
ALLAN A. WARRAK

Allan Alexander Warrack was born on May 24, 1937 in Calgary, Alberta and was raised in Langdon, southeast of the city. He attended Olds Agricultural College before going on to the University of Alberta where he received a B Sc degree in agricultural sciences in 1961. He then attended Iowa State University where he obtained MS and PhD degrees in 1963 and 1967, respectively. He began teaching at the University of Alberta and, in 1971, ran for provincial office in the riding of Three Hills. He defeated the Social Credit incumbent by eight votes and was part of the victory that brought the Progressive Conservative party to power ending 36 years of Social Credit rule. The new Premier, Peter Lougheed, appointed him to the Executive Council of Alberta and Minister of Lands and Forests. Warrack ran for a second term in office, in 1975, and readily defeated three other candidates, and was appointed Minister of Utilities and Telephones. Warrack retired from provincial politics at dissolution of the Legislative Assembly in 1979. He returned to the University of Alberta where he initially taught agricultural economics and later business economics in the Faculty of Business. He moved up the academic ranks and became a tenured professor as well as serving for five years as University of Alberta Vice-President Administration and Finance. Warrack also served as Associate Dean of the Master of Public Management Program. He is the recipient of a number of awards including the Province of Alberta Centennial Medal (2005) and the University of Alberta Alumni Honour Award (2009). He has served on numerous boards including the Finance Committee of the Government of Canada, the National Research Council and the Canadian Club of Edmonton. Warrack is the author of a number of papers including "Whither A Heritage Fund Public Dividend Policy", Chapter 6 in: *Alberta's Energy Legacy: Ideas for the Future*, by Robert Roach (ed.) Canada West Foundation (November 2007). He is also co-author with D. Wayne Taylor and Mark C Baetz of *Business and Government in Canada: Partners for the Future*, Prentice-Hall (1999).

Date and place of birth (if available): May 24, 1937, Calgary, Alberta

Date and place of interview: Home of Allan A. Warrack, Edmonton, May 9th, 2013

Contact Information:

91 Fairway Drive

Edmonton, Alberta

Canada T6J 2C2

Phone number: (780) 434-8206

email: Allan.Warrack@ualberta.ca; and warrack@shaw.ca

Name of interviewer: Adriana A. Davies, CM, PhD

Name of videographer: Jim Bustos

Full names (spelled out) of all others present: N/A



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Initials of Interviewer: AD

Last name of subject: WARRACK

AD: My name is Adriana Davies and I'm a Researcher/Writer on the Petroleum History Society Oil Sands Oral History Project and I am with Allan Warrack, in his home. Dr. Warrack, thank you so much for agreeing to be interviewed. It is the 9th of May, 2013 and its 9:15 am. Allan, can we begin by you telling me where you were born, and the date of your birth and a summary biography. We will go into it, of course, in depth as the interview unfolds but just to begin with....

WARRACK: Well thank you. First of all I am very honoured to be a subject of this discussion, and so I will do my very best to not only cooperate but be helpful in terms of content and potential directions for the future.

I was born in Calgary, Alberta but grew up in rural Alberta, a tiny little place called Langdon, east of Calgary and went to high school and graduated from Strathmore High School, which is located a little further down the line of the Trans-Canada Highway, east of Calgary. I went to Olds School of Agriculture [Olds College], that's what farm kids did. There I got exposed to a bit of university, particularly the Faculty of Agriculture, because we always had an exchange of hockey and basketball games and attended social activities. So that's where the bug came into my head, to go to university, and after working another year, I decided I would just do that and graduated in Agriculture Sciences, here at the University of Alberta. I had interest in almost nothing else but sports and, frankly, became a fairly decent baseball player around Southern Alberta, and by the way later, in the State of Iowa, in what is called the Hawkeye State, the Hawkeye State League in the summer where I played three years. And, so, from a point of view of sports accomplishment that's always been a big thread of interest in my life and it still is.

I came to the University of Alberta and graduated, joined Delta Upsilon Fraternity, became the President of Fraternity Delta Upsilon and, as luck would have it, I had the opportunity to meet some of the major people that were leaders in our group of about 80 chapters around Canada and the United States, and got the opportunity to travel for a year as a Leadership Consultant while my wife, as of 50 years ago last year, had the opportunity to finish her degree at the University of Alberta and off we went to Iowa State University for a Masters Degree. Then, I lived and worked for a time in Wisconsin and then back for a PhD at Iowa State University, and was hired back.

One of my heroes is Dr. Fred Bentley, who was the Dean of Agriculture when I graduated and was still Dean of Agriculture. In those days, Deans tended to be in place for an extended period of time and, when I was graduating with a PhD in Economics and a minor in Statistical Analysis, he was still



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Dean here and intervened and hired me back. So, here we are and with two American children and one Canadian. And, then, various, various, various activities and boards and so on at the Canadian-Alberta level and, as you know, more recently, the President of the Canadian Club of Edmonton, so a very fulfilling opportunity in terms of all those things

I was attracted by Peter Lougheed, who was also a Fraternity brother, to run in the 1971 election and to everyone's surprise but us, we managed to win with a comfortable majority and then I ran again four years later in 1975. I had the good fortune that we were small enough entering the first of those elections, that there were more Cabinet positions than there were people, so, I was able to go directly, immediately into Cabinet - Minister of Lands and Forests which is very pertinent to our discussion here and, then, in the second term after re-election, to the Ministry of Utilities and Communications. On the Utilities side of that Ministry, again, very relevant to our discussion here, particularly because of my service on the Economic Planning Cabinet Committee and the Energy Cabinet Committee.

AD: So, I think that I will start my questioning around – what was it like to be a part of that Peter Lougheed Cabinet in a period when Alberta was beginning to grow? Do you want to talk a bit about that?

WARRACK: Very, very gladly. Of course, I was young and energetic, not yet 35 and I had lots of energy, and I couldn't wait to get in there and do stuff every single day. And it seemed like most everyone else was of that same energy – bright positive, change-orientated outlook, and we started to do all kinds of things that had just been conversation before; of course, our version of things. I remember that about the end of the first term, Premier Lougheed said, “ You know we might just want to slow down a little bit because I'm a little afraid we are making people nervous out there as to how fast we are going to change.” So, we actually consciously tried to slow down, unlike most versions of government where people are trying to get them to do something. I just had never been so excited in my life.

AD: And, then, of course we know the Social Credit had been in power for over 40 years [36 years] and so this is a new team, young, with a vision that was not traditional. You mentioned that you and the Premier had been Fraternity brothers, in terms of that first group of core Conservative MLAs, were there any others that were a part of that University intelligentsia, whether it – well it would have been the University of Alberta more than the U of C [University of Calgary] which had only recently been started at that point?

WARRACK: Well, I would be remiss if I didn't mention the person that just might be the smartest person I ever interacted with, and I would have otherwise never have done so, and that was Merv Leitch, from Calgary who was the Attorney General, and he guided all the legal workings of things through all the arrangements and disputes and positions that we could take that would stand up in court and things like that. He too, was a Fraternity brother, so once you kind of got into that mutual respect zone with each other then no amount of effort was too much.



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AD: Now 1971, Great Canadian Oil Sands had been operational for about just over four years and, of course, the planning for Syncrude was beginning. Do you want to take me back to what was the thinking in Cabinet at that point and, then, your own responsibilities with your portfolio of lands?

WARRACK: Yes, our perspective at that time was that a fuller development of the oils sands would be economic diversification, because at that time, of course, there was crude oil and natural gas that was very prevalent, and so on, and there was issues of economic diversification by upgrading those, particularly natural gas, and in due course we did manage to do that. But particularly seeing the development of the oil sands as economic diversification, looking back from today it seems like the dominant activity but it wasn't at that time. So, that would be the first point that I would make. The second point is that all of it, I mean all of it, is on public land, and, of course, I was Lands and Forests; that means public lands.

In Alberta there is only about a third of the land surface of Alberta is privately owned, the rest is publicly owned and managed grazing, leases and forestry area and all that, so I had that kind of responsibility. But, in terms of not only the activities that could take place in order to propel this new industry to be a diversification success in Alberta, there were also related issues like the town itself of Fort McMurray, that to grow needed to grow on public land, and even some of the infrastructure. I remember a particularly major bridge that had to happen, or you would be stalled in the development, and it was all on public land. So, I was kind of accidentally thrown into the forefront of all of this activity.

I am anxious to say something, though, about the buildup of the conventional oil and gas by Social Credit. In truth, the longer I was in government the more I admired the old Social Credit Government for lasting that long period of time that you mentioned, and to my knowledge with pretty much unquestioned integrity. I never had any sense, including my own opponent who was a cabinet minister that there was anything awry with them but they really just got old and tired as we all are to keep from doing, but we will. But I am anxious to say that I had more and more respect for them sustaining that long, that honesty as a government of Alberta, and a kind of, a bit of a beacon, kind of an integrity beacon, which includes just telling the truth even though you might get away with not doing that; different from today's world.

So, I am anxious to just make that one point, and I should have made it a bit sooner. But, in any case, the efforts to develop and it was clear from the outset that there would be royalties to be paid, there would be employment opportunity that we would be particularly demanded of any project, especially local people. Now, in effect, in that area, it means Native People having employment opportunity; for example, you can't start the plant and then employ them if you haven't pre-trained them to be ready for the job so that they are work ready. So, that was undertaken on a joint Alberta government and industry basis. And, of course, reclamation requirements that were in place at that time and had been implemented on the coal fired energy plants that I was also dealing with, for example, west of Edmonton and those reclamations that you can see if you drive through that area did get done. These were all criteria and that, in the final analysis, the government would be the ones that make the decision because they have those particular types of responsibilities but work



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cooperatively and, I think, those of the era – I particularly remember a man named Frank Spragins, who led Syncrude – through the opportunity that it was a cooperative, intelligent relationship.

