RON WALLACE

Date and place of birth (if available):

Date and place of interview: March 27th, 2013; Ron Wallace's home

Name of interviewer: Peter McKenzie-Brown

Name of videographer: Peter Tombrowski

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

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Initials of Interviewer: PMB

Last name of subject: Wallace

PMB: Okay, so I'm talking to Ron Wallace. Today is the 27th of March, and we're in his home. Ron, can you briefly give me a summary of your personal bio? I'd like you to include, of course, your wife, Bonnie, by name, and kids, and so on, where you were born, and just a quick sketch of your life, please.

WALLACE: Sure. Well, I'll talk about Bonnie first, Bonnie Jean Gray, as her married – or her maiden name was, a geographer, educated at Carleton, and she moved to Alberta and became part of the Northern Pipeline Agency back in the pipeline days. She's a geomorphologist and a pipeline permafrost expert, and she then became a private consultant and she ended up working with my firm when I was a private consultant back in those days. She ended up being part of a much larger crew that went to Russia with me, where we were working with American oil companies in northern Russia, with aboriginal people on major proposed projects back in the late 1990s. My company was then bought out -- my small consulting company was then bought out by what was Agra Earth and Environmental at that point.

PMB: I'm sorry, the name of that company is?

WALLACE: Agra Earth and Environmental; it was an engineering company. And we expanded that work in Russia quite considerably, obviously with big engineering involvement, and we then -- after our period of time in Russia which ended -- it's extended from the Soviet era right through to the end of the Gorbachev area, into the Yeltsin area -- era. She then was hired as one of the principle northern environmental advisors to the National Energy Board, and she retired from that position about four years ago. So that's my wife's bio with mine.

PMB: When did you get married?

WALLACE: We got married 18 years ago, so we've been married for that time.

PMB: And so when she worked with the NEB she was headquartered here in Calgary?

WALLACE: Yeah, we were both in Calgary. After I left the environmental consulting world after the Russia experience -- the earlier part of my history is is that I graduated from the University of Waterloo in 1973 under the tutelage of Dr. Noel Hynes who was probably one of the great ecologists of the world, actually, at that time. It was incredible to work with a man of that distinction. And my first job was with Environment Canada in Yellowknife, where I did environmental enforcement in the mining and the oil and gas industry, and that was my introduction to the Arctic where I worked in the Mackenzie Delta. I pursued a number of prosecutions against oil companies for spillages and problems like that. I led the major prosecution against Giant Yellowknife Mines, which was a big gold producer right in Yellowknife that had an arsenic problem.

PMB: I remember that, yeah.

WALLACE: Well, that problem was the first major mining prosecution in Canada, and I led that, I'm proud to say, and a few other minor things.

PMB: Remind me, please, what the outcome was with the Giant Yellowknife.

WALLACE: It was the first major *Fisheries Act* prosecution against -- what happened was Giant Yellowknife Mines had a breach in their tailings pond, and a huge amount of -- a very material amount of material flowed out into Yellowknife Bay; the tailings was full of zinc arsenic, cyanide, largely cyanide. And, anyways, that caused a tremendous kafuffle because it caused -- the laying of the charges set off an investigation which lead to concerns about arsenic in the drinking water of Yellowknife, and that became a national scandal led by Barbara Frum, and as it happens at CBC. In fact, it ended up on the floor of the House of Commons. And Chretien, at that time, who was the Minister of Northern Affairs, set off a study by the Canadian Medical Association on arsenic in drinking water, and it led to big investigation, and a repositioning of the drinking water sources in Yellowknife.

PMB: I'm trying to remember approximately when that was. Was that around 19 --?

WALLACE: 1974.

PMB: Oh, it was that long ago?

WALLACE: Yeah. Oh yeah.

PMB: Gosh, time flies.

WALLACE: Yeah. Yeah.

PMB: Wow, okay.

WALLACE: Anyway, so after having done all that, that was my introduction as a basic research ecologist. I was one of the few people -- you know, research ecologists that come out of high flying labs like Noel Hynes had, don't go and become fisheries officers. I was one of the few people in Canada that had a PhD that actually worked, and was certified as a fisheries officer, and did enforcement acts. And so I kind of worked in the two worlds, and I loved that because I didn't want to become an academic researcher, I wanted to do stuff in the real world, and that's probably because I'm from a farm in Saskatchewan originally. So that background led -- the Berger inquiry came off. I was seconded by Environment Canada.

Yeah, the Berger Northern Pipeline inquiry. And I was seconded to that to help them with technical issues related to Northern issues. I then left the north, where my -- I had just had two twin sons, the first Caucasian twins to be born in Yellowknife. So they're world famous for that achievement on their own. And they're not little boys anymore, we have grandchildren of our own, so...

PMB: Wow. Well, what are your sons' names?

WALLACE: Daniel and Francis Wallace.

PMB: And those are your only two kids?

WALLACE: Yes. And I have a -- yes, that's right. I have one son that was adopted through an Uncles At Large program that I now count as a son as well, who has two granddaughters so...

PMB: What is his name?

WALLACE: Greg Whyte.

PMB: That lives in Calgary?

WALLACE: Yeah. Yeah. Yeah, two are in Calgary and one is in Regina.

PMB: Okay.

WALLACE: Francis is in Regina. So when those twins were born I wanted a little bit more secure thing than flying around the Arctic. At the time that I was the senior biologist based out of Yellowknife, in the Northwest Territories, I mean my territory went from the Yukon, to Baffin, to the North Pole, and that was our enforcement. Nowadays I go back up to the North, and the North has been so fractionated that people living in Yellowknife, working in the NWT, don't know anything about Nunavut. They don't know anything about areas outside of their jurisdiction. I find that astounding, you know, but back then we did a lot of those things. And I actually did do enforcement through that whole area. It's amazing to me, but there wasn't as much activity.

PMB: Now remind me where you got your university degree.

WALLACE: I started at University of Regina. I finished my Honours Bachelor Degree at U of S in Saskatoon. I then got a scholarship to Queens University, and finished my Masters there. I then did a PhD at Waterloo, under Noel Hynes. And much later, in 1988, I went to Stanford and did an executive program study in the school of small business there.

PMB: Wow.

WALLACE: Yeah.

PMB: Very impressive. I have to ask you, why it was that the environmental stuff attracted you so long ago, or was it the environmental stuff, or was it --

WALLACE: What happened was when I grew up in Saskatchewan there was a terrible outbreak of equine encephalitis that broke out, mosquito-borne equine encephalitis, and there were people in cities that died from it and, of course, there were a large number of horses that died. And what was being used back there was is they had to do massive spray programs right over the cities, and what they were spraying was DDT to kill off the adult. It's called WEE, Western Equine Encephalitis.

And, anyway, so I was an undergraduate, and the professor at University of Regina was an expert on this, and he hired me in the summertime to help him spray the City of Regina, and to fog. They had they were called fogger units, they were truck-mounted units.

PMB: Yeah, I remember them.

WALLACE: So here we were, running around with all this stuff. So I became very interested in the organic chemistry of these compounds. And, of course, at that time Rachel Carson had written her book about the effects of DDT.

PMB: *Silent Spring* was the name of the book.

WALLACE: *Silent Spring*; it was a huge -- it was the beginning of the environmental movement. And here I am in Saskatchewan, you know, literally spraying this stuff everywhere, and going around and throwing it into ponds. And the bottom line is is that I got very interested in understanding how the physiology and organic chemistry interacted; why does DDT kill insects? I, you know, was really interested in that. And so I got very interested in insect physiology and started studying that as part of my undergraduate. And when I went to Waterloo, by the time -- or to Queens, rather, what had happened, the professor who was at Regina went to Queens, and called me when I was graduating and said look, there are people who are really concerned about DDT, the way we're putting it in rivers, in Eastern Canada we're using it in these rivers to kill black fly larvae, and there are people who are saying that this may not be a very good idea, and would you come and study it? And so I ended up going down, and we ended up working in Northern Quebec, where we were the last people in Canada to use DDT in rivers to control these black fly larvae that were a huge problem; wasn't a health problem, but it was a very serious problem from interference, and from allergic reaction, and very severe bites. It was terrible stuff going on, especially among cutting crew members.

So I worked in Northern Quebec in the cutting crews with the Quebecers - and that's where I learned my French - where we were actually spraying these rivers. But we were not -- we were spraying them with a twofold purpose; one was to control the black fly larvae so they wouldn't eat the poor guys who were working in the forest cutting trees, alive, but we were also looking at the effects of what was happening other than the black flies. And it turned out the effects were pretty profound. They were very profound much to the horror of the professor that I was actually working for at that time, because he was actually getting paid to do -- he was getting research money. But it wasn't a happy news story. And, of course, the environmental movement was starting, and so what we said was, we’ve got to stop using this stuff. It's just too nonspecific. It kills everything in the river, including in some cases, the fish. And this is not the way to do this, you know.

And so we started looking, on my PhD when I got with Noel Hynes, the work that I did got enough recognition that Noel heard about it and said I want you to come and work with me, which is a real honour. And I said well, nobody really understands how to link the insect physiology with the organic chemistry with the ecology. Nobody's ever linked those three pieces together. And he said well, you're going to do that. And so I came within a year and a half of doing a PhD in organic chemistry, as well as my PhD in aquatic ecology because I had to learn gas chromatographic analysis, I had to do all of that stuff myself. So we would put these chemicals in the river, and then we would follow the chemical constituents. And I ended up working at Atomic Energy of Canada at that point because they were the only people that knew how to find -- detect very minute traces of radioactivity and other chemicals in rivers. They had been doing it around Chalk River because Chalk River was upstream on the Ottawa River from Ottawa and, sure enough, there were nuclides getting into the river. So they had the technology developed --

PMB: Of course Chalk River is a site of one of the major nuclear --

WALLACE: It's a huge nuclear research lab. So here I was standing in organic chemistry, aquatic ecology, insect physiology, and nuclear physics all at the same time. It was just a wonderful -- it was a really wonderful thing. And we did, in fact, find compounds that were more environmentally benign. By doing all of this work together we came up with a whole range of new compounds that would replace the DDT in the (indiscernible). So when I graduated I had a very highfaluting technical range of experience across a broad range of disciplines, and then when I was moved to Yellowknife and put into that role I had to learn all about the oil and gas industry, and how that affected the environment, and to use that practical chemical, biological, ecological knowledge now in the range of enforcement. And then I got dragged into things like arsenic where I had to learn all about the effects of arsenic and so on. So it was probably one of -- you know, you get paid to learn how to do all this stuff. It was one of the great things of my life.

