed and Trudeau were the oil companies. Alberta had received 48.5 percent of oil revenue in 1979, dropped to 41 percent under the NEP, and then further down to 30.2 percent in the agreement Alberta supposedly won from the feds in 1981. Meanwhile, the federal share of the revenues rose from 12 percent in 1979 to 27.4 percent under the NEP before dropping slightly to 25.5 percent. The oil companies, however, dropped from 39.5 percent to 31.6 percent under the NEP before rising to 44.3 percent in 1981! Surely this was not what sent the drill rigs out of the province in 1982!

The price rises of 1973 and 1979 touched off state, federal, and industry conflicts in the United States as well, but they assumed different guises. Both Texas and federal regulators, as we have seen, were most solicitous of the oil industry. The trouble, such as it was, arose from alternative fuels or alternative technologies in other states, such as Colorado, where shale oil promised fortunes, or Montana and Wyoming, which sat over huge deposits of coal. For the most part, it was the states that wished to go slowly to
avoid the social costs of overly rapid development and to conserve the land and water of the West. The bust of the early 1980s devastated the Texas and Oklahoma economies, as it did Alberta’s, and slowed or halted energy development in Colorado, Wyoming, and Montana. Paradoxically, it also stirred up the Sagebrush Rebellion among conservative (not conservationist) westerners, who wanted the federal government to cede public lands to the states to speed up economic development. According to Richard White, the Sagebrush Rebellion failed because western urban and conservationist movements opposed it, and western governments, from school districts to states, could not operate without the funds that the federal government had begun paying in lieu of taxes in 1976.22

According to White, “Westerners, it seemed, agreed they were being abused; they disagreed on the nature of the abuse and the identity of the abusers.” Even Albertans, convinced as they were that the Liberals were the abusers and the NEP their tool, were slightly unsure exactly what the result was, except for “the memory of Calgarians walking away from their houses, leaving the banks to repossess them.”23 But such strong images and deeply held beliefs on the Plains of both countries about the perfidy of the federal government and of government in general has fuelled both what Roger Epp calls “de-skilling” and an incongruous belief in the rightness of the political right and the free market. These images and beliefs have also convinced many rural westerners that they are helpless to do much but continue to vote for politicians whose policies do not favour them and for development, whether it be petroleum or sour gas or hog factories or even federal farm supports, that does not help them. As Epp writes,

Farm families in many areas [of Alberta] exist in an uneasy, subordinate relationship with the energy sector, which is a source of lease income and off-farm wages, as well as disruption and environmental threat, and which (once pipelines are included) constitutes in some rural municipalities the largest, most influential source of tax revenue.24

The sour gas wells, the huge trucks barrelling along narrow rural gravel roads, and the exploration activities taking place on traditional northern Indigenous peoples’ hunting grounds are not showing up in the
neighbourhoods in Calgary where oilmen walked away from their houses in the early 1980s. But resentment against the NEP provides a good way for the current politicians to deflect anger away from themselves and their royalty regimes in the petroleum industry and to deflect thinking away from a far more profound and productive regional rebellion than we have yet seen.