Now, may I say one other thing – from the beginning I don't know if we'd have actually, with the private sector, been able to ramp up a profitable undertaking of work in the oil sands had it not been for the early work of University of Alberta people, particularly two of them, and there is a book on this as you may know, Karl Clark and there is a road named Karl Clark Road over by the Research Park in South Edmonton and Sid Blair, who later on, his son Bob Blair became a really major factor in developing the petrochemical sector of Alberta. But, the University of Alberta did much and the ground-breaking sort of things that ultimately meant it would be possible to succeed in the oil sands on a business model basis, and without that kind of underlying research, frankly seems under-appreciated both in Alberta and federally now, this wouldn't have happened.

AD: And to bring those two pieces together, the fact of Karl Clark and Sid Blair who was, of course, one of his graduate students - he did his Masters and working on the oil sands with Clark but then the Socred Government that Manning, of course, held the Ministry of Mines portfolio himself at different times and Tanner did, of course, in that later half of the 1940's but they were committed to this research, which did not have a capacity as yet to be ramped up – to use your term – to plant scale. It was still a prototype research, and that people forget that.

WARRACK: Yes, unfortunately, that's right. You know, I think again, had – the description you made of the Manning Government and some of the others that served in it - had not done those things with some foresight that whatever we wanted to do in conjunction with the industry in the 1970s, it would have been too big a jump to make, and I doubt we would have succeeded. So, I really think it's also fair to say that the former government of Alberta, before our,s deserves an awful lot of credit for this becoming possible. And even with Great Canadian Oil Sands as a company that was beginning to grow and show some of the technology that's possible, and the improvement and so on, that could be done on a mightier, grander mega-project scale later, was also to the credit of not only that company at that time, and the researchers at the University of Alberta, but the Government of Alberta in those days.

AD: Now, 1971, the election happened; you were elected. When did Cabinet first sit and can you tell me a bit about the discussion around the Cabinet table with respect to – you mentioned diversification – and I'd like you to go back and reflect on that and what was said around the Cabinet table and when did Syncrude actually become a priority?

WARRACK: Syncrude actually became a priority a fair bit later because our election was August 30th, 1971 and there had been no tradition of fall sittings in the Legislature in Alberta. We started that, then, the next year 1972, but we had a lot of other fish to fry in the meantime; among them the Human Rights legislation, where there were two separate Bills, and those were actually Bills One and Two. And, the Speech from the Throne, as the direction-going, not only in terms of economic things but a lot of other things too: revising the Mental Health Act I remember, rewriting the Municipal Affairs Act, a lot of things like that that really needed to be updated and, if you wait long



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enough, it's urgent. And, in fact, it was when we began the legislative session in 1972, there had never been a Hansard, never. So, Hansard was begun as part of the transparency strategy and radio and television coverage to the extent they wished to do it was allowed for the first time.

Now, directly to your question, the beginning of the process that then triggered a forward set of developments was late in 1972; we had had the normal spring session but we'd also had a kind of shorter fall session, a kind of "interim report" to the public as its characterization but, then, in December of that year, we had a what is called a "Committee of the Whole," so that it isn't quite all the same formality; that was a consultative process with the public about the development of future energy resources in Alberta including royalties, and environmental reclamation requirements, employment opportunity requirements and, particularly, more than just heaving wood and drawing water type of employment. And this was a thorough discussion about where the economics was going. Where it was when we were there was natural gas – believe it or not was 16 cents per mcf – oil was \$2.35 a barrel. At that hearing we were advised by the industry, "Well, it will probably go up some but there is no reason to think it will be very much," and so on; and, of course, that got blown out the window the following year 1973, when OPEC [Organization of Petroleum Exporting Countries] sprung into the world horizon. So, that was kind of where it started; it basically started December 1972, with that particular third session in 1972 of the Committee of the Whole public consultation.

AD: Now, of course, if you take the media seriously today, and environmentalists, they talk about no planning, government hasn't directed, nothing has been done with the environment. Now, you were there at this point and you had a significant portfolio – Lands and Forests – so talk a bit about that, and the fact that Alberta set up the first Environment Ministry in the British Commonwealth, and also was the first province to have an environmental impact assessment process and land reclamation process. Can you talk about those issues and how you became aware of them within government, who was involved with that – both at the elected official level and at the Deputy Minister/Assistant Deputy Minister, do you want – for the record that is incredibly important.

WARRACK: Let me just tweak the one thing, and that is that, late in the era of Social Credit governments, they actually did form a Department of the Environment under a fellow named Jim Henderson, from Devon. I remember, in fact, he was an oil patch man as I recall. But it was fledgling, more or less a bare-bones environment department and, then, when we were elected Bill Yurko was appointed and, as a matter of fact, I was first acting; we had first, second and third acting of all departments so there's always somebody in charge. Between Peter Lougheed, Hugh Horner and Bill Yurko, you could take seriously the commitment to environment and, I think, in a lot of ways and with the electrostatic precipitators, for example, on coal-fired electric plants, the water management systems and so on, that things really did begin to perk on the environment side in our term.

If someone feels that we didn't do enough on the environment in the eight years either, bring them to me and we will have an argument. I can't speak past my eight years, but it may not quite have been so aggressive as we were. The Coal Conservation Act was passed during that time led by Bill



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Yurko and that had to do with the use of coal, and also the environmental reclamation, and the environmental air protection and the environmental water-quality protection by coal-fired electric power plants.

We started a fledgling coal-research facility; it's a big red building out by Devon, Alberta, that's what that was, but a subsequent government in Alberta closed it, and here we are. So coal could be used much cleaner than it is now but we stopped doing research. My recollection of coal research is that it's quite particular to the types of coal content, both chemical and BTU [British Thermal Units] content. And, so, coal research - in let's say Wyoming which is a very, very big coal producer doesn't necessarily apply to your coal - and we had begun that process because, predominantly, base-load electricity was produced by coal here, not having the good fortune of British Columbia and Manitoba with their extensive water resources.

AD: In terms of the reclamation legislation and requirements, can you tell me how those arose and developed?

WARRACK: Yes, essentially those developed under the Coal Conservation Act; but I have to be careful to say one more thing - a lot of people immediately think when you talk about environmental reclamation that you are talking about putting it back exactly like it was - and that was not the policy. The policy was to reclaim it to as valuable a use. So you might - there is some fairly-rough ground on the topography west of Edmonton, and you probably would do what is called cow/calf operations by farmers, and so on. And, of course, guys like me think it would be a good idea to reclaim it as a golf course. But, anyways, you see my point; we never were in the position of claiming it [so that it] would go back to exactly what it was; nor does it around the world in all kind of places where coal is used extensively like Germany. But that was out of the Coal Conservation Act.

Those provisions were then telescoped to the mega projects in the oil sands; that we would have an orderly process of development and that would be for market-absorption reasons. They talk about the bitumen bubble [Premier Allison Redford in 2012-13] - I don't actual believe it but, anyways, they talk about that now. You have to build to the market and you have to build to your cost structure, and the other thing you have to do is build to what you leave when this is all done, and unfortunately I think we have done a terrible job of that in Alberta since this time and likely will never really have anything resembling reclamation from the oil sands. But that wasn't a failure of perspective during the time of developing - let's says particularly Syncrude, which is kind of the "lead dog" here - but a matter of diligence in implementing the policy.

The other thing, in terms of - its always horrible to talk to an economist, so I'll make you suffer just a bit more - the other couple of things we wanted to do was to magnify what's known as the "economic multiplier" from the base resources. That is to say, as I mentioned a bit earlier - on the one hand, for people that are available for work, and particularly locally, to be able to take those hired/trained jobs than just share "grunt" work, but it takes training, and so on and so forth, to make that happen; and that was undertaken going into the Syncrude project on a joint basis of the



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company and Alberta. And, if the company said no, we wouldn't say yes to the project. But the second thing is to build an economic multiplier effect – if you have a stream of mega projects (oil sands or otherwise), and they're being built in an orderly, predictable fashion, then people that supply them with equipment and related economic activities can't afford to build their businesses and invest in their businesses so as to serve those projects, rather for it to go "herkey-jerky" like we've been doing, and you have to keep importing all this stuff from somewhere else – mostly the United States. We never thought that was smart, and so that was the second part of our economic multiplier strategy. Overall, I guess, through the years, we haven't done that very well.

AD: Now, in terms of Syncrude, I'd like you to talk about the whole issue of public lands and leases first of all and then, of course, there was an extensive environmental impact and social impact assessment process, from 1975 to 1980. Can you talk about those two issues?

WARRACK: Yes and those were designed with the longer-term perspective of systematic, orderly development. So, the policies that we sought to put in place – not everything works the first time – you have to make changes, you make some mistakes of course, but nevertheless to put these in place so they would be there, and those that would invest would know that they could invest to those stable, existing policies, and that their competitor would have to do the same thing. Because if you have this so-called self-regulation, what it means is those who cheat have lower costs and so your competitor has to cheat too and it's a race to the bottom. To prevent those kinds of things to happen, there were not major arguments – shall I just go to Syncrude right now?

AD: Absolutely.

WARRACK: Because they were very courageous to tackle this and there really weren't arguments in those areas that you mentioned for discussion because they were known in advance and in place. But what did happen, and this is not surprising with mega project of any kind – I taught the course in Mega Projects at the University of Alberta – that, whenever you are doing something the first time, there will be a lot of things you didn't think of; there will be things you set about and turned out to be incorrect – you hired consultants but maybe they didn't fit quite so well – anyways, all that said, I am a defender of Syncrude in the fact that their early engineering studies showed that the costs of the project were going to be many multiples higher than originally expected. No-one had ever done this before and probably the four companies, which were Shell, Gulf, Imperial, and ARCO [Atlantic Richfield Company], had maybe never worked together before. And whether they would have organized themselves as well as they would have after they had experience, I don't know, but the truth of the matter is they came back to the government not on the questions of employment opportunity policies or land reclamation but on the fact that they were looking at multiples of higher cost like 300-400% of what they had originally anticipated.