PMB: That is an amazing story.

WALLACE: Well, and then what was even more amazing was is that because I had this background in organic chemistry, when I started looking at things in the oil and gas industry, I mean oil is nothing but organic compounds, as is becoming more evident now, and so when I left my background and learned all about enforcement, and the *Fisheries Act*, and court cases, and court evidence, and learning how to give procedural evidence, and how to take evidence and present it, in effect I was a PhD learning at the feet of old time fisheries officers who were like policemen in the North. And they really knew how to do their stuff; they had been doing fisheries enforcement stuff for years, largely on fishing infractions, fishing in the wrong place with the wrong nets and so on, they didn't really understand how to do the complicated environmental enforcement stuff. And between them and me we kind of figured out how to do that.

So when we brought that case against Giant Yellowknife it was the first major prosecution of a mine -- major mining company in Canada. It resulted in a staggering fine of $1700 against Noranda for putting something like 600,000 gallons of contaminated arsenic and cyanide contaminated tailings into Yellowknife onto the ice of Yellowknife Bay. But it was the first successful prosecution at the time.

PMB: Okay. What year was that again?

WALLACE: That was 1974, '74, '75, in that period.

PMB: So $1700 fine.

WALLACE: $1700 fine, yeah.

PMB: Incredible.

WALLACE: Yeah. And we got, you know, huge --

PMB: That's not even -- not even a slap in the wrists. It's an insult.

WALLACE: Well, but it was a first. It was a first because what happened was is that, you know, what I discovered through that was is that the companies were very good at fighting these charges based on legal evidence, protocols. So if you were sloppy in your evidence, then the charges were dismissed because the evidence was dismissed because it didn't have the continuity, it didn't have, you know, all of the requirements of legal evidence. That's how these -- they never fought it on environmental grounds, they fought it -- they always -- the companies always fought this stuff on legal procedures stuff because, of course, environmental biologists, and chemists, and toxicologists, and fisheries officers, the fisheries officers knew how to do evidence, but scientists have no training in that whatsoever.

So that was -- the significance of that was is that by -- because of the rigour that I had developed in my procedural work in the work that I had done in Quebec, northern Quebec and in Ontario, I knew how to do this stuff. I didn't know how to take legal samples, but I sure as heck knew how to do the sampling. So when I learned how to do chain of continuity, legal process, and to give evidence, which are two very different things, those were really big lessons. And so that really set the stage in a big way for future complicated prosecutions under the *Fisheries Act*. We were the first to do it.

PMB: Wow.

WALLACE: And it really caught people off guard because Yellowknife was -- when I was posted to Yellowknife there was a lot of my colleagues kind of figured that Ron had kind of lost it because it was the end of the earth. Why would a guy who just finished a PhD with Noel Hynes go and work in a district office in Yellowknife? Well, between the Berger inquiry, the Mackenzie Delta, all the stuff that was going on in the high Arctic with high Arctic drilling. And then, of course, the Giant Mine, and the Cominco Con and the subsequent Canada Tungsten prosecutions that we did - there were three in a row that were all successful - we really turned the tables on the people out of our head office in Edmonton and, of course, out of Ottawa because they were constantly chasing us.

And, of course, this thing set off this huge national scandal about the Yellow -- arsenic -- contamination in drinking water that ended up on the House of Commons. You know, we really turned -- so in that tumultuous time, and my children being born, I was offered a pure research position in Winnipeg at the Freshwater Institute. So I moved to Winnipeg and started doing basic research again in the stuff that I'd done previously. And so I went from the prosecutor -- I went from academia to prosecutorial northern applications all the way back to research, R&D. And it was at that time that the federal government and Alberta were having very difficult discussions, and they signed an agreement called the Alberta Oil Sands Environment Research Program, AOSERP, to do a joint research program in Fort McMurray.

And the long and the short of it is is that my director, Dr. Andrew Hamilton, a great man, decided that I was the guy to lead this field research component in the oil sands, and that I would be transferred to Edmonton and become part of the Alberta federal program. So I moved to Edmonton, and at that point my first marriage didn't do too well, and I ended up being in both worlds again, where I was leading a major field research program, but I was also doing applied stuff in the field with field biologists and ecologists, so we were working in two worlds again. And that was just at the time in 1977, 1978 when Syncrude was under construction, Suncor was having all sorts of incredible problems associated with their tailings ponds and the operators; they were in a learning -- a very significant learning mode.

We were working at the same time in an area which was the largest environmental research program of its kind in the world at that point. There was nothing came close to it in term...

PMB: Okay now, I'd really like to focus on this, and you've already told me this is what you want to do. But I want to put this in context. AOSERP as it's sometimes called, that really was a world-leading environmental research program.

WALLACE: It got the attention of the United Nations. I mean --

PMB: Can you tell me, please, as much as you can about that?

WALLACE: Well, it -- first, it was a formal signing between Alberta and Canada of an agreement to do this, and they -- it was signed by -- at the ministerial level, so that's a pretty high commitment. And the idea was is look -- there was at that point rumours that there were going to be three Syncrudes built inside of three years which at the time is ridiculous. But people realized that they had to establish a baseline, and that this -- there was a lot of issues coming. I mean people understood that there were water management issues, there were air quality issues, there were land reclamation management issues, there was a huge bringing together.

So AOSERP looked at all those components; looked at re-vegetation, reclamation, forestry, vegetation, aquatic, which is what I managed, air quality. All the components were put together, and it was -- in that sense it was a huge breakthrough because there had never been that level of federal/provincial cooperation before, and it was one of the few things that the federal and provincial governments could agree on at that point, because if you'll remember that was the days that was pre-figuring the NEP; things were very rough between Alberta and Canada. So when I was one of two federal managers seconded to this program that was run by Alberta but which was funded by Canada and Alberta, you know, two against six; it took us a long time to establish our credibility with the Alberta people, which I did, I think, and it took us a long time to demonstrate that -- to our federal counterparts that we were discharging our authority under the *Fisheries Act*.

And, of course, I knew the prosecutorial enforcement side as well as I did the environmental side. So it was a program that prefigured everything that has since come, every initial part. Like, for instance, part of our program was to go off and set up fish fences on the tributaries and to do fish studies on the Athabasca River. We did all of that basic work. We did --

PMB: Sorry, can you just quickly explain what a fish fence is?

WALLACE: A fish fence is a -- when you have a tributary to a large river what happens is in the spring and the fall -- in the spring very large numbers of fish come up the Athabasca from the Peace Athabasca; Delta they run down -- they run south, running upstream as it were, and they go into the tributaries, and they go into the high tributaries, they lay their eggs and spawn, and that's where the -- these tributaries are the nursery for these huge fish populations that extend all the way down into the Peace Athabasca Delta and beyond which, coincidentally, is exactly where they're locating the big mining projects, okay? So this was a big deal. And there were many people in Alberta who -- this area had not been studied, and what we were told before we went up there was these rivers were very brown water rivers. They leech out organic materials from the muskegs and the river water is brown.

Well, traditionally rivers that are brown water rivers have very high content of humic acids, and they have a very low pH.

PMB: And what is that?

WALLACE: Well, it's like when you put leaves in the water --

PMB: Okay.

WALLACE: -- or you take -- if you put a bunch of stuff in the water it will go brown because all of the organic material leeches out of it.

Well, that material, traditionally, has a very low pH; it's acidic. And acidic rivers are very non-productive because there's not much can live in an acidic river. You want to be near a pH 7, you don't want to be near a pH 3; 7 or above. And so they said well, those are all brown water rivers, there's no fish in them. And, you know, besides which they're all going to be mined, so forget about it. Well, we looked at that and said well, how the hell do you know, you know?

So what we did was is we put on these rivers - this is something that fish biologists do, something that I was learning 'cause I had not done any of that, but I had very, very competent field fisheries biologists working for me at that time - is you put a screen across a river, which is called a fish fence, and you have a portal in it where the fish, when they run up or down the river, they'll bump along the string until they see the flow, and they'll run up. Well, when they run up you can catch them, you can put a tag on them, you can weigh them and measure them, and you can pass them through.

Well, we were astounded. On the Steepbank and the Muskeg Rivers where we did our first studies, thousands and thousands and thousands of fish showed up at the fence in the spring to spawn, of many species, three or four or five different species. Well, this just thunderstruck everybody in the fisheries establishment because what the hell are these fish doing in these brown water rivers? Well, what they didn't realize was, yeah, they were brown water rivers, but they were running on limestone that underlayed the oil sands, and these rivers had cut down into the oil sands and were running on limestone. The limestone buffered the rivers, and so their pH was far closer to 7 than it was to 3. These were brown water rivers, but they were not acidic. So they were huge nurseries.

So between that and understanding the ecology of these rivers, looking at acid precipitation -- we started the first acid precipitation studies. I brought David Schindler up from Winnipeg 'cause he was a co-scientist, and asked him to start the acidification studies, and I actually gave him money to maintain his acidification studies at ELA. Studies --

PMB: I want to interject here. We interviewed David Schindler just last week.

WALLACE: Yeah. Yeah. Well, sometimes David forgets where he got all of his money and his support from. But that was his introduction to the oil sands. And, of course, he's taken it quite a bit further.

