



COVID-19



Instead of a bailout for the oil and gas sector, government and industry should pursue investments that will help us develop new energy solutions and markets—ideas such as large-scale wind and solar, geothermal, hydrogen, bioenergy, and storage—the kinds of things forward-thinking industry leaders were already considering before this crisis hit, writes Richard Florizone. *Photograph courtesy of Pixabay*

such as large-scale wind and solar, geothermal, hydrogen, bioenergy, and storage—the kinds of things forward-thinking industry leaders were already considering before this crisis hit. Now is also the time to clean up inactive and orphan wells, improving corporate balance sheets and the environment while putting people immediately back to work.

As we respond to the sharp drop in demand and prices, let's draw on other lessons from Western Canada's history, including the collapse in wheat prices in the 1970s. In that instance, industry, government, and universities came together in new initiatives like the Crop Development Centre at the University of Saskatchewan, giving birth to a multi-billion dollar pulse crop industry—creating new jobs that feed the world, alongside a vibrant and thriving wheat industry that ultimately recovered.

Looking even further back to the 1930s, we can find inspiration in the Prairie Farm Rehabilitation Administration (PFRA), which helped conserve land, prevent erosion, and develop water resources—investments that met urgent needs during the Great Depression while still paying dividends today.

Supporting energy workers across Canada is essential. Subsidizing the status quo and ensuring increased carbon emissions is not. Times of high unemployment and low interest rates are the right time for new, low-carbon investments and infrastructure. By focusing our support on workers and the environment, Canada can address the current crisis while investing in the future.

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Help Canada's workers now—but don't lock us into a high-carbon future

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The COVID-19 pandemic is a human tragedy. Containing the virus and supporting people in crisis are of critical importance. For governments in Canada, and elsewhere, that includes financial assistance to keep individuals and businesses afloat.

The economic impact on Canada's oil and gas sector has been particularly acute, driven both by a drop in demand and an international price war. As part of its response, the Government of Canada is now considering a multi-billion dollar bailout of the oil and gas industry.

Providing support for hard-hit Albertans and other energy workers across Canada is clearly the right thing to do. But an outright bailout that preserves the industry status

quo is not. When Canada and the United States bailed out the automotive industry in 2009 it wasn't just to continue business as usual—they also insisted on new commitments to fast-track increased efficiency standards.

To be effective, any government support must focus on the immediate needs of workers while also considering what lies ahead. That means investments that get money into their pockets now, without locking us in to a high-carbon destiny.

It does not mean cutting carbon taxes, as some have suggested. This would only result in a scattershot short-term subsidy for everyone, at the cost of our shared future. Instead, government and industry should pursue investments that will help us develop new energy solutions and markets—ideas



Richard Florizone

Opinion