So, there, we as a government – we as a cabinet committee of government – saying to ourselves, "Well, first of all, are they blowing smoke, is this right, is this correct?" So, we hired consulting help to try and affirm the numbers they were putting to us and the result of that – and particularly I recall Hugh Harries, who was a former Dean of Business as well here at the University of Alberta, his



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consulting firm, and they said, “Yes these numbers are in the ballpark of being correct and they are underfinanced to meet them.”

So, in the subsequent discussions, one of initial four potential players – ARCO – made the decision that, because they had already so much investment in the far north, which is always problematical, remoteness, all that – that if they had to add their share of the higher costs for the oil sands plant, they couldn’t absorb it without risking the whole company.

Now, one of the things I teach in my mega-project class is you cannot buy into a level of risk that, if you lose the play, it takes down the whole company. So, ARCO dropped out and I understand that again. But, then, the other three said, “We can’t absorb the huge additional costs that are put there and are confirmed by the government’s consultants and also pick up those of ARCO, so we are done.”

Now, this was when, essentially, government sectors came to the rescue. It is more than a project as far as the government of Alberta is concerned; this is a huge direction of economic strategy for diversification and upgrading and economic multiplier and, in that sense, it matters may be even more than it does to the companies. So, after lots of discussion and consultation with experts, and so on, the following was done. The federal government was invited to come to the table and they did, and my memory is they came in for 15% of the equity. Ontario was invited, because after all this should be helpful to consumers, more supply – and they came in for five percent. One of the things we learned is don’t let anyone in too cheap because they are going to behave like they are the same as anyone else and be kind of a nuisance. But, anyways, you learn as you go. So that was 15% from the Federal Government and five percent from the Ontario Government and ourselves for 20% (Alberta), plus we issued convertible debentures. I don’t remember the numbers but they were large and there were two different ones. As you may know, a convertible debenture is one where there is a circumstance and or date in the future where the issue gets to make a choice as to whether they want to cash out or convert it into shares. And, in due course, we converted both of them into shares. By this time, Lou Hyndman was Treasurer and, by this time, we also had the Alberta Heritage Fund and flowed the shares to them. But, in effect, that was how that mammoth gap of financial capability for the oil sands plant that was Syncrude’s, then became financed and it went ahead.

After a short period of experience, we realized another thing, and this is part of my mega-projects class at the U of A too, people aren’t as good at doing things that are different from what they have had experience with. You know, there’s the old economic engineering rule that the second time you do it is only 60% as hard, or 60% as costly, or whatever and, then, you get better and better at it, and that’s where economies of scale comes from. So, even in handling the government’s side of requirements of a mega project, you have a group of people in your departments and it reins across several departments who are busy doing whatever they are doing, and they don’t know how to do mega projects, and they are already busy anyway. So, that was where we made a legislative move and formed the North East Commission – a very high-level, very able fellow, who then handled that, and it became the “one-window” linkage of government to Syncrude, to their project. And, then, things could happen much more smoothly, more rationally, and quickly as to the things that needed



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to be done, remembering it gets 40 below up there every year so there are certain seasons that are really “gold” when you are constructing and doing things that are way, way beyond what might be the case in a different climate.

So, that’s the story of how the problem came about and this is not an accusation on my part at all. I admire the people from the three companies that stayed in, that did continue to hang in there. And great work by Frank Spragins, who died of cancer, and lived about a mile away from here, who held them together; and then the Feds came to the plate; Ontario came to the plate; and the Alberta Government came to the plate, both with equity holding, and then with also convertible debentures so as to have the top-up to the level of funding and financing that was necessary for the project to be able to proceed. That’s the story.

AD: Now, can you remember who the civil servant who headed the – it was a civil servant, I assume, who headed the North East Commission?

WARRACK: He wasn’t a civil servant. I think he was a newly-retired lawyer and, you know, I have been trying to think of his name, sorry. [Author: R. V. (Vic) Henning]

AD: I’m sure it will come back, don’t worry.

WARRACK: And he met monthly with full Cabinet. He was invited to come monthly and meet with full Cabinet so it was an extremely successful process and I’m sorry I don’t remember his name.

AD: Don’t worry. Now, we’ve seen government, governments – the whole Social Credit Era, and the supporting through research - science and technology that would spur economic development. Now, with respect to Syncrude, the Government of Alberta actually went that next step taking that equity position. Was this debated at the Cabinet table, what was the thinking around that?

WARRACK: As far as the financing is concerned, yes. The formation of AOSTRA [Alberta Oil Sands Technology and Research Authority] that you are mentioning was more of a research development than an immediate project basis. But a couple of things that we had as a government had learned, and no doubt the industry learned as well at the same time, is that the magnitude of the valued hydrocarbon that can be reached from the surface is really a small proportion – less than 20% for sure, may be arguably 15% – and the mammoth capacity for future growth was in situ, you’d have to figure out a way to do it where it is, and looking particularly at the technologies that would be necessary to do that was the formation of AOSTRA. There is a very, very excellent, bright guy and his name is Clem Bowman, I don’t know really well personally and I know that he’s still alive and he would be exceedingly helpful in explaining in all, how all of that began to come about so that there’d be the research that could drive a sustainable future of oil sands development, rather than it for it all to be done once the surface access resource was done.

AD: Well, of course, we have interviewed Clem.



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WARRACK: Oh sorry, I didn't know.

AD: What's interesting is that I've been told that Premier Lougheed interviewed Clem personally, and recommended that he be hired because that was a crucial hire for this new agency.

WARRACK: Oh, yes, and this is consistent with the Lougheed senior hiring process. I was involved in three deputy minister hiring's, apart from all the details of why I went into all of this, but the way it works is you go through your process and determine who you think should be hired, then the final step in the process is that individual meets alone with Lougheed, not with me there, and if he doesn't veto after that, it's done. And in no case did I hear back, but he reserved that final decision and that's exactly what you ought to do; I would do that myself. So, that's the way that hiring was done, so there's absolutely no question that Lougheed himself would have met with and interviewed Clem Bowman. I think that is a very strong policy of leadership.

AD: Now, tell me a little bit about – you've indicated why AOSTRA was formed and the whole exploration of in situ, and the whole development of the science and technology around that, but tell me about the policy thinking around that, and the discussions that were held at the Cabinet level. Why was this agency created and what was its mandate; what was it charged with, and so on?

WARRACK: Essentially, it was created to do the underlying research, and my recollection is that AOSTRA only did partnered research, because this time there were other players on the field, not the least of which would be Suncor and, as well, now, Syncrude; and that it would always be conjunctive work so you'd have science research on a basic basis concurrent with the operational research issues of those that might utilize the research. AOSTRA was formed with that perspective and the ultimate perspective that we could in Alberta, if all of this could work out well, have access to economic activity more or less forever by being able to develop our product from in situ sources where most of it, you know, is rather than for the game to be up once you reached the depth of no longer being to access it from the surface.

Undoubtedly, other things would come about that too, the spin off types of technological things in terms of upgrading, and things like that. I don't know this for sure but it could even be that some of the research on pipelining of bitumen because it's fairly different from crude and it takes a condensate to flow [to flow through a pipeline, bitumen is diluted with gas condensates] in order to work effectively; then you have to ship the condensate back and kind of get the new load of bitumen. For all I know that early research could have been done under AOSTRA; it would fit in my view.

AD: Now, the importance of universities in this and by that point you know it wasn't just the University of Alberta; it was the University of Calgary and [Roger] Butler of course was at the U of C, so some of that in situ research – important in situ research happened at the University of Calgary – but Bowman really wanted research establishments across the country to be involved; this notion that this resource was for the benefit of the country and that scientific research establishments



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across the country whether within academe, or other types of agencies, would happen across the country. Do you want to talk about that vision?

WARRACK: Yes, I absolutely agree with that, and I guess it's one of the reasons – I mean I don't know Bowman that well personally and he probably doesn't know I respect him as well as I do – but we in Alberta have to keep watchful eyes on the “beggar thy neighbor” perspective people have of us, including B.C. at this moment. And, for good reason, what's being done in Alberta should be a value to other Canadians as well; that was the argument that we put to Ontario in helping making the Syncrude project go. I think this is an argument that is valid, and I also think, frankly, it's politically smart. Manitoba has for years been a major trans-shipment point in redistributing and remanufacturing things that come up from the U.S. and then across the two railways, and so on. It's quite surprising in a mega-project multiplier analysis, how much of it goes to Winnipeg, which is 60% of Manitoba. Even in terms of the discussion about processing bitumen – why couldn't some of it be in Manitoba at least? So, I think that the Pan-Canadian view is the correct view. One of those things that is both right in policy and right in politics.

AD: In terms of the equity position in Syncrude that the Alberta Government committed to, was there any dissent in respect to that within Cabinet; it was risky.

WARRACK: You see, one of the other things that I guess is different from any other organizations, is essentially we dealt with on a consensus basis, and we recorded decisions, not minutes. When you have minutes people have to guard against what they say and whether the minutes really reflect what they said and all kind of stuff, and that's where difficulties can come about, where there is no reason for it. So, I think, it was a contribution of the pros and the cons but never expressed as for it and against it, not in Cabinet. I would never look at it that way, or had that experience.