But it was our support from Alberta, because ironically, you know, the federal government has just disbanded ELA. Well, they had just disbanded in 1978 his lake acidification studies where he was dumping acid into lakes and studying them. That was very relevant to what I needed to do. So even though the Federal Fisheries Department had cut off his money, I gave him the money to keep that acidification program going, which won him the Stockholm prize. So there you go. And it was because of --

PMB: Did he get a Nobel Prize for that?

WALLACE: He got the -- well, the Stockholm Water Prize is the equivalent of a Nobel Prize, yeah, but he did --

PMB: Oh, no kidding?

WALLACE: No, no. But if it hadn't been for the OSERP Program, and a few people associated with it that program would not have gone ahead and, you know, all the rest of the plaudits and so on. So it just shows that in the community of research, science, and engineering it's like the ecology of the oil sands is bigger than the ecology of the oil sands. The ecology of the oil sands extends to the management area, into engineering, into technology, into chemistry, and into environmental studies right across Canada. It's a huge, huge network of individuals.

So that work went ahead until about 1979 for me, and at that point we began running into some pretty serious headwinds with the Alberta -- the tensions between Alberta and Canada became -- were growing, and there was tremendous conflicts at the management level within the OSERP Program. And we got tremendous cooperation from Syncrude, and Suncor, and others at that period of time, and we did a lot of basic science, but it had reached the point where I didn't feel comfortable with going on, and so I actually resigned and left my position, and my pension behind me with the federal government. And shortly after that the federal government unilaterally withdrew from the program. Even though they had signed an agreement for ten years or whatever it was, they pulled out of it. And that was a catastrophe at the time because it was a very determined decision by Canada to walk away from funding, and participating in the research.

PMB: Okay, I'd like to ask you a couple of things on that 'cause what you're saying is something very important, and I didn't know this. You said you got tremendous support from Syncrude and Suncor.

WALLACE: Yeah.

PMB: Or the Great Canadian Oil Sands Project, as it was then.

WALLACE: Yeah. Yeah.

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PMB: What kind of support did you get, was it partly scientific?

WALLACE: Like just -- well, yeah, it was scientific. Like they were very interested in supporting our work. You know, it was funny. I was called the admiral of the Athabasca at that point because we had -- I had huge support; helicopters, we had a fleet of vessels going up and down the Athabasca all the way from Fort McMurray, literally to Fort Chip. Helicopter support, we had infrastructure, field support, I had remote camps that were operating on these rivers that were serviced by helicopters and by boat. We had trucks on the other side of the river that had to --

PMB: How many people were involved in this project at this time?

WALLACE: Oh, the OSERP Program, it probably had more than 150 people, you know, if you counted everybody up at the end of the day. And it had research institutions all over Canada and into the US. For instance, there were bear studies and moose studies going on, and a lot of that was being done by very, very reputable people out of the University of Idaho and Wyoming, and so it was quite a material undertaking.

PMB: So in terms of the number of people in the field in a typical summer at the end of the '70s --

WALLACE: For my crew? Oh, well over 40 people, 40 or 50.

PMB: And that was just one crew?

WALLACE: That was -- yeah, that was just the fisheries.

PMB: Gee, that was simply amazing.

WALLACE: That was the fisheries component. Oh yeah, it was huge. Yeah, it was huge.

And so like if one of our boats, you know, they'd hit a log in the river and you tear the boat, we'd haul it up to Syncrude and they'd weld it for us, and put stuff back together. And they gave us access to their dock facilities 'cause it was very remote at that point. And, you know, we would work out of Fort Mackay, and because we were working out of Fort Mackay, 'cause they had a dock, we got to know the aboriginal people, you know, really well, and their concerns, and we worked with them, and we actually hired some of them, and they took us up the rivers, and showed us where they were doing their fishing. So it was a phenomenal thing.

But when I left it was terrible because not only did I leave my career in the federal government behind, I had no job. I mean I didn't get laid off, I didn't get a package, I left. And so there I am sitting in Edmonton, and so I started my own consulting company. And by an amazing quirk, a fellow that I had worked with in the Arctic, at that point had become a general manager at Petro-Canada, and out of the blue he phoned me up and said we've got this big drilling program going on in Baffin Bay that's coming. Would you go up there and run the environmental studies for us, on contract?

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PMB: Well, I want to ask you about that. But I'd like you just briefly to explain about the separation of ties, or the severing of ties between Ottawa and Edmonton.

WALLACE: Yeah. Well, after I left -- the reason that I left was there were things developing, very serious conflicts developing within the program, and between me, as a scientist, and, you know, this prefigured everything you hear today about muzzling in the federal civil service, and the lack of research, and lack of independence research which has lead, ironically, directly from that point to the creation of this new agency 30 years later. Remarkable. The arguments are still the same except they got much bigger, and they got amplified by NGOs and political concerns and so on. So now it's not just a yelling match between the scientists, and the engineers, and the advocates, and the aboriginal people at that time who were in a discussion between Alberta, the aboriginal communities and Canada, it's now an international argument, but it's the same thing. It's like the Big Bang; it started from that point in time, it's just gotten much bigger, but the essential philosophical arguments are all the same, they're just much bigger as is the development of the project. So Canada forgets this.

And now I'm going to flash forward to 2010 when Peter Kent came into the discussion and said, you know, I'm not happy with the monitoring that's being done. I'm going to set up a special federal panel. In fact, he set up two federal panels; the Royal Society set up a panel to investigate, you know, environmental concerns of the oil sands. Well, that's one thing in 2011 to say that, but in 1979, 1980 the federal government walked away from the oils ands. They walked away, unilaterally, and broke a federal/provincial agreement, and a funding commitment to leave. So they really wanted to leave, right? So you can't have it both ways. You can't walk away in 1979 and then come back and say that Alberta has been remiss in its duty in 2010. It's a funny world, you know, and only guys with white hair remember all this stuff, you know, and hold them to that level of commitment.

So I won't go into the details 'cause it's not relevant to our discussion. But I went back to the Arctic and did a lot of work up in the high Arctic, which was one of the great joys of my life. But when I left that program I was told by senior people in the Alberta government that I would never work as a scientist or a consultant in Alberta again, that I had burned all my bridges. That was serious stuff. That was serious stuff, you know, to a young guy just starting off, especially when you kind of pull the plug on your career as a scientist and as your connection to the federal research community. It was very traumatic, but...

PMB: When you were working Baffin Island and the other places in the North, were you there 12 months of the year or just in the --

WALLACE: I was up there about six months of the years. I was based in Pond Inlet, on the north tip of Baffin Island. And that's where -- I never had so much authority and power in my life. I had an icebreaker, three -- two 12 Hughie helicopters, big infield infrastructure; literally dozens and dozens of researchers that extended from Devon Island all over -- right across the North water and Baffin Bay right to Greenland. We actually flew right to Greenland, and we did some remarkable things up there. It was part of a thing called the Eastern Arctic Marine Environmental Studies for Baffin Bay.

And at that point I authored the first -- we didn't know what to call it because we had vast amounts of information that we had collected, but we didn't have a project, and we didn't have anything to write an environmental impact assessment for. And so we invented this thing with Petro-Canada, it was a tremendous thing where we called it an initial environmental evaluation 'cause it wasn't an environmental impact. Well, IEEs became part of the catechism of the church, and went through the whole system. Well, we did the very first one in Baffin Bay.

PMB: You did the first one.

WALLACE: And we invented it. It was -- Petro-Canada invented that, and so...

PMB: Do you have any recollections that you'd like to share about aboriginal people and livelihood at that time?

WALLACE: Yeah, I loved them. I mean I actually -- when I was up there -- I didn't know this at the time, but I had a lot of free time in the evenings, you know, when everything was shut down, so what I did was I had a tape recorder, and I went around and I started -- I was very interested, historically, in the Arctic whalers, which had come all the way through the Baffin north waters and got into Baffin Bay. They were hunting bullhead whales back in the late 1700s, early 1800s, and the Inuit, the elderly Inuit remembered these first white contacts. And I was just knocked out by that because, you know, grandma used to tell me that, you know, and so what I would do is in the evenings -- I had a little tape recorder, and I had a translator who was working with us in Pond, and I would ask the elders to come up and to tell me the recollections from their time on the land because they literally were born on the land. This is in the early 19 -- late 1970s until about 1980.

Anyways, I interviewed all the elders, and they told me all their stories. Well, without knowing anything about socioeconomics or anything else, this was a huge big deal up there to the Inuit because I was acknowledging the knowledge and the power of the elders. That's something that white guys never did. They'd come into town from -- on the big G2 Jet from Calgary, and they'd sit down and meet with the elected leadership, and then they'd get on the airplane and go back, and then Ron is sitting there, and he's talking to all the old elders, saying --

PMB: With a tape recorder.

WALLACE: -- with it, saying tell me, and --

PMB: Well, what did you do with those --

WALLACE: I've got the tapes, and I've actually started writing a book on it which, you know, I should have published a hundred years ago, but it's called *Tales and Legends of Pond Inlet.*

PMB: Please, I hope you'll remember to give those recordings to the Glenbow at some time.

WALLACE: Well, I'm going to transcribe them myself.

PMB: After you've done that.

WALLACE: Yeah. Oh, I -- well, by the way, I donated the largest art collection to the Glenbow eight years ago. It was the largest single donation they got that year. I beat Esso and Gulf.

PMB: Wow. Oh wow.

WALLACE: Well, I didn't tell you that part of my background was during this time I started an art gallery in Calgary, and it --

PMB: I've noticed the quality of your art.

WALLACE: -- it became one of the biggest art galleries in --

PMB: Which one was it?

WALLACE: Wallace Galleries. It's right on 5th and 5th, right on the corner of 5th and 5th there. And when I went to Russia I had to -- it's tough to run a business from Moscow, so I actually sold it then. But it was one of the great things of my life. But I had a substantial Western Canadian art collection at -- this is the echoes of the Big Bang.

PMB: I think I can recognize some of these.

WALLACE: That's Bill Duma. That's old Bill Duma down here, yeah. And that one, actually, is my son, who got a Master's Degree in visual arts, as well. So some of this --

PMB: The one with the glass --

WALLACE: Yeah. Yeah.

PMB: Okay.

WALLACE: So anyways, what -- the experience that I had with the Inuit was that when I left and I was pulled back down south, it was a big deal in Pond Inlet. They honoured me tremendously, and they even gave me --

PMB: Pond Inlet, by the way, was it named after Peter Pond?

WALLACE: No, oh no, no it was not. There's no connection whatsoever. It -- originally the whalers came up there, and that part of the area between North Baffin and South Devon and Greenland was called Pond's Bay, and I actually don't know where that name comes from, but it had nothing to do with Peter Pond. But he was a whaler from -- this is European influence, so he would have been probably a Scot, at that time.

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And, anyways, when I interviewed them they had these vivid memory of grandma told me when they saw the first white man, and this ship came in, this huge boat, and they had kayaks and, you know, it's like here's this -- like this is verbal information from a historical past that had vanished about 1907, 1905 when the RCMP first came up there, and Canada started to establish sovereignty. Until that point, you know, Canada really didn't exist in the North. And then Captain Bernier went north, and they started doing expeditions to assert Canada's sovereignty in the archipelago and all that stuff. And it just was a really, really wonderful people.

So, anyways, when I left the Inuit up there - they won't remember this - but they gave me a name, and I can't spell it but it was Takiwalek Kudluna was the nickname they gave me. And the English translation to that was stretch, 'cause I was six one and a half, and all the Inuit were like five-four. Takiwalak, and then Kudluna which is white man.

PMB: Okay. So we've even got your aboriginal or your Inuit name in this thing. That's great.

WALLACE: Oh yeah. Yeah. Well, and they -- and it's really funny 'cause they gave me a pair of walrus and sealskin kamiks; the boots that they wear out on the ice, most -- and it had a -- on the front, a long narrow ladder on the front of it. Well, that was my symbol, this -- stretch, this long thin ladder.

PMB: In those days I suppose that when they went on hunting expeditions, for example, --

WALLACE: Oh, yeah, it was really serious. It was all dog sled.

PMB: They would use -- they would build igloos and such?

WALLACE: Oh yeah, they were -- oh, it was very active. It was very -- and the other thing that was happening up there was Father Murray, Pere -- Pere Marie --

PMB: Pere Murray, yeah.

WALLACE: Well, he was working on Baffin, but he was based out of Pond Inlet.

PMB: Now, this is really important now 'cause -- just for the record --

WALLACE: Yeah.

PMB: -- Pere Murray, Father Murray --

WALLACE: Marie, Marie.

PMB: Is this not the fellow who started this school in Saskatchewan?

WALLACE: No, a different one. This was a French Catholic Priest who was based in an Anglican community in North Baffin who was one of the preeminent Arctic northern archeologists in the world at the time.

Anyways, so I had all this infrastructure and he was literally doing this high level -- I mean he's the guy that discovered, on Violet Island which is just across the bay from Pond, the Viking doll with a cross in its thing, which proved that there had been Vikings all the way into North Violet, and had probably engendered the legends. The Inuit have the legend in Pond Inlet that they always said that Violet Island was the island with the giants. Well, the Vikings were big --

PMB: It would have been the Vikings with the beards….

WALLACE: Big tall guys. Yeah, big tall guys, and you didn't mess with those guys, so...

So one of the little side stories, which was one of the joys of my life, was he was in contact by radio, but he was doing this stuff like as a sideline from the church, but he was like a number one level archeologist recognized all over the world. He was a Catholic priest. He looked just like Charles de Gaulle; he was like -- he was taller than I was. He was six-seven, this huge shock of white hair, black sacrament, cross, everything, and I was like -- and he would go across on the ice before it broke up in the spring, set up a camp over there, stay there all summer doing his archeology, and then get a boat or something to bring him back to Pond Inlet. And I mean it was incredible what he was doing.

So we got an emergency call one day 'cause we were monitoring. We had -- you know, I was like the Air Force, the Navy, and the Army up there. We had so much capacity. I've never had so -- I mean I had an icebreaker under my command when I was up there that was ferrying people around and doing the marine studies. And this was a sealer vessel that was ice capable that we had hired from Newfoundland that came up there that did all this stuff, and it had a helipad on it. So like we could actually take a helicopter into the middle of North Baffin and fly off that thing, and do stuff all over the place.

Anyways, the bottom line is is that he had had a problem where they had a trike that carried all of their equipment from his little field camp, and we were told that this camp was closed, none of my guys could go in there, and there had been people arrive in Pond Inlet by jet from Montreal that had gone immediately out there, that we were not to mess with. That was a protected thing. So when I got this call it was like holy crow. And in effect what he said was the only thing that we have here, because they were so poor, was a trike which carries all of our equipment back and forth, and it's our only level of mobility, and we hit a rock, and it broke in half, and we're in really serious trouble. So it was like oh God, what am I going to do with this, you know, like...

PMB: This is a motorized tricycle?

WALLACE: Yeah, a little motorized trike, you know, one of those little Honda things. But that was their whole cap --

So I had these great big 204 Hughie helicopters, you know, very extended range, very big, heavy haulers, so -- but they cost a fortune, you know, it was like, I don't know, 12, $1500 an hour, you know, plus we had to get the gas brought up from Montreal. It was a -- logistically it was -- but I had really, really phenomenal logistical people that worked on this.

So, anyways, what I said was look, I'm going to come over there, and I went over on the helicopter. We picked up the bike, put it in the helicopter. We took the helicopter, landed on the deck of the ship 'cause there was no repair -- we took it down to the engineer who was on the icebreaker who then welded the thing together and put rebar and stuff on it. We put it back on the helicopter off the ship, and flew it back to Pere Marie. Well, they were just flabbergasted by this capability. You know, it was like Vietnam in the Arctic, you know. And it was like what else do you need?

And, of course, when we did that we brought over -- we had -- Petro-Can didn't know about it, but we brought over extra supplies, and tents, and, you know -- I just thought God, you know, they needed help. You know, they were -- well, anyways, standing in the middle of this thing is this really nice looking, obviously European French-speaking lady. And, you know, the -- my helicopter crew are all looking at her, saying who the heck is that? And there were Inuit and some other guys working there and stuff. And I said well, I don't know who the hell she is but, you know, da-da-da-da. Well, you know, I found out later she was the daughter of the King of Belgium, who had sent his daughter to study under Pere Marie, and she was learning archeology, and there she was on Violet Island, and we just resupplied her, and Pere Marie. So it was really quite a -- it's just a little side story.

PMB: Well, that's a great story. That's a wonderful little vignette.

WALLACE: Yeah.

PMB: But we've drifted a long way from the oil sands.

WALLACE: So when I came back from Baffin Island what happened was I was actually hired by Petro-Can at that point, and they had just set up an oil sands joint venture between them and Nova called Canstar, and in 1980 they --

PMB: And -- Petro-Canada, and the other company, this oil sands project which didn't go anywhere was called Canstar.

WALLACE: And they set it up in 1980, and they set me up as the Director of Environmental and Social Affairs. So there I am back in the oil sands in Alberta again, over the dead bodies of people that said I would never work here again.

And they had a lease just north of Fort Mackay, and that got us involved in a terrible fight with the Fort Mackay Band because we had to take our trucks through Fort Mackay, and they had become polarized to that point where they effectively set up a blockade on the Fort Mackay River bridge just south of Fort Mackay, and wouldn't let our trucks through. So I ended up standing there, head to head with RCMP helicopters, and armed RCMP guys in cruisers, and I walked across to -- the bridge to meet Chief Jim Boucher, who had a big hat with a big feather in it, and he was standing there saying, you know, you're not coming through here. So that was quite a relationship, and be --

PMB: Now, if you don't mind --

[PAUSE]

PMB: Okay. So I mentioned, Ron, that you're an awfully good storyteller and you said that -- finish your thought.

WALLACE: Well, when I was appointed to the Alberta Environmental Monitoring Panel, one of the things that I said to the scientists from across Canada, who didn't have hardly any background in the oil sands at all, is a lot of my time was spent telling them the history of the stuff that had gone on before because a lot of them, as you said in our pre-interview, came to the oil sands saying, you know, why has nothing been done here? Why are you guys so far behind? They were astonished to find this stuff out. So, yeah, it was a big -- you know, the issue of corporate memory in government and industry is a material issue, in my view, these days, because if you have -- you know, one of the things is that there's a tremendous turnover in the regulator agencies because industry hires them, and then they go away or so on. Well, if you --

PMB: Yeah, so they leave because they can get a higher salary in industry.

WALLACE: Yeah. But if you have a 10 to 20 to 30 percent turnover in these regulators it means that you have a corporate memory that extends maybe three to five years. People don't realize that. Well, regulation goes forever, and -- like after I retired I went back up to the Northwest Territories, and they asked me four years ago to come in and help rebuild the Northwest Territories Water Board, and I went up there. Well, you know, that was experience that I had starting in 1973. Well there I am back up there in the 2000s, and there is no one who worked there had any inclination of what had gone on 30 to 40 years previous. None. None. Plus their focus had shifted from the whole of the Northwest Territories to the Northwest Territory which was what, 20 percent of the whole Arctic (indiscernible). So what used to be this huge historical geographic database had shrunk down both in time and in space. It's really an amazing phenomenon to observe.

PMB: Yeah. And, of course, in that period of time the whole way of keeping records has changed.

WALLACE: Has changed tremendously.

PMB: Now, in those days it would have been typed.