AD: So, then, the consensus was that these monies would be committed. Now, you know, in that period, 1972-73, the economy of Alberta and other parts of the country wasn't necessarily buoyant; so there was an element of risk.

WARRACK: Actually, the timing would have been a bit later than that because the hearings that I mentioned in December 1972 were really about the royalty system and, in effect, royalties being doubled. If you like, I can do some chapter and verse on the details of exactly how that happened. Quickly, the previous government had a one-sixth – 16 2/3% – limit on royalties and it was written into every single, thousands and thousands and thousands of leases. And we were able to change the law, challenged, but we won the challenge legally. Merv Leitch, again, that we could in fact with what we owned, that is to say the roughly 80% of oil and maybe a little bit less than that of natural gas, that's owned by the public as distinct from free hold, and so then that meant that we could make the royalty change. So, we made roughly a doubling, which takes it to about a third, which historically is about the renter's share on farmland and grazing, and all that stuff. So that action was taken but that action was taken in early 1973 after the December 1972 hearings and OPEC burst on to the scene in October 1973. So, you had a multiplier effect that we were doubling royalties and, then, prices were going sky-high compared to what we were used to and, so, the two together meant that there was a



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massive beginning of a flow of royalty revenues to the Alberta government. As a consequence, on August the 30th, 1976, symbolically five years after our election, we put the first billion and a half dollars into the Heritage Fund to start it. That was symbolic of the major change in this province, where finally the public got its ownership share, and unanticipated by us was a huge increase in price at the same time. That's what triggered the Heritage Fund and away it went from there.

AD: Now, you were one of the designers of the Heritage Savings Trust Fund which was the name...

WARRACK: I just happened to be on the Economic Planning Cabinet Committee.

AD: Do you want to talk a bit about that? Here you've got a new royalty regime, and I would like you to talk more about that, simply because these are benchmark periods, as you know, in terms of current development that was triggered by the royalty regime and collaboration with the Federal Government under the Minister Anne McLellan, you know that it enabled companies to bring in new investment, to be able to take on this current generation of projects. So talk a bit more about the royalty regime and then go into the Heritage Savings Trust Fund.

WARRACK: As I said a few minutes ago, the royalty change was essentially a doubling and, then, the not fully-anticipated let's say – it wasn't that it was a mystery but not fully-anticipated price impact on oil and gas, was kind of triggered with oil, it really shouldn't be but for the most part it was in those times. So, there was a huge amount of additional money that was available.

The idea of the Heritage Fund is that significant share of that money belongs to the grandchildren because, number one, the oil/gas, or ultimately oil sand, will be gone when they are adults and raising their families, and deciding whether to continue to live in Alberta or flee to Ontario or the United States. And, not only a lot of it be gone, but there's a process in resources of all kinds called high grading; that makes sense, economic sense for sure, to take the cheapest first. So, the highest quality and the easiest to get at is what you would naturally take first. So, what is left for the future generation is not only quantitatively less but its qualitatively less, and to make up for that they should have their share in some other form; and that was the Heritage Fund.

One thing that I notice over and over and over, when people talk about the Heritage Fund and I don't mean you, because you haven't said this, is that it's a "rainy day fund." In other words, we are going to spend it on something or other someday. No we are not. There are four goals and I think you have read them. Goal number four is a Rainy Day Fund; there are three goals ahead of it, and on top of that they are not evenly weighted. People seem to always think that a list of four is 25% each; that's just an assumption that rarely is true. "Fairness to future generations," which is goal number one, is by far the most important, and the other three might comprise the other 50% of the motivation. So, that was the motivation going forward and, then, there are the pieces of the Heritage Fund, which I could talk about it you wish, because some of it was the ongoing capital management, money management and some, purposely, was to do social and environmental good, now, and those monies were deployed, or if you like invested, for the social and environmental purposes with no expectation of a financial return. And that was limited to 25% of ongoing – so some people have



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criticized the Heritage Fund for low returns, not remembering that the intention of that particular one was to have zero returns, a little arithmetic like that.

But the Rainy Day Fund was item number four and the first, of course, was fairness to future generations, economic diversification was second, and then capital return such as on the money lent to other provinces, which we were very, very proud of and I'm personally very, very proud of it, especially, because we first did it to the province of Newfoundland and, then, number four is the Rainy Day Fund. And that's what we set out to do and we pushed that very hard, that idea very hard in the 1975 election, and, then, passed the actual Act in May, 1976 when we brought the legislature together.

AD: And, so, how much money did go in at that point?

WARRACK: The initial allocation was, as I say, triggered on August the 30th, 1976 for the symbolic point of being five years since our election and, then, it was 30% of the revenue flow. Now, people get a little confused because it's kind of 30% of the 30% that would actually go into the Heritage Fund, and, , that happened up until about 1982 when some rocky economics and circumstances came about. And, by that time, I had gotten back to real life.

AD: So, this first five years of the Conservative Government, they were – you were really looking at instruments of future growth.

WARRACK: Absolutely.

AD: And you were also looking at research, building research capacity to be able to fuel that growth. We talk about innovation and so on, so that from what you have said it appears that the concept of the Heritage Savings Trust Fund and the establishment of AOSTRA were linked, and that those write about the Heritage Savings Trust Fund, they tend to focus on it as a Rainy Day Fund, some monies that you sunk away. But it could almost be viewed that the Heritage Savings Trust Fund and AOSTRA are the “yin and the yang” of future economic development, would that be fair to say?

WARRACK: Oh, gosh, absolutely and thank goodness hearing that from someone rather than the short-term myopia I usually hear in conversations, not with people of your stature but out and around.

Let me point out another example. The 25% of the Heritage Fund flow – that means if the money no longer comes into it, there is no more flow to the Capital Projects Division – that is purposely not for financial reward; it's for social environmental purposes. That is the unit under which the Alberta Medical Research Authority was established and 300 million dollars was hived off to them with a separate board, including University [of Alberta] President Myer Horowitz. And, at that board, there was fear of what might happen in the future, and they persuaded the Alberta Government, thank goodness, to let them hive that money they had – which by then might have been around a billion dollars because they had been husbanding that money well on an endowment, financial management basis, which I actually know quite a bit about. But they had done that so as to



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separate it from day-to-day politics, thank goodness. And, again, research for the longer term and not only for people of Alberta was the research priorities for heart disease, cancer and children's diseases. The University of Alberta, University of Calgary and, I'm certain other elements like the Children's Hospitals like the Tom Baker Cancer [Centre] in Calgary, and that was part of the Capital Projects Division as an instrument to do those things and have that research and so on done; but also to attract and retain very able people to be a part of our Alberta population and society. I claim no credit; it wasn't at all my idea but, thank god to goodness, it was somebody's and I think it was either Peter Lougheed's or put to him, and he agreed to it, and went that way but, I think, it was one of the more brilliant things that were done in this province.

AD: Now to go back to the Syncrude equity position, I gather that a separate unit was created within – at that point was there an Energy Ministry with it because it was segregated from the rest of the business of government; was that correct?

WARRACK: When I went to my second term, having left Lands and Forests, I had a lot of difficulties and it wasn't that it was a problem for me, it was a problem for the public and the problem for investors doing things with resources, because you had the problem that they could get a license from the Department, from Mines and Minerals as it was known then. Then, of course, they come to us for the surface license and, then, we've got all these reclamation, and so on and so forth, requirements and, so then, we carry the can for all of that.

It's a breeze to issue these things at Mines and Minerals and, then, it hits the fan when you come over here and you have this intergovernmental problem. I recommended to Lougheed, when I finished my four year term, that we reorganize and go instead to the Energy and Natural Resources Ministry in the next term, and, of course, everyone changed portfolios – I guess you are aware of that and so that was integrated. So, you get a government decision, not one department decision and then it will fight with the other departments. That part of it was rationalized and that proved to be very, very helpful. How then that was handled within the Energy Department itself, and I guess that would be in conjunction with Treasury too, was not something that I was involved with by that time, because I'm off in Utilities and Telecommunications, which is really bigger than you might think. It was AGT [Alberta Government Telephones] and Edmonton Telephones at the time and all the cable systems here and that's just on the telecommunications side, and all of the things to do with electricity on the Utilities side.

AD: Now, were there any burning issues in that new portfolio that related to the oil sands?

WARRACK: I wasn't minister then, and one of the things I always found very hard, contrary to my expectations, it's far easier to come into a ministry from the government you opposed than what you can feel you can do in the ministry you were just in, and now a colleague is there. So, there is a kind of "courtesy relationship" situation; you have to respond and I'm sure the person that succeeded me with some of the Lands and Forest things. You know, Utilities for example, felt the same way, so I'm really not as knowledgeable as you need me to be in that particular question.



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AD: And is there anything else in terms of those nine years in the Lougheed Government where we really had a shift from the past and you had new directions being pursued. Is there anything else that you want to say about that era?

WARRACK: Yes, and I did say some of this at the outset, though they weren't within my area of ministries. What my fear is when I'm saying all these kinds of things, it's as if the government and I, for that matter, think these are the core things of government. I think there are other things that are more core in the long-term like democratic participation, and openness, and honesty and all that stuff that sounds good, and everybody agrees with it, but not everybody always does it.

But I think people undervalue the Lougheed Government and I'll mention this, not inclusive of myself, by way of the Human Rights Legislation, which then was established knowingly in contrast with the Communal Properties Act Provisions, which essentially discriminated based on religion. Now that, on a constituency basis, was hard for me because I had five Hutterite colonies [in my constituency]. But, I did what farm boys do; you go out and face them and talk about it at the community level, and then at the Hutterite colony level and I did that. It was hard work but you establish trust and you still maybe don't agree, but we were doing it for sure and so we did. I thought that was very courageous on the part of Lougheed and, again, I'm taking no credit for that at all.