WALLACE: Yeah. Our major communication, when I was based in Yellowknife, was the Teletype. Teletype. You ask a kid nowadays what a Teletype is and they'll look at you like you're crazy. Today you can look it up on Google and see what it actually was.

So, anyways, when I became the Vice-President of Environmental Social Affairs for Canstar, that put me right back into the oil sands, but it meant I was now involved not at the scientific level but at the management level, and that's when I became the Chairman of the Oil Sands Environmental Study Group, which was the first industry association that was set up to study environment. That's back in the 1980s. And, of course, we were doing our own field programs, but Syncrude and others were by that time much more established, and were moving ahead. And then we had this huge aboriginal involvement where we were talking with Fort Chip about jobs, and Fort McMurray, Fort MacKay, Fort McMurray about jobs and so on.

PMB: You started to talk about that a few minutes ago you were involved with Canstar, working for Petro-Canada.

WALLACE: That's right.

PMB: And Chief Jim Boucher wanted you off the Fort MacKay property.

WALLACE: Well, he wasn't the chief at that time, it was Chief Dorothy MacDonald, and she was viewed as a very -- Dorothy MacDonald, just the way it sounds.

WALLACE: She really set off the first major aboriginal protests in Alberta. And Jim Boucher was kind of her band manager at that point in time. And anyways, we had a very tough series of discussions with them about access, and eventually we ended up going around the community altogether so as not to disrupt them. And then by 1984 the NEP had come in, and oil prices collapsed, and the bottom line was even though we were doing all these environmental studies and we'd brought together a very, very high class team of guys on a very major project - it would have rivalled Syncrude in its dimensions - it was disbanded, and we were all laid off.

PMB: Sorry, remind me, please, what was the name of the project? It was not AOSERP now.

WALLACE: Canstar.

PMB: The Canstar Environmental Program or project.

WALLACE: It was the Canstar Oil Sands Mining Project. And it was a joint venture between Petro-Canada and Nova; and they disbanded it. They just stopped.

PMB: Right, the economics were simply not there anymore.

WALLACE: So we were all laid off. So in 1984, for the second time in my life, I was staring at the wall without any gainful employment, although Petro-Canada had been much more generous. And for a brief time they seconded me back to the Petro-Canada corporate office, and for about eight months, nine months I ran a technology transfer program where we were talking to the heavy oil producers in Venezuela, and Columbia, and Ecuador. So I was commuting back and forth to South

America doing that. But it was something that I -- wasn't my first -- working in the tropics, for a guy who'd spent all his time in the Arctic, wasn't my first love.

PMB: That must have been quite an interesting shift.

WALLACE: It was a really interesting shift because I got to understand Venezuela.

PMB: Well, was it about that time that there was the first international heavy oil sands conference?

WALLACE: Yeah. Yeah. Yeah. Exactly.

PMB: And so you were involved in the organization of that?

WALLACE: Oh, for sure. And it -- well it -- people don't --

PMB: And that was in 1980…?

WALLACE: '83/'84, around in that period. And people don't realize that Venezuela has more oil than God has cookies. And as you move out of the Maracaibo Basin, which is very high-quality light oil and you move up into -- and you move south in the Faha Region (phonetic), the elevated --

PMB: Along the Orinoco River --

WALLACE: Exactly. And past the Orinoco, they have very serious deposits of oil sands that are very different from ours. Our oil sands are a piece of sand with a little piece of water around it with oil, and that's why the Karl Clark Process works 'cause the water that's there will separate the oil from the sand. There's no water on the Orinoco Oil Sands.

PMB: And it doesn't have that little --

WALLACE: No. No. So they have a totally different mining process.

PMB: And what is the significance of that?

WALLACE: The Karl Clark Process using aqueous -- using alkaline aqueous water doesn't work. They have to use a different extraction method.

PMB: But they don't actually mine oil --

WALLACE: They're trying -- no, well they don't have to because they've got so much conventional oil. And, of course, Chavez, you know, has totally destroyed the Petrolias to Venezuela, you know, with political concerns. But they have very, very material reserves, and it's all heavy oil related. So there was a lot of technology transfer going on between -- at that point there was -- Petro-Canada was serving that role. And so I did that for about nine months, but I really didn't like it. And they entered into a massive lay-off program. And so even though I'd been transferred from Canstar back

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to Petro-Canada corporate I sort of said look, guys, it's been really nice, but -- and so they were generous with me and let me go. So that's when I started my environmental consulting company, and I started the art gallery at the same time. I was trying to diversify a little bit.

PMB: Now, is your background in art?

WALLACE: None. Zero.

PMB: It's just you like art?

WALLACE: I just like it. Yeah, I just like to have it in my life.

PMB: Okay. And your consulting firm was what?

WALLACE: Dominion Ecological.

PMB: Limited or...?

WALLACE: Yeah, Limited. And my first project right out of the gate was they were doing a Beaufort Sea environmental hearing, a big one, for the offshore development that was proposed for the Beaufort at that point. The federal government finally got around to doing an environmental assessment of the Beaufort Sea, which they had not done previous to that.

PMB: Now, that was Gulf that was --

WALLACE: It was Gulf and Esso, largely. Gulf had Parsons Lake, but Esso on the offshore, largely. It was before Shell arrived. So even though I had been up there in the early '70s saying, you know, this is a material development, guys, and there's never been a federal environmental review of this, why is this? Well, the federal government -- and it's not that I'm saying they're a little bit slow on the environment file, but by 1984 they'd finally said we have to do a formal environmental assessment. Well, they'd set up a federal environmental assessment panel that was run by Dr. Tenant, who was formally an Assistant Deputy Minister.

PMB: Is it not T-E-N-N-A-N-T?

WALLACE: That's Howard Tennant.

PMB: Oh I see, okay.

WALLACE: But this Tenant was a different one. He was an Assistant Deputy Minister with Environment Canada in charge of the Wildlife Service. And he chaired this panel, and there were quite a number of members. Anyways, I was hired to write the report, which was perfect timing for me because I needed a job, and it was my first consulting contract. And that -- so I did that and, of course, that was quite a big deal to be involved with that, and had a -- it was a very material report in

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terms of Calgary at that time. There were a lot of people, Dome, Gulf, Esso, who were very interested in that stuff. So it was a big deal when that report was released.

PMB: So you actually wrote the report, all done by committee, ultimately.

WALLACE: It was all done by committee, but I was one of the primary drivers to that. So that was a great experience, and it came just in the nick of time because, as I said, I was unemployed. But then what happened was we got a call -- I had been doing a little bit of work for Amoco in Alberta, in their heavy oil stuff, doing some monitoring, and I got a call from their guys, and they said, do you know anything about Northern aboriginal peoples? I'm like yeah, a little bit. And they said, there's a guy going to call you from Houston. And I said, what's that got to do with anything? And they said, well, just shut up and listen. So I got a call from this guy and he said, what do you know about indigenous and aboriginal people in the North? And I said well, you know, I've worked with them, and like them, and I know Inuvik, and I know the Delta, and I know Fort MacKay and I know Baffin, and I know all of the communities around Hudson Bay because I used to work there, so I know a little bit about this stuff. I'm no expert. I'm not a socioeconomic expert, but I know about that stuff. So the long and the short of the story was is they said you're coming with us to Russia, because we are proposing a major joint venture with Gazprom in the Yamal area of Northern Russia, the largest gas producer in Russia. And this is in the Soviet era. This is when Gorbachev was there.

Well, as it turned out there was a huge gas potential around the Yamal Peninsula area just immediately east of the Novaya Zemlya, but that's where the nuclear testing zone for the Soviets had been located for years. And so it was a very -- there weren't a lot of people that got to go there, let's put it that way. And it was also the headquarters of -- Solzhenitsyn had written a book called the *Gulag Archipelago.* Well guess what, that's where the gulags were.

Anyways, so the next thing I know I'm in a place -- they flew us out first to Moscow and then to Tyumen, and then up to a place called Nadym. And Nadym was a place that wasn't on any maps because it was where all of the Russian gas pipelines came together, and if you hit that place with a nuke you would have knocked out all of Russia's oil pipeline capacity. And north of Nadym was the Yamal Peninsula where the Nenets herders were. And these are an aboriginal people; they are the reindeer people. You know the reindeer herd that was established in the Yukon back in the '30s? Guess where the reindeer came from?

PMB: I'll be darned. I thought they were from Finland.

WALLACE: They were, but it is a contiguous --the Nenets are over here, and the whole thing ran across the Arctic right to the Fins, and the Fins learned from the Nenets how to tame and run these herders. So this was a huge thing for me. I mean, here I am in the Arctic again, working with aboriginal people on an environmental oil and gas project, of huge dimensions. Huge dimensions.

PMB: On another continent.

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WALLACE: On another continent, and learning Russian at the same time. So my wife who was then a consultant who had left the Northern Pipeline Agency, or my soon-to-be wife, had studied Russian in Carleton, and she could speak it and read it and write it fluently. So I hired her because I needed somebody to do this stuff, and the rest, of course, is history. So she was doing all this Russian stuff for me, and teaching me Russian as we were going through the process. So (speaks Russian) I speak Russian a little bit now. I've forgotten most of it, but --

PMB: Yeah. Well, it's the work of --

WALLACE: -- I work on it.

PMB: -- languages; it's use it or lose it.

WALLACE: So we got to work at a very high level because of Amoco's involvement, and the bottom line is that we went through the transition from Gorbachev to the post-Gorbachev to the Yeltsin to the pre-Potanin era, and it was a very dangerous time as -- the more you moved along with this. And because we were involved at these high-level projects, we were working at very high levels in Moscow with this -- behind Amoco and other people. And the bottom line is Amoco signed a deal on the Yamal development, but as you know things between the Western companies and the Soviet and post-Soviet Russian authorities rapidly fell apart, and then, of course, there was the tremendous rise of the oligarchs, and all of that stuff happened right while we were there, including the shootout in the White House with the tanks. I was right there when that happened. And what most people don't realize is --

PMB: Remind me of that episode.