And I know that there were burgeoning problems in mental health and I know there is a huge issue in Red Deer with the Michener Centre now, and I don't know how they think about closing that but, anyways, I know that Hugh Horner, who's a doctor, took Peter Lougheed through there and I guess it was dramatic to see what people are dealing with in your staff and so on. And, so, there was a full-blown revision of the Mental Health Act that took place. Another was, and again I have no linkage with this - my daughter's now a lawyer in Calgary so she'd understand more about this than I would but, anyways - there was a restructuring of the lower courts in Alberta that took place, and these were things that happened chronologically and by priority, prior to the things we were talking about. And I'm always sad when that is kind of blown by and it's as if everything was oil sands and Heritage Fund. And you are studying what you are studying but, thanks, for asking that kind of a question because there was so much more out there.

I want to say this in the video, I still have our platform downstairs, number 11, they were numbered, I still have it and the point I'll make there is I'd go through it year by year and, if we said we'd do it, or if we don't do it, that will be decisive. We won't just ignore it; it will be decisive and we will say so publicly, and lie, and cover the whole book. Of course, as time goes along and you learn more things, you discovered you weren't right about everything, so that to me that's a very open participatory-democracy thing that, basically, I insist on as a citizen from that point of experience, former [experience].

AD: So, there was a notion that the whole Lougheed Era – the first 10 years – that governments get complacent after being in power for over 30-40 years, and that you start by making government truly representative and responsive, and so on, and that the prime role of government isn't just regulation but it is economic stimulation, and that was then the agenda that has resulted in this growth. It set



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the basis for further development of the oil sands and other areas. So, what prompted you to not run after serving for two terms?

WARRACK: Well, there were really two things, but – and I don't want to sound negative about it – but we couldn't afford to win. Now people think that's a throwaway comment, a joke; but we couldn't live on that [MLA pay] and, if you were to ask the public down the street, they'd say it was too much anyways, but you know when you pay peanuts you get monkeys. The system works and, when you watch how many of us left at the same time, all politely; and the other thing is you can only be outside certain careers like academic for so long, and still be legitimate when you come back. So, that made it imperative, but, you know, when you pay peanuts, you get monkeys. And the other thing is you can only be outside certain careers like academic for so long and still be legitimate when you come back. So that made it imperative that you have a – unless you do it in late career and then retire, but if you do it late career you probably aren't going to have the energy we had. So it's really a conundrum but we just could not afford to be there.

AD: So, living on the MLA salary.

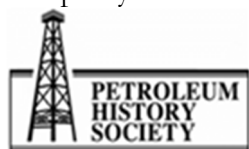
WARRACK: It's more like an honorarium, and I also discovered people that maybe are older and a lot better off than we are, they don't need the money and nobody needs the grief and the flack and all the backbiting, and so on, that comes about with it. And, then, there are people who from time to time are there and don't want to come up because they don't want someone else to afford to run against them, and I've seen those heads going up and down in caucus, and those of us in the middle are the minority that is stuck.

AD: So, he got the brightest and best but, also, with young families, you needed to be able to generate increasing income to be able to support those things.

WARRACK: Yes, and there was just no [expectation] to suppose that would happen. It was just; well it was a very easy decision. I should explain why you have to run twice. When you run the first time, you have to deal with the question of accountability even though most people don't ask the question yet; you have to figure it out for yourself. And the only way you can really be accountable the first time you run is to commit that, if you win, you'll run the second time. That's how you are accountable. Once I was in my second term, I had fulfilled that and had the freedom to leave.

AD: So, then you went back to the University and then what so you do; tell me about that?

WARRACK: I was jointly in the Faculty of Agriculture teaching Agriculture Economics courses and the Faculty of Arts Department of Economics. They had a very good system that worked very, very well. There was another colleague named Terry Veeman, a guy from Saskatchewan, and he was two-thirds in economics and one-third in Agricultural Economics, and I was the opposite. Now, the idea is to make one-plus-one be more than two, and he was two-thirds in economics and one-third in Agricultural Economics and I was the opposite. Now the idea is to make one-plus-one be more than two, in terms of linkage collegially, and in terms of research, and in terms of teaching, and so on, and partly because we got along so well that really did work out very, very well.



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But then one of the things that Peter Lougheed was very keen on was governance, that notion of governance with the two parts – politics and policy – in varying proportions comprise governance. And he had gone to Harvard for an MBA and got acquainted with and quite influenced by the John F. Kennedy School of Government. So, one of the things proposed, in due course, was that the University of Alberta consider establishing a program that would be the counterpart of the MBA, but it would be for the public sector, meaning public corporations, government itself and the volunteer sector. And, interestingly, how that was funded was on a five-year basis and even the Dean couldn't unilaterally take the money without the concurrence of the associate Dean, who they hired me to be. That worked fine because it was collegial between Roger Smith and I; it worked out very well. But the point is that, if you have a new program that doesn't have legs yet, you just know it will be cannibalized by existing powers, and this was not lost on Peter Lougheed, and not lost on Dean Roger Smith either. So, that worked out very well. So, then, that's what took me over to Business and the natural place for me there was Business Economics.

AD: It's interesting you mentioned Terry Veeman. Terry and his wife Michelle, both academics, wrote for me for the *Canadian Encyclopedia* in the Agriculture area.

WARRACK: They both donated to my campaigns.

AD: Now, that brings up a couple of things ... we saw the Lougheed Government really invest in universities, and do you want to talk about that because you have now moved from Cabinet to academe. So do you want to talk about the relationship of government to the universities, the University of Alberta and the University of Calgary which now of course was growing and in terms of its Engineering Faculty, we saw huge growth and vital research in in situ in particular?

WARRACK: Absolutely, and I mean I'm obviously an inherent promoter of the University of Alberta, but that's the conclusion of anyone else, and I'm a cheerleader at the same time for the University of Calgary. In medicine, for example, they have done some major, major remarkable things but, particularly, by their inclination to bite into the resource sectors, particularly the energy resource sectors, and they have done that and good for them.

AD: So, we've talked about equity investment, royalty regime change; we've seen AOSTRA – this entity that funds collaboration between industry and academe in terms of research but we've also seen an emphasis ... and you mentioned Human Rights Legislation. You mentioned the vision of creating greater employment opportunities in the province and so the value of universities and educational institutions as a part of that – all part of an economic diversification strategy.

WARRACK: I do think though that, if anything, universities do assert themselves more into the public debate and not just against things – into the public debate and into roles that are quasi-government of one sort or another and, so on, so that there can be the kind of interaction that is positive rather than much of which is negative and caustic, and then you see the sort of outcomes we are talking about in the public now. I think the University should take more part as individuals



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and as an institution and, then, surely to goodness, there would be more than just one of them in 100 years plus that would be in a provincial cabinet; that identifies something.

AD: So, you were unique in terms of leaving academe and running for political office at the provincial level.

WARRACK: Well it's a step more than that, and being a Cabinet Minister. There have been not very many but others have been elected but never been in a Cabinet, no one else. And I'm not saying that as a braggart, but I'm saying that as maybe that's symptomatic of too little engagement by universities but also by governments.

For instance, an Edmontonian that, again, in our Fraternity group that I had lunch with at the Faculty Club is a very successful guy in Toronto business circles and, in fact, counselled Bennett Jones there in Toronto and, with all the history, I'm getting to compressing it down as York University, where he served on the Board of Governors, and they elected him as Chairman. What's the matter with that picture? Well here the chairmen of the institutions are order-of-council appointments and I think that is harmful to the relationship, and sometimes harmful to the recipient institution, that are sort of stuck in three-way blocks with the situation and, to my knowledge, this is the only province that still does this. In Rod McLeod's book about the hundred years of University of Alberta, (which I think is actually down there), he explains that until about the late 1960's – I think – that institutions like the University of Alberta [appointments] were done by order-in-council. Now that's a very heavy hand of government, and that doesn't enhance the relationship; it makes it more antagonistic. So, I think there actually is a higher education institutions - let me do it broadly like that to include others like MacEwan [Grand MacEwan University] and Mount Royal and so on – that the governance is wrong and is giving grief to both the institutions and the Government of Alberta, that doesn't need to be there.

AD: Now that is interesting – that, of course, the relationship between the first President of the University Henry Marshall Tory and government was very, very close, and the University viewed itself as basically not only supplying the professionals that were necessary in Albertan Civil Society of the period, and so that's why you had the professional faculties started, but you also then in the area of agriculture, then science and technology that you would have the research that would enable resource development; the establishment of the Research Council of Alberta – all of those things – the first in Canada, even before a federal one became functional (the National Research Council) so that relationship between the government and the University was very, very close. It's interesting that you now mentioned that the appointment of the Chair of the Board of Governors by Cabinet and order-in- council continues.

WARRACK: And sometimes very good and sometimes not but always with a cap-in-hand relationship, it's a bad start. Who knows how many times there might have been interference in some of these kinds of decisions over there that we may or may not ever hear of. But I thought of Henry Marshall Tory yesterday, the very first that said we want to uplift the whole people and that was part of the reasoning for professional faculties and extension for example. He started the



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National Research Council in his office and ultimately left U of A to go run it in Ottawa, and you probably saw the headline about the National Research Council in the *Globe and Mail* – you know I didn't mention it, but I served a term on its Council and I could see all this developing. And it's very non – maybe even anti research – you can call anything research if you really want to. But those kinds of things, relationships really do matter, and that's an area where I think we continue to have it wrong here in Alberta.

AD: Now, you went back into the area of Agricultural Economics but also mainstream Economics. You've talked a number of times about the course that you developed and taught on mega projects. Can you tell me how did that come about, when did you start it, and so on?