WALLACE: Well, what happened was, you remember Gorbachev went to his villa in Sochi, and there were three individuals of the Communist Party tried to take over Russia, and they put him under house arrest, and Gorbachev was convinced he was going to be killed at that point. And it was at that point that Yeltsin got up in front of the tank, in front of the White House and demand -- and Yeltsin brought down the Communist government is what he did. And on his personal jet he brought Gorbachev back because he didn't want Gorbachev to be killed, and it was then that Yeltsin instructed Gorbachev in the Supreme Soviet as to how the country was going to be disestablished.

PMB: You said a couple of times the White House, and that had me confused.

WALLACE: That's the Russian White House. Well, the Russian White House is the Russian parliament. There are different ocrouks (phonetics); it's like provinces within Russia. Well, the Russian parliament building as opposed to the Soviet Kremlin is called the White House, and that's the thing where the three conspirators took over that parliament. And that was the thing the tank shot at.

Well, what people don't realize was the Soviet Army - at that time it was the Soviet Army - was very, very deliberate, and very reluctant to get into another potential civil war within Russia. They were extremely professional men. I know because I was right there with them, and I watched them.

PMB: So you were actually there --

WALLACE: I was right there. I was right at the tank.

PMB: -- when Yeltsin --

WALLACE: I was there. I was there. Yeah, we were right there. It was the most amaze -- I keep telling my wife, you know, it's like a dream, you know, like it never happened. You know, I mean we're so far in our understanding from --

But when that tank shot the White House and caused the explosion and the -- here I'm going to just one second. I'll show you.

PMB: Okay, you're back on.

WALLACE: Anyways, the bottom line is that the venture between Amoco and Gazprom did not go all that well, and so we started an actual -- my company was then bought out by Agra, and we started branching out. So we started an office in Moscow, and by that time I was working virtually full time there and we started working with a number of different companies, including the World Bank. And it was at that time, right at that moment in time where there was that thing called the Pechora Heavy Oil Pipeline that came out of the Pechora Basin near a place called Usinsk, not in Siberia, but in Russia, but straight north of -- near Arkhangelsk, straight north of Moscow. And they had a pipeline rupture, and they spilled some oil, and it was very viscous, heavy oil.

Well, it turns out it was the biggest oil spill in history. And, anyways, so the Canadian government said look, the World Bank wants to put money into remediating this thing, so they named me as the project leader. The Canadian government gave the World Bank a million bucks, and we were dispatched to Usinsk and to Ukhta, north of Usinsk, in the winter to do a program to contain this oil before it melted and ran into the Pechora River. Well, the Pechora River is the biggest salmon fishery river in Russia.

And so what we realized that we had to do was is that there was no way in hell we were going to clean up this oil in that period of time; it was just too vast. So what we did was we brought up D9 Cats from -- we flew them on Russian transport jets from Peoria 'cause they didn't have D9 Cats and stuff like that, and we got all those in, and we built dikes across the ends of the valley of this perched basin where the pipeline had been, and when the melt came all the oil came with it, and these dikes held the oil in, and then the Russians subsequently recovered it. So we did the emergency stuff that stopped all this stuff from getting -- it was the largest pipeline spill in the world, 176,000 tonnes of oil, three Exxon Valdez's.

PMB: So that would be about roughly a million -- more than a million barrels.

WALLACE: Oh yeah, way more than that. Yeah, it was an incredible experience to go through that.

But we kind of ran up against some pretty -- at that point things were really getting a little bit out of control in Russia. And, anyways, the bottom line is that my then wife Bonnie came back from Calgary and said you're -- I was starting to lock heads with some fairly unsavoury characters that were involved in the oil industry, and she just said you're coming home. So I came home, and resigned again, and stopped going to Russia. So that was the end of my Russian career.

PMB: Okay. Now, what more do you want to say about AOSERP, 'cause that's particularly important?

WALLACE: Well, the OSERP program was the first, and I know I've gotten a long ways off the thing here, but the heavy oil thing in the Pechora was just as relevant in Venezuela as it was in the oil sands, and understanding the effects of these heavy viscous oils, whether it was from bitumen derived or whether it was Pechora waxy derived, or Venezuelan crude, it all has the same chemistry, they all have the same environmental effects. And it all started from my work back in Queens University where we were trying to understand these processes, and then understanding enforcement, and understanding how ecology works with engineering to clean up these spills, and how it works with economics and all the rest of the stuff that's associated with this.

So the AOSERP program really was the first of its kind in the world. It was a world leader. It established the baseline for the whole of the oil sands, a baseline that was largely until two years ago ignored, but which the companies are now coming back to saying holy crow, we've got to understand what was there 30 years ago. It had been largely ignored. But when I got involved more recently with the Alberta government on the first AEMP panel in 2011, Alberta Environmental Monitoring Panel, I started saying you know, guys, there is a baseline out here. We did that back in the '70s, and it's just like, oh yeah we knew about all that but, you know, that was then, this is now. I was like, well that then -- so Dr. Schindler, much to his credit, actually went back and used our reports and compared the rivers and the environmental assessments that we did in the '70s, with what had been done most recently by Shell on the Jack Pine application, and what he found was a staggering difference in what was there in the '70s to what is there now, which is what you would expect, given all the mining, given the surface disruption, given the atmospheric fallout, all the rest; a staggering difference in these rivers. Staggering.

Well, that hasn't been properly really understood, and the oil companies, I don't think, are terribly anxious to demonstrate that. And, of course, they're now finding tumours in the fish in the Athabasca River and other abnormalities and so on. Well, they now look back to our work, and we handled thousands of fish that were going upriver to spawn, and I had qualified -- very qualified fisheries biologists and technicians who, if there had been gross deformations or deformities or lesions on these fish, they would have seen it immediately. We never saw one. We never saw one. So what we can say is that isn't that interesting that something has changed here in those 30 years. If you're finding deformed fish now, there weren't any deformed fish back in that period of time, so what's going on up there?

And so it turns out that that AOSERP program was, I think, responsible for two things. It was a first in the world for its comprehensiveness and its integratedness, and it was a first in terms of establishing that baseline up there, which is only now beginning to be appreciated. And then it -- the other thing that it has become is that it was a first in that it was the first time the federal/provincial governments came together on the environment to do something, and it was another first, and it was the unilateral withdrawal of the federal government where they walked away and left it to Alberta. So it has all of those elements in it that are really significant.

PMB: Well, what year did the feds actually --

WALLACE: I think it was 1979 or 1980.

PMB: So it was just around the time of the NEP?

WALLACE: Yeah. Oh yeah. Yeah, and --

PMB: And so it was part of the NEP (indiscernible) --

WALLACE: Well, it was -- I don't know if it was or not. I think it was just, you know, the government changed and they decided that -- you know, there was so much -- there was such high tensions between Alberta and Canada, maybe out of political -- I don't know what was the motivation for it, but maybe they just said, you know, look we've got enough problems with Alberta. We don't need to continue to -- but the federal government --

PMB: It didn't happen under Joe Clark's brief government or do you remember that?

WALLACE: I don't know. I can't remember. I don't know that.

PMB: Because I'm thinking it's more likely that it was -- Pierre Trudeau returned just after that.

WALLACE: I believe it was the Trudeau administration, but I can't remember. I wasn't that politically involved at that point.

PMB: That would make sense because there was --

WALLACE: Yeah, well it was Trudeau, because I remember it was the beginning of an austerity program, and what -- the way that the federal government sold it was this is part of our cutbacks. Does that sound familiar today? It was part of their cutbacks. So, yeah, that's what it was.

So that program prefigured my involvement in the first AEMP panel because somehow somebody, when they were forming that panel when Dr. Tenant was setting out this thing -- and I talked to Dr.

Tenant afterwards. I said how the hell did you -- you know, you bought in Dr. Mile, you brought in a very senior professor from the University of Saskatchewan, you brought in Dr. Greg Taylor from the University of Alberta, the Dean of Science, how the hell did you find my name? And he said well, I saw all these CVs, and I saw that you had all these qualifications, and you'd worked in the oil sands, but Dr. Tenant was the head -- the President of the University of Lethbridge, but he had been the Dean of Business at the University of Saskatchewan, so he's a Professor of Business, and a very, very good one; very astute man. He started the Space Institute in U of S. And he said I saw that you'd been to Stanford to the business school, I wanted somebody who had some business background, but was a scientist, and that's why I put you on the committee.

So that AEMP panel reported in 2011, and it effectively -- well, there was a thing that happened during the time that I was commuting to Russia in that Premier Klein appointed me to the Northern Rivers Study Board, and that Northern Rivers Study Board --

PMB: Okay. Sorry, give me a date on that, please, roughly.

WALLACE: It was 1995, something like that.

PMB: Okay, so at the beginning of his term.

WALLACE: Yeah, it was when he was still Environment Minister, actually.

And what they decided was, AOSERP had ended, but we had gone now virtually through the whole of the 1990s with no federal/provincial involvement up there and there were concerns that were growing, and so they set up this Northern Rivers Board, which was a huge board. I didn't think it would work 'cause there was maybe 23, 25 people appointed to this board. The Mayor of Hay River, Dennis Bevington, who is now the MP; Elizabeth Swanson, who is now the legal counsel for TransCanada, was brought in from the Environmental Law Centre, three or four aboriginal chiefs, not including Jim Boucher and others; all of these people were brought together and thrown into this board to do scientific studies in the region. And what was an unwieldy and very unlikely study program became tremendously successful because it had inputs from everybody. It had the government of the Northwest Territories, Canada, Alberta, I think we even had some people, observers from BC and Saskatchewan, and we had all the aboriginal leadership - from Fort Chip, Fort MacKay, Fort McMurray and so on. It was phenomenally -- and they did tremendous research, okay? And that work culminated in a report to the ministers that was tabled around 1999, 2000, something in there, where what it said was is you should set up a Northern Research Monitoring Board forever.