WARRACK: It came about not as my idea, but someone else's idea and, so, when it became known that I was leaving government, the chairman of the Department of Economics at the University of Alberta was a very noted economist, a really bright guy named Brian Scarfe, and we knew each other, not terribly well. He calls me one day; he says, "I think you'd be the right guy to teach our large-scale projects – our mega projects course, what do you think of that?" I said, "Well I'll phone you back after I have thought about it," and so I said, "I think that is a good idea," and so then when I came back I started to teach it.

Now, what it involved from that was certain revelations like anything else when you think about things and talk to people and do things, you learn things you might never otherwise have known, and I had a revelation one day that – if your project is a mega-project, government is your partner whether you like it or not. Now, this was a bit from the Syncrude experience as well and, in reality, the reason for that would be the very nature of a mega project, which can be more than just size. It's how different it is, and how much they are used to having projects – all that stuff (I have a chapter on that). But, the thing is that the reach and the impact of a mega project is sufficient that the final analysis has to be made by the government in a democracy, because the people are going to insist on it. So, you better understand that from the get go, and, so, out of that I came with this notion of business/government relations, and then I began to teach the Government Relations class in Business. But it really started from an analysis of mega projects, all the pieces about financing, and risk management and all this technical kind of stuff, but it's also in the loss analysis and observation that government really matters, and sometimes it matters so much that you build it somewhere else and not here. And sometimes it's a little more subtle than that – you build it where there's the quality of governance that can be dealt with, where it might just be in some jurisdictions the government is so inept that you just want to stay away from there. Government ineptness is a risk, so you can see what a circle of thinking this all starts in your mind and, then, I look at certain things like Keystone [Excel pipeline project]; consult with enough people you think of the aquifer in the first place, you'd already be under construction rather than the Northern Pipeline poisoning the well. Gosh, we do funny things.

AD: Well, as you know, I commissioned and edited the entry on mega projects for the *Canadian Encyclopedia* because I started in September 1980, just as you had made that shift to the University, and, you know, of course, again, the *Canadian Encyclopedia* was another Lougheed Era legacy project,



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a 75th Anniversary Project and the money was provided to a Liberal opponent of the Conservative Government – Mel Hurtig – and there was never any political interference at all because people asked that question; there wasn't. So, this vision of a renewed Alberta playing a vital role in Confederation was a part of that vision. Do you want to talk a bit about that?

WARRACK: Well, it was a kind of a “golden age” in the sense of Alberta entering the modern era, a broadened set of relationships and some of them – people over-emphasized the differences we had with the Federal Government, actually. They were significant but not the end-of-the-world. They were kind of transitory and, to some extent, even using the Canada Investment Division of the Heritage Fund to try and transcend things. After all, our biggest loans by far, biggest by far, were Quebec Hydro, the Quebec Crown Corporation. Where we got into some difficulty, in due course, is that, of course, interest rates go up and down and, if you've got a mortgage you'd certainly remember that in the early 1980's they were ghastly, but meanwhile the earliest loans to other provinces were made on an attractive basis. Would you like me to say how that was done?

AD: I would.

WARRACK: Because what then transpired is we had these long-term loans to, first, Newfoundland and, then, New Brunswick and Nova Scotia and, then, big, big loans to Quebec Hydro. And in the cyclical up and down, ups and downs of the interest rate, it became a situation where small business and farmers here were paying higher interest rates to do their business than the interest rates we were getting from these other provinces, some of whom were chirping things, like trying to influence their government on all this stuff, did never even imagine that. The usual anti-French thing comes up.

A little module of explanation that now occurs to me and you welcomed it as to the question, what interest rate should we make our loans? What had transpired that triggered a very quick decision on the first loan to Newfoundland was November 15, 1976 (I even remember the exact date) – the Separatists were elected the Government of Quebec, and there was a step function upward in the assessment of risk of loaning to Canadian provinces (not just Quebec) and, in the regular cycle of borrowing that poorer provinces – especially like Newfoundland, Nova Scotia – they were facing a ghastly increase in interest rate. So, in the end, we made a very quick decision and, I think, it held; it was OK. We said, “We are trying to be helpful. What about if we do this; what about if we, in our Canada Investment Division Loans from the Alberta Heritage Fund, we make them [a loan] at an interest rate that is the best interest rate of any Crown Entity of Canada,” and that was Ontario Hydro. So, Newfoundland, then Nova Scotia, then quickly New Brunswick, were able to borrow at a dramatically lower interest than they had already been paying, let alone duck the increase they were going to be hit with due to the Quebec election, and paid that very modest interest rate. So, that was the determination, that's what the interest rate was. Quixotically, Ontario never borrowed from us; I think they probably couldn't stand the thought of borrowing from the “colony.” Anyways, but that's how it was done.



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AD: Now this rapprochement between Alberta and the poorer provinces – I remember in spring of 1981 when I had completed appointing over 60 consultants in my areas of science and technology and industry, and so on, that I had actually visited C-Core [established in 1975 as the Centre for Cold Ocean Resources Engineering to address offshore Newfoundland and Labrador and other ice-prone regions], in St John's, Newfoundland, which was a research unit established by the University of Alberta that was looking at the offshore drilling. And, so, that largesse [of the Province of Alberta] and not only with the loans that you've mentioned, Clem Bowman helping to develop science and technology around, not only oil sands development but other aspects of the industry.

WARRACK: Offshore.

AD: Exactly. These are all very, very crucial aren't they, in terms of Alberta reaching out.

WARRACK: And, in fact I haven't even thought of that myself. Thank you for mentioning that, a little out of my timeframe I guess, but that's another example of trying to be Pan-Canadian.

AD: Yes, and I actually visited the Hydro-Quebec Research establishment as part of my role as Science and Technology Editor. Now, of course, you've moved from government to academe, you're looking at this interface between government and industry, and economics and economic development. And, of course, we then have the huge economic downturn of 1981 that is linked to a global economic recession but it's also then linked to the National Energy Program, do you want to talk about that?

WARRACK: Well, that goes outside of my own area of involvement. I guess I would have two things to say, both quite quickly; that, clearly, the National Energy Program was a mistake and that's pretty much acknowledged across, even political parties, and so on, but secondly, I think it behooves Alberta to get over it. I think we will do better, and everyone will do better, if we just kind of get over it and don't make like the Irish and fight the war of 1300 against the war of 1400, or whatever it is.

AD: But that still is spoken about. When one interviews people in the industry, of course, this does come up.

WARRACK: I'm not sure that it isn't with younger people that are mostly in charge now; I'm not sure but what it is, is a little bit of a rote, same old, same old. The old dudes in the industry, particularly Calgary, are never going to get over it. But, I think, we collectively, as the first standard deviation of political attitudes, I think that we can get over it really fast, starting yesterday.

AD: In terms of how long did you teach the mega projects course?

WARRACK: I probably taught it seven or eight years. What happened in due course, actually, was there was a big squeeze on universities and no-one was building mega projects during this downturn, and certain courses had to be deleted in order to meet the staffing kinds of problems; so, then, I concentrated on teaching my Business Economics, MBA and senior undergraduate and, then, my



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particular course on business/government relations. And I don't know if that actual course is still taught now.

AD: It's interesting that it could be taught from all sorts of perspectives beginning with the Chamber of Resources Oil Sands Task Force, and so on, which is viewed in the new royalty regime [and] which then enabled this current period of mega-project development.

WARRACK: And, if we were tracking what was among other things being taught in the mega project class, it was the necessity of minimizing risk by having an orderly system of expansion, not chaotic as it's been, and that would minimize the risk in several ways, but also it would add to your capacity on the economic multiplier that I mentioned before. If you could be looking at a new mega project starting every four to five years on a systematic ongoing basis, the, a lot of the stuff they need, equipment, apparatus, all kinds of this stuff, could then be developed, and produced, and marketed by Alberta businesses; but, if it's stop and go, you don't get any of that; you throw it all away. And, I'm discouraged to say that I've never heard of a government – past my time – demonstrate that they understand that.

AD: Now, we've seen the Conservative Party is now in the position of the Social Credit Party – that it has been the governing party for 40-odd years and, of course, in terms of the spectrum left to right or right to left, it is on the right, and the view is government should be minimal and business do it, and so on. But this is still the Conservative Party that was birthed by Peter Lougheed, that if we look at that era, though, government was very active; it wasn't hands off. So, when you talk about the mega projects course, you clearly have a view which is that of the first nine years of the Lougheed Era that government did get involved. Do you want to talk about the role of government?

WARRACK: Yes, I do. What I think actually happens to aging governments is complacency. You kind of don't get around to it. Yes, you should modernize this; yes you should change that; but it's a lot easier to just kind of accept the pressure that comes, and it always comes in conjunction with money, and the next think you know you are self-regulating.

I heard that explanation from the Governor of Texas about the horrible explosion that killed all those people near Waco, Texas. They asked, "What about the government oversight?" "Well, people don't want regulations." But just sheer complacency – and that's why a lot of believe in competition – is you just might have a competitor that's not complacent like you are, and things happen.

But, back to activist government, and I'd be happy to be a red Tory or a blue Liberal; I don't care about labels, but I care about what makes things better, because there is a whole area beyond the context of this discussion, and that's the development of petrochemicals in Alberta, and I was involved with that too, for the same ministerial reasons that simply wouldn't have happened here if it wasn't led by government. That's another whole story, but the point is to say – what does this society need? It needs a strong, stable, reliable economy and, how do we get that? What choices do we have? Well, upgrading resources that belong to us in this public is one of the ways we can do that. What do we need to do? Well, let's set about the process of upgrading those resources and with



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a bit of attitude of “damn the torpedoes.” Because, the big guys down in Ontario are flying out here in their black suits. One of the things that Lougheed always used to do was check their watch to see if they were going to be here long enough to change their watch, or are they just coming to pat you on the head, and they’re gone in their corporate jet again; one of those little inner stories. And, now, withstanding all that chirping from the Federal Government because those guys had all kinds of political power, resisting the idea of petrochemicals in Alberta; we came to believe that it could be economically viable, and we’ll do it.

AD: When did that realization come to Cabinet, and how was that decided upon?

WARRACK: It came to Cabinet as part of the economic strategy of multiplying the job potential and investment potential that was there, because we had the good fortune of owning the resources. Would you like me to talk about the individual instance here on petrochemicals?

AD: Yes, I would.

WARRACK: On petrochemicals, years and years ago, the former government, the Social Credit Government, the Manning Government had established a public entity called Alberta Gas Trunk Lines [incorporated in 1954], and that was established by Alberta legislation and its mandate was to move natural gas around Alberta as needed, but never over a border. So, it didn’t go outside provincial jurisdiction, in which case the National Energy Board would need to make decisions. So, that was in place and doing their pipeline work, doing what they are doing and with no takers – at least from within Canada – to look at building petrochemical facilities upgrading our natural gas resource than, instead of that, in absence of the private sector stepping forward, we as a government opened that legislation and expanded not the area it could serve, because that would go into federal jurisdiction, but expand the mandate that that could happen, so that it could proceed to evaluate the business case for petrochemicals in Alberta. It was headed by Bob Blair. And the result was, yes, it’s yes, because it’s a more complicated and expensive process of what is called “naphtha cracking” of oil to get to the fundamental building block for petrochemicals. It’s a simpler process to hive off the ethane cut, as they call it, from the methane. When you sell gas, you sell BTU’s, so it doesn’t matter if its ethane or methane; we’ve been wasting it for years, really, going elsewhere. So, the process of converting ethane to the fundamental building block ethylene, same result from oil but easier geographically and more readily converted, was the approach in Alberta. We would have petrochemicals based on natural gas; they’ve got petrochemicals in Sarnia, Ontario based on oil. Hence, the term “straddle” plants, that you’ll have heard of; so, there was a straddle plant at what’s the place in Saskatchewan, just at the border?

AD: Lloydminster?

WARRACK: No, south of there but, anyway, so the straddle plant would straddle the pipeline and hive off the ethane, and pipe the ethane back to some central location that turned out to be Joffre, near Red Deer. Similarly, the big gas plant of Cochrane, similarly from Fort Saskatchewan, so ethane was pipelined from Cochrane to just at the border of Saskatchewan and, of course, at Fort



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Saskatchewan; that was sufficient supply to then convert the ethane into ethylene, the fundamental building block for all the world of plastics, and so on and so forth.

Sure enough, we set about doing that here in Alberta and, basically, it was without the cooperation of the private sector, but it was the result of ATCO and the government then making a change, but harnessing an entity that had been in place by the former Social Credit Government. And there it is; its future is jeopardized because of – remember the controversy about the Alliance Pipeline? It's not just that its huge, it's that they allowed the ethane to go with the methane in the Alliance Pipeline. There's the problem, so there's the – even now and maybe getting worse, the feedstock supply jeopardy of petrochemicals here in Alberta. Forgive them for they know not what they do, to just give that away and hurt our future. Anyways, that's the story of how the petrochemical industry got initiated, and it has expanded, and so on, as I'm sure you know. But I think it's kind of steady-state now, and really what we needed after the regrettable decision of the Alliance Pipeline wasting all that ethane, we needed the Northern Pipeline from the north and I don't think that is ever going to happen now. It's not competitive with LNG [Liquefied Natural Gas] and technology has gone past us on that.

AD: Which raises the question of government/university research collaboration? But I want to park that for a minute because in your eight years in government, you also saw in the 1970's a new or changed role for the Energy Resources Conservation Board. Do you want to talk about that?

WARRACK: I wasn't very close to it, although, in my second term, electricity was in the ambit of the Energy Resources Conservation Board, and that worked out very well. I really never had any problems about that. But the extent of decision making as it applied to industry became an issue between the ERCB and its chairman George Govier, and the Department of the Environment - Bill Yurko and that became a real stressor. The details of which I guess I don't know a lot of – certainly from memory but, yes, I do remember that.

AD: Because you have participated in this era of building as part of the early Lougheed Era of government, and then continued these reflections in academe, teaching, writing, and so on, you've continued your interest in the oil sands and, so, I think you have some pretty strong feelings. Do you want to talk about the last 20 or so years of oil sands development, harkening back to the early days of the Lougheed Era and that stimulus that resulted in Syncrude, and so on?

WARRACK: Well my attention to it is because it's important to Alberta and has become much, much more important, so, if they are good decisions or bad decisions, in either case, they are a lot more important. I observe that the kind of reckless, disorderly pace of development has had the shadow – the price cast the shadow – of economic opportunity for the people in that area, and also the business sector wider across the province to be far, far less than it could have readily been. And the other thing is that, and I say this with the deepest of regret – there are a lot of smaller and medium businesses who had their economics harmed, and many of which shut down and went away, because they couldn't compare with the wages being offered by oil sands. That was never our idea; it was to build on all these kinds with different profiles of size and activity, and so on. For quite



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a few years I remained quite close to the forestry people and it was just agony about – and as they see it because of the royalties, oil sands are subsidized and they have to pay market value, but holy cow, how do they compete with that?

So, instead of growing the economic multiplier, we shrank it. To this day, I don't think they knew they were doing that. Again, it's forgive them for they not know... So, that's the economic side. On the resource side, that is to say resource reclamation side, I can't image anybody that would keep a straight face and say that this was going to be reclamation up there. It's so far behind that, I can't imagine. I'd love to be wrong, who hasn't been wrong sometimes, but I'd love to be wrong. But that was in place to handle it, as part of the orderly development, pacing of the plants and it went out the window. And, if it's far enough out the window, it's beyond salvage. And, unfortunately, I think that's where it stands now.

The third thing that concerns me and this is much more recent – you read about it almost one way or another, almost every day in the paper, is that there is a possibility, I believe, that we may be on the cusp of a technological economic obsolescence of oil sands. When you consider the success of fracking – in fact, even in the *Globe and Mail* today, there's a report by the Energy Resources Conservation Board here, the new technology particularly including horizontal drilling is loosening up more crude oil than they thought. It's actually been increasing, though they don't know how long it's going to go, but the report in the *Globe and Mail* today says even the regular crude oil, let alone the Bakken Formation which is very, very large [the subsurface of the Williston Basin, underlying parts of Montana, North Dakota and Saskatchewan]. And now there is a new formation in Texas – something about their rock formations off in west Texas, but its huge. When you consider everything, our weather, our distance and all this stuff, we may end up with stranded resource, that is to say, become technologically obsolescent. So, that's another thing for us to worry about, right now, and, boy, I hope the people over there that have some responsibility for this are at least reading the newspaper.

AD: Well, as you're referring to the US, their new estimation of their reserves based on fracking?

WARRACK: Vastly different, and at production and landed as they say to market, landed price, lower than here.

AD: And you're using conventional facilities as well so that you don't have to have the huge infrastructure expenditures that you do when you develop new plants or extend development on the established leases, etc. Now what about in situ?

WARRACK: Well in situ is of course more expensive and I don't know if it's ever possible to have enough research and development that it would be as inexpensive as surface access. I'm not knowledgeable enough to know that; someone like Clem Bowman or another guy Barry Melon is very knowledgeable and he'd know a lot more about these things than I do. But if it's – I can't imagine what research breakthrough would cause the in situ to be easier and, therefore, cheaper than the surface. So, it's not going away, but it may stay there forever. I think you'd have to have



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predictable increases in oil price to make in situ be viable on an ongoing, large-scale basis and that doesn't look like that's where the market is going to me.

AD: It's interesting that, of course, with Karl Clark in the Bitumount portion of his research.

WARRACK: I've been there, by the way.

AD: Well, it was the first Historic Site designated [in Alberta].

WARRACK: Yes, that's right.

AD: Where the case had to be made and the *Blair Report* .

WARRICK: The town in Saskatchewan is Empress [refers to earlier discussion on the development of the petrochemicals industry].

AD: Oh Empress, thank you.

WARRACK: Only stopping thinking could I think of it.

AD: Exactly. But the case had to be made that it was economically viable to develop the oil sands. Who, who'd of thought that the point that you just made, with these changes in technology and the reassessment of existing reserves that it was thought that they had tapped them out, that this could change and that this, then, would impact on further development in the oil sands, and that we're back to making the whole economic case for further development.

WARRACK: Right, it can be pretty fluid. Everyone thinks tomorrow is going to be like yesterday, but there are some tomorrows that it isn't.

AD: But the lessons of history - that you need to study these things. Now, the government, and Conservative Government of course has gone through various incarnations and, then, of course particularly under Premier Klein, it went through its Thatcherite/Monetarist phase and so we had massive cuts and restructuring within the civil service and, of course, it was all departments – across all departments and also the whole move to regionalization. And that you look, then, at the whole regulatory regimes, which are really the hot issue now for the Government of Alberta and the whole question of was the ball dropped in the whole environmental area of reclamation?

WARRACK: Well, my simple answer is yes. I've sworn I'll make no further comments on that former Premier now that he has passed on. Remember, the guy that used to write, wrote the book – “he could have been a hero.” It's like the teenage person that inherits wealth, inherits assets, went to the best schools - what a chance to be a hero; don't throw it away. And that was the Loughheed Era; I guess we put that all on the plate, where did it go?



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AD: And that the vision has not been there in government – it's that holistic vision of government that truly governs in the interest of the people, and looks at all the spectrums – education; it looks at resource development; it looks at any range of issues. And that what we've seen is the Conservative Government really shrinking the pie in terms of what it perceived its area of responsibility.