It had huge -- well, it had three or four levels, because they said if you don't want to set up a separate management board for the whole of that region, then you should do something lesser. And if you can't do that then you should do -- you know, but it laid it all out. And Alberta and the federal government looked at it, and they didn't implement any of the recommendations. That was the biggest mistake that Alberta and the federal government, on the environmental front and the aboriginal front, ever made. If they had not done that, we wouldn't be in this terrible mess that we're in right now, in my opinion.

PMB: Yeah, because then all of a sudden you could have said --

WALLACE: Well, they just pulled the plug out from all of the aboriginal stuff that had gone on. Well, in that time from the late '90s, from '98 or whenever it was that it was done, up to 2010, doesn't sound like a long time but that's 11 or 12 years that went by where the industry set up monitoring programs with the Alberta government, and the federal government went away again, the Territorial government went away, the aboriginals went away, they weren't part of the conversation. That's a term that Redford likes using. You know, 11 years in Alberta at a time when the oil sands development did this was an eternity. And there was this huge vacuum that developed in that period of time, and in my view that is what has led us to this current situation. That vacuum was filled by NGOs, by aboriginal groups who felt they'd been left out, by citizen advocacy groups, by controversial industry programs, by the lack of the federal government being anywhere involved, can I say? So by 2010 when Renner set up the Alberta Environmental Monitoring Panel that I've just talked about -- Minister Renner was the Minister of Alberta Environment. He was --

PMB: Okay. I think I was out of the country when that happened.

WALLACE: Well, he was being besieged by NGO activism, aboriginal -- in fact, the federal government had started two separate reviews. Dr. Schindler was becoming a -- an issue with his mutated fish. It was becoming -- and he set up the AEMP panel and said, okay tell us what to do.

Well, in effect, what the AEMP panel said was you need to go back and revisit the work that's been done under the Northern Rivers Board, and create a new agency that brings the federal and provincial governments together. And that's why I wrote that paper because they didn't act on the AEMP Report because there was an election, and then they set up the Alberta Environmental Monitoring Working Group which I chaired, which gave them an implementation plan, so there goes another year. Then they accepted that report and set up the Alberta Environmental Monitoring Management Board, which I'm the Vice-Chairman of now, which is mandated to bring this new monitoring agency into being, presumably with federal and provincial handholding.

Well, things are disjointed because what's happened is the federal government said we're not waiting, we're coming in and we're starting a monitoring program. So they just jumped in and started the monitoring program, the monitoring program of which is led by Dr. Fred Wrona, from Environment Canada, who was the Project Manager for the Northern Rivers Board. So you see how the history of this thing is so intertwined?

A guy who was a junior scientist, working for the Northern Rivers Board, doing the implementation, is now the Chief Scientist directing the federal monitoring program for the oil sands program in the oil stands today.

PMB: Oh, he was promoted up from a junior scientist to the director of this project?

WALLACE: Yeah. Well, in the ten years of the federal absence he worked his way up to become a senior scientist. And, of course, when the federal government decided to come in he was the natural choice to bring back, you know? So had it not been for the fact the federal government had had that involvement they would have had virtually no one, short of me, on the federal side to run that current program that they're doing in the oil sands. Isn't that an amazing history?

Oh, and by the way, Fred Wrona was a graduate student during the time I was running the AOSERP program and was one of my battalions of graduate students that started out. So he's gone from graduate student in AOSERP to Program Operator in the Northern Rivers Board to Chief Scientist, Environment Canada on the federal monitoring studies.

Yeah, if you don't know the -- you don't have a playbook you don't know the players. So the interesting issue that's coming about right now is will Canada and Alberta be able to sign an agreement to actually do joint monitoring? And I understand that those negotiations are going on, and there may be an announcement. In the meantime, Alberta is doing its thing through the monitoring working -- or the Monitoring Management Board, which I'm the Co-Chairman of, the federal and provincial governments are trying to renegotiate this agreement on the oil sands, and industry is sitting here saying okay, you're going to set up a separate monitoring agency in Alberta. What are we supposed to be doing in the meantime? Because it's taken two years to get this far, we're waiting for this independent monitoring agency, where the hell is it? And where the Alberta government is that they've gone down the point where they want to legislate this and bring this into being, and that's what our current monitoring board is doing -- Monitoring Management Board is we're trying to develop the legislation, develop the agency, and get it set up, and presumably lead to a federal/provincial agreement, which will bring that all together, which is exactly where we were in 1979 with the AOSERP program.

PMB: You said 1979. God, I was thinking did you really say 1879, and the context of that is that I just read a wonderful book called *Let the Eastern Bastards Freeze in the Dark*.

WALLACE: Oh yeah. Yeah. Yeah.

PMB: Have you heard about it?

WALLACE: Oh yeah, well I've read it, yeah.

PMB: Oh, it's a tremendous read.

WALLACE: It's a tremendous read, and it goes back but, you know --

PMB: It goes back to 1867.

WALLACE: But, you know, here's an irony, you know, I mean having looked at this over 40 years you sort of develop a little bit of white hair, and a few other things. But when Prime Minister Harper was head of the National Citizens Coalition, he was part of a group that talked about building a firewall around Alberta in terms of federal intrusion and so on. How ironic and how far we are from the firewall discussion. First, Alberta is now trying to escape a firewall so it can export its oil into the United States. It has been firewalled by NGOs and by the US government. How do you like the firewall?

And the federal government is now trying to resume responsibility for environmental co-management in the oil sands region in Alberta after having pulled out successfully -- successively from the AOSERP program in the '70s and the Northern Rivers Board in the '90s. Now, the feds didn't exactly leave, but they sure didn't have a leadership role. And so when the feds came back in and said, you know, Alberta isn't moving fast enough and we're going to take a role, I was one of the few people in the room saying well, isn't that interesting, having walked away from it and left that responsibility twice in your history in 30 years, you're now going to come back and lecture Alberta and tell us how to do it better. I find that a little bit contradictory, you know.

PMB: I would like to, if you don't mind, tell me a little bit more about the committee that you had to develop the monitoring program. Now, I've gone online and I've looked at some of the documentation. And I find that Dr. Tenant is listed as the former president, CEO, and Chancellor at Lethbridge University.

WALLACE: President, yeah President of U of L.

PMB: But what does he do now? Is he retired?

WALLACE: Yeah, he's retired. And he still is a lecturer at the University of Lethbridge. He's a member of the Order of Canada. He's a very esteemed and distinguished man, and he knows how to do stuff. And he's been a very high-level advisor to the Government of Alberta for a long time at a political level.

PMB: Okay. And so this committee --

WALLACE: The Alberta Environmental Monitoring Panel.

PMB: -- or commission was formed when, and by whom, and can you tell me a little bit about that?

WALLACE: Well it was set up by Minister Renner, Rob Renner, who was the Minister of Environment in 2010. 2010 I think is when it formed. And that was largely formed in response to the fact that the federal government had announced that it had set up its own commission or panel.

PMB: Oh, so it's that recent. I thought it probably had done a couple of years of work before it released its --

WALLACE: No, no it was very quick. It was like seven, eight months' work.

So Dr. Tenant and Hal Kvisle, who was at that time retired as the CEO of TransCanada, co-chaired it, and there were a number of members which I'll send you, of which I was one. And that report was tabled on June the 30th of 2011 and, in effect, it boiled down and said the federal government and the Royal Society had done two major studies saying -- defining what needed to be done for environmental studies in the oil sands, which was remarkably similar to what had been done back in AOSERP days.

In response to that, Alberta set up its own panel because it was clear the federal government was taking an inordinate interest because of the international pressure from Europe, and the United States, and elsewhere. I think that Prentice simply ran out of patience and time and he just decided that he was going to take a lead role here. And so Renner set this up to sort of say okay, this is Alberta's response to it. So at the same time there was a federal panel saying what needed to be done, and there was an Alberta panel.

The federal panel designed all of the field studies that needed to be done, which was a times ten of what the AOSERP program was. What we had done for $10 million in the '70s was now 50 million. We, on the AEMP panel, came up with the design of the organization, and the way that I said it was Alberta built the kitchen, or was trying to build the kitchen, and the feds were doing the cookbook, and presumably those two things were going to come together. And so we did that first thing. The federal government kind of overshot and just deployed and started doing the field monitoring studies while Alberta went through an election. They then set up the working group which I chaired, which was to tell them better how to design the kitchen, and then they set up the Monitoring Management Board, which I'm Vice-Chairman of, to build the kitchen. Meanwhile the federal government, for two years, had been cooking, doing the studies in the oil sands. So things are a little disjointed.

We still don't have a federal/provincial agreement, although I hear it's close. We still don't have the agency brought forth into legislation, and we still don't have coordination between industry -- this soon-to-be-developed agency and the federal government. So if things seem a little dysfunctional, they are, but you cannot possibly understand that dysfunction unless you understand this history. It's impossible to understand it. And it's impossible for a lot of the guys in industry to really understand the scope and the magnitude. They were unaware of all of the AOSERP history that had gone on. They were unaware of the fact that the federal government had unilaterally walked away. They were -- you know, I mean there was just so much history here that -- it's not one of neglect, it's just one of policy decisions that are made that come back to haunt governments 20, 30 years after the decisions are made; after the decision to leave AOSERP was made, after the decision to not implement the monitoring board that the Northern Rivers Board put forward, after the decision of -- the recommendations in 2011 from the Alberta Environmental Monitoring Panel to rapidly set up a monitoring agency, and take -- you know, we still don't have it. We're working towards that but we still don't have it. And meanwhile, you know, Canada is now dealing, on the world stage with issues that in that ten or 15 years the oil sands grew so dramatically that the way I put it in terms of my business school training is that the capital investment in the oil sands outran the infrastructure capabilities, both environmental and social, in many directions, and that has lead us to the problems with the aboriginal groups.