WARRACK: Yes, it's like a business that's not doing well so they stop investing and they are utterly amazed down the road that bankruptcy befalls them. I don't know if we will really turn around or not, but, anyways, that's my prediction that is no better than anyone else's on that, but I'm not encouraged.

AD: So, you think that the whole question of oil sands development and the forecasting 20-30 years out could seriously be challenged as a result.

WARRACK: Yes, if I were dealing with that area now, my thinking would be looking ahead to consolidation of what we have. It's really a risk-management proposition; a consolidation of what we have so that there's some minimum of support to the economy, and the affordability for the social and environmental things with it – that we wouldn't fall below. And, of course, we may get lucky again, and the competing supplies of hydrocarbon that we are talking about may not manifest that they look like they will now, but we need to be in a position where we guard what we've got now and consolidate it in various ways that we can - whether its market production, employment - because we may very well need to hunker down with what we've got rather than be reckless and risk it all.

AD: Now, the other question that we haven't discussed, which is the elephant in the room, is the whole issue of ownership in the industry and Canadian and Albertan ownership which is – of course, when Great Canadian Oil Sands was created, the capacity, Canada alone, Alberta alone, could not have done this so that the ownership issue of multiple owners, global companies has been there. Do you have any comments on that?

WARRACK: Well, I do. I am not alarmed at a large level of American ownership. I know there are those that are but – and we see this and that, that we like, don't like, whether it's the NRA [National Rifle Association] convention in Texas or whatever it is, and so on and so forth. And, good for us to carve out our Canadiana, but, from an economics point of view – with a lot of that investment money comes a tremendous amount of expertise - early access on a competitive basis for future expertise and the financing of it. And, a lot of the people that come and their families, some in Edmonton but a lot in Calgary really become terrific citizens, and all of that. So, I'm not nervous about that part at all.

What I personally think is a real jeopardy is dealing with decision making from countries who are hugely – and did say negatively – compared with us and how they deal with their populations, and I'm talking, just to be blunt about it, is the Nexen purchase by China. But, I would add this, why would it be that in our Canadian conservatism we would be uncomfortable with ownership positions by government, provincial and or federal, in economic activities such as we had - and we had for



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quite a time with respect of Syncrude because of necessity. And that's, somehow, philosophically wrong but for a country that's not only Socialist but absolutely Communist, "Well that's OK?" I'm sorry, I don't get that. And their human rights record, their environmental record, I don't want that brought here. And we can talk about, "Oh, well, we got all these rules, and so on and so forth." Don't rely on it. Not about the people, but to bring that environment here, compare that to American investment, I'd take the American investment every time, if we need it. But, no, I don't want to bring their world here.

AD: Now, what about – everyday there is an article in the local newspaper about the environmental record of the industry, and also protests about the two major pipeline projects. What's your take on the environmental record and world perception of Alberta really being the worst environmental polluter -which is not true but perception is – when dealing with the media is more important than that reality. Do you want to talk about that?

WARRACK: Well, I feel more sympathetic to the industry on this than to government because I've seen a lot of cases, when I was in government, and hopefully managed to intercept some of these where the regulation framework that you hear so much complaining about is actually a risk arbiter. Because if "A" can thumb their nose at the whole thing - employment requirements, environmental requirements and so on and so forth - when push comes to shove and the product is on the market place, they have a lower cost than their colleague that's abiding by the social/economic things that we think they should do.

And how do you make that happen? Well, its government's responsibility to make sure that it does happen and self-regulation is the path to a race to the bottom. And, as I said, if we happened in Texas when that very thing happened but it's right here in our city. And, then, when you have a long period of time of that neglect of government policy, then, it quickly becomes a very difficult question of how the heck can you ever retribute it? It's something like in the old days when they struggled with coal mines up along the mountains, and they, really, couldn't afford to reclaim them and so on, and actually we used a piece of the Heritage Fund Capital Projects Division to do quite a few of those reclamations, and we had training programs of people on the big machines learning how to do it. Colliding education with environmental reclamation, I don't know how many people in Alberta know we did that, but, again, that was a different era. So, I think we have on our hands an outcome of that that we might as well just realize is the truth of what is there. Another little truth is that we, the voter, didn't intervene and force the proper regulation. We looked the other way.

AD: But, do you think the average voter has that knowledge or trust to government to do this?

WARRACK: We tried to be relatively limited in what we use of our precious time to watch television. Hockey is kind of accepted and PBS News, whenever possible, because its subjective, it isn't some particular line like FOX – you know what I mean. But tell me who reads anymore? And because of that, you see what's happening with the *Edmonton Journal*. We now take the *Globe and Mail* daily. So, between the local little thingies with the *Journal* and the *Globe and Mail* on a Canadian basis, and I read the *Economist* every week, that's hard to get that done but I do; but if people won't inform



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themselves, and I'm not sure but what everyone is busy with thingies instead of reading now. And also conversations where you can talk about, and even argue and debate things, things come to light and you are both better off. It's like a transaction, you shouldn't make the transaction unless it makes you both better off, an old price analysis line from business economics. I am not confident that people are informing themselves more now, even with multiplied opportunities, it's a kind of haze. Now, maybe, that is just a measurement of my age instead of the truth; I hope so. But it doesn't look to me like the public holds the government's feet to the fire like it should and, perhaps, like they did.

AD: Is there anything else that – a question that I forgot to ask, anything that you – or some summative remarks?

WARRACK: Well there was one thing that we chatted about over lunch, and I'm reminded of it here, that for a long, long, long time the bitumen-based product was known as "tar sands" and its evolution in terminology, and the language, to "oil sands" was a strategy and, since its true, I wanted tell you, I was there and, I think, we were wise to do it. Imagine how people see things as tar sands compared to oil sands, if there is a debate about oil sands and, after all, this is a close substitute of oil. It isn't even that distant a substitute of natural gas for that matter, and that was a conscious strategy on our part, as we proceeded towards Syncrude to banish "tar sands" as a term and, instead, use oil sands. It was wise.

AD: Do you know when exactly that happened and how it became an issue?

WARRACK: Well, it was pretty early, and I don't know whether he had gotten advice from somewhere else but it was at a Cabinet meeting with Peter chairing and he made that observation, because he is very environmentally conscious. Why have a bigger albatross than you need to have, and, if it's the same product, why wouldn't we use terminology that is more and more accepting than less accepting? And this would have been early in the process, and it was before it was really an issue. I mean we had said there would be reclamation, part of the deal, along with employment, and training for the potential employees, and so on; and, generally, as far as I know, and certainly under Syncrude for sure, they have just done a heck of a job employing Natives; good for them. But what mostly they wouldn't admit, and you see them in their ads and all this stuff, they didn't have a choice.

AD: So, that was government policy?

WARRACK: Absolutely. There were certain things that had to happen or the oil project wouldn't happen. But, in that whole discussion, so that would have been pretty early and certainly not in response to a controversy, that we made the strategic decision to use the terminology oil sands instead.

AD: So what year roughly would that have been, do you think?



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WARRACK: Certainly before the 1975 election so that would have been 1974, would be a guess on my part.

AD: Do you think it will be mentioned in – well you’ve shared with me the 1971 Conservative Platform, it would be interesting to see whether it is in the 1975 Platform.

WARRACK: And the other thing as you might – well there is one other thing that I will say about this. There is an advantage to being out of government, and that advantage is the time and opportunity to build policy, because, once you are there 20 hours a day, are occupied if you are really doing your job, the refreshing and recalibrating of policy becomes very nearly impossible, and eventually over the years it shows.

There wouldn’t have been something like that, in 1975, or probably any other election but it was an advantage we had over the outgoing government because we used that terminology. We never used names; we never used the name of the party, and, by the way, we were Progressive Conservatives, not Conservatives but a big root of it all was always talk about the soon to be former governments.

We were a pretty competitive type; a lot of us were athletic, so we had been in the fray, so to speak. But, anyway, the policy formulation is exceedingly difficult for governments to achieve on an ongoing basis. And that’s sort of fairness to subsequent governments; this latterly was a spring board for quite a while, for us; but it took a whole lot of work and a whole lot of

AD: Who worked on the Platform?

WARRACK: There are various pieces of it and, basically, the final holders of it were those of us that were candidates. But, we had policy conferences in Red Deer and Camrose and Lethbridge, and heaven knows where all, and so on; and drew people together for it and all of that. But, that’s really the evolution of what’s there, and that way we have this ready for the call, “Bam and away we went.” And we just had an overwhelming advantage on policy, even if it’s this policy versus that policy. We were in the position of - individually and collectively - we had an opportunity to give a lot of thought to policy, which you can’t really do when you are in 11 meetings a day; this is your normal life in government.

AD: Which, I think, is a nice way to conclude, that we started with the beginning of the Lougheed Era so that you go back and reflect that it was those policy strengths and the vision and that, somehow with successive governments, it gets watered down or they just don’t have time to go back to those bases to calibrate.

WARRACK: I think another aspect of – I want to be polite about this – but I think another aspect is that, when you are out of government and, now, for example in Alberta - Brian Mason [NDP leader] and Raj [Sherman, Liberal leader], they’re kind of in the position they can recruit people and formulate policy and it might just be that there is an advantage in recruiting higher “human capital” people, than evolves in the inevitable slide.



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AD: Well, the thinkers versus the doers, any number of ways of looking at that. Well, clearly, in terms of your life, you had nine years' involvement in a visionary government, and since then you have been able to reflect on it in terms of your academic career. So, thank you very much.

WARRACK: You are most welcome, I'm glad I can be helpful and pleased too.

AD: Thank you.

WARRACK: You are welcome Adriana.

[THE INTERVIEW ENDS.]



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