Now, it wasn't all negative. The Fort MacKay Band, that during the time --

PMB: Oh yes, I wanted to ask you about the Fort MacKay Band.

WALLACE: Well, the irony is that after I left the Petro-Canada Canstar Project I got a call from Vern Millard, who was a great Chairman of the Alberta Energy Resources Conservation Board.

PMB: I remember him very well.

WALLACE: And Gerry Desorcy, who was Vice Chairman and who became Chairman, who is also a great man. They decided that they were tired of Indian wars between Syncrude and Suncor and the Indians, where the Indians would come in virtually with no expertise or representation, and the oil companies that had all the blue-suited lawyers from Toronto, and all of the high-powered consultants, and they -- it was a little one-sided battle. They decided outside the mandate of the ERCB that this had to be put right, and they set up a thing called the Fort MacKay Interface Committee, where they hired a lawyer, Jerome Slabik, and a couple of other facilitator consultants, and me, and they said you're going to work for the Fort MacKay Band, and you're going to inform them how to do this stuff, how to appear at a hearing, and we're going to give them a high-powered guy who knows stuff.

Well, at that time Chief Jim Boucher had become Chief of the Fort MacKay Band.

PMB: Now, what year are we talking about here?

WALLACE: Oh, this would have been 1995, somewhere in there, '94, '95.

So the first time I went up to see Dorothy MacDonald, who -- actually Dorothy MacDonald was still Chief, but she was very ill - she had lupus, and she had a number of other medical problems - and Jim Boucher was heir apparent, and about to become Chief. Well, here comes Ron Wallace from Canstar, who had been the representative of this company that had had all of these frictions, and what Vern Millard said was is we're giving you this guy because he knows the industry, he knows the business, and you may not have had a very pleasant experience with him, but he's now your man.

Well, that was really something for me to have to agree to work for an Indian Chief who had previously beaten the hell out of us, and for her to accept me as her primary advisor on the environment. And she did that. She was a remarkable person. She's -- she passed away some years ago. But even more important was that Jim Boucher, who was the guy with the feather in his hat, who blockaded the bridge at the Fort MacKay River to stop the development, realized that he, you know, had to do some things.

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And the ERCB funded this and that lead to the creation, with Syncrude at the table, and Suncor at the table, and the MacKay Band represented by us, and the push by the ERCB to the realization with industry that they had to do something. And so they created the Fort MacKay Group of Companies, and they started off where Syncrude said, okay, we'll give you a bus contract, and you've got to buy the buses, and you've got to hire the drivers, and you've got to bring workers back and -- but it can be a Fort MacKay company.

It was at the same time that Syncrude was doing all this reclamation, and there was this problem in the north with the buffalo where there was anthrax and they were going to have to shoot a bunch of buffalo. And we said well, why are you taking all this grassland in the Fort MacKay Interface, why are you taking all this grassland and returning it to scrub black pine that has no commercial value? You reclaimed all this land to this beautiful grass, why don't you put buffalo on it?

PMB: Oh that was your -- your idea?

WALLACE: It was the idea of Chief Jim Boucher, Ron Wallace and Jerome Slabik. It was our idea. And Syncrude saw this and, boy, did it become Syncrude's idea in a big hurry, and that's why the buffalo bronze statue is there. And they went ahead and they created this paddock over the dead bodies of Alberta government forestry guys who said this is a reclamation project; you're going to plant trees. It was like you guys are nuts. And eventually -- I don't know how Syncrude eventually did it because it went on when I was in Russia, but they really turned that into a huge success, and it's now a Fort MacKay company.

But then Suncor had a change in their management group, and - one of whom is a lady that you're interviewing - they realized that they really had to step up, and Syncrude -- Suncor stepped up so dramatically it was unbelievable. It went from being a difficult company that had a lot of problems with aboriginals. They were employing aboriginals as caretakers and cleaners in their facilities, but it went from left to right in a staggering period. Suncor became one of the more enlightened companies in the world. And they just said okay, we're going to do this.

And then suddenly these companies started blossoming and growing and developing, and they got into machinery, they got into campsites, they got into management, they got into environmental monitoring. And it became the largest corporate aboriginal undertaking in North America, doing between 100 and 600 million a year in revenues. And Chief Boucher, who I just see in the paper, gave a major speech to CAP, you know, looks like an MBA. Here he has -- he's become -- this band has become staggeringly wealthy. Some of the members of the aboriginal community that founded companies that spun off of the Fort MacKay have become multi multimillionaires, and have done all of this stuff. Well, that's completely ignored by the NGO and the environmental communities. And that started because of Vern Millard and Gerry Desorcy. That started because of the guts of those two guys who stepped outside the mandate of the ERCB and said, we have to think differently, we've got to do things differently. And I was a small part of making that happen.

PMB: And part of the genius of that idea is that because these companies are incorporated on an aboriginal reserve they're non-taxable.

WALLACE: They're non-taxable, but not only that, but they're hugely successful. They've developed management teams that have grown up beyond any comprehension, and they could actually have their own oil sands mine. They're on 200 million barrels of oil sands minable oil.

PMB: And there's a fellow, what's his first name, his last name is Petty, who is the Chief -- I've forgotten his name. I think he's headquartered in Edmonton, but he acts as the CEO for a lot of those companies.

WALLACE: Oh, well yeah, they -- they've grown -- they've grown up into like major financial entities.

PMB: But they don't, at least on the reserve at this time they don't have some of the high-level business skills.

WALLACE: Well, they do now, by God. They're running $600-million companies. You know, I mean these guys are phenomenal, what they've done.

But Milt Pahl, who was the Minister of Aboriginal Affairs and started the Aboriginal Economic Development Fund in Alberta, Vern Millard and Gerry Desorcy who took the step, the senior management at Suncor and many at Syncrude, some of whom you've talked to, and other people like Chief Jim Boucher, this is a story that's just been completely missed, and it's one of the great economic, environmental, aboriginal economic development story in North America, and it's been completely overtaken by the NGO sentiments that have painted the oil sands into this horrible thing. And these people should all be made members of the Order of Canada. They should be recognized by the Prime Minister at the highest levels; Syncrude and Suncor's decision to participate and to invest in this, Chief Boucher and the people around him that decided to take this forward and go forward with this, Vern Millard and Jerry Desorcy who forced this to come about, these are tremendous Canadian stories. These men are all huge heroes, as was Dorothy MacDonald who stood up to the oil companies and lead the first aboriginal -- and the fact that this story has been completely ignored, it's a travesty. It's a huge --

PMB: Well, you know, I wrote a little story about it. I didn't have this big perspective on it. I wrote a little story on it a year and a half or two years ago, and one of the bits of -- where I heard about it was that a news release that I got from Shell which said that, you know, they had just finished spending a billion dollars with this band. One billion dollars. And then when I started to look into it I found that Syncrude had also hired those folks to the tune of a billion dollars and, so have others.

WALLACE: But the ineptitude of the Alberta government -- you know, Peter Lougheed was involved with (indiscernible). Peter Lougheed appointed Milt Pahl to cabinet within Aboriginal Affairs, and he started the Native Economic Development thing within the Alberta government that put a lot of the money forward into this. Peter Lougheed started this, the senior managers at Suncor,

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and it was really funny. I watched -- David Suzuki came up there and interviewed Chief Boucher a few years ago, where they were doing their expose on the oil sands and what a catastrophe it is.

Well, you know, I watched Jim Boucher being interviewed by him, and he said well, you can't eat the berries, and you can't drink the water and, you know, they've devastated the landscape. And Chief Boucher is there kind of looking at him on camera saying well, that may be true in some places, and it may be -- sure, you know, there are things that are of concern, and the tailings ponds are a blight, and so on, but on the other hand, you know, we all have new homes that we live in, that we own. We have companies, you know, that are doing these things. And, you know, I could just see Suzuki having this phenomenal, like what are you talking about? Have you sold out? What are you doing, you know? I could see Jim Boucher looking at him saying everything you're saying is right, but it's such a narrow view that you're taking and propounding across the world, without you know, this broader complexion.

The great irony is that we have a media in Toronto that has dominated along the lines of an American confrontational media that does not see things in -- it does not see rainbows with all the constituent colours to it. It sees one colour, and it takes that colour and it litigates on it, and it confronts on it, and it locks itself under the White House fence, and does all of the things. This is so un-Canadian, you know, this approach that's coming out. We have so much to talk about to lead the world.

And, you know, when I was in the defence industries, the Americans that I worked with in the Pentagon, they used to say, you know, you Canadians are so polite it's remarkable. What they meant was you're idiots. You know, we're here, and we confront. If you want to come in the States you've got to fight us, right? Well, that's what this government has completely missed. If you're in a fight in the US, you don't be polite and win based on your diplomacy, which is so Canadian, you hire lawyers and you bang it out, you know, and that's what they don't understand about us. If you're not fighting us, and you haven't sued the Environmental Defence Council and the Council of Canadians for false and misleading, and da-da-da-da-da-da, it must be right. That's the way that they think.

So here you've got a media that's based out of Toronto that is still painting Alberta with a brush that was developed in the '50s. I mean they still see us as guys that drive around in Cadillacs, with white hats, that don't like Indians. Well, you know, that's not what Peter Lougheed was. That's not what he started. That's not what Alberta is, okay? You can paint it any way you want it, okay, but let me tell you, I've seen the way they produce oil in Venezuela, I've seen the way they produce oil in Russia, I've seen the way they produce oil in Kuwait. We don't have anything to back up on here. We have a lot to catch up on. There is a big gap between what the capital investment did and what we need to do in terms of monitoring, in terms of engineering, in terms of cleanup; yes there's a whole bunch of issues. This is not being framed in the proper context. We're seeing only one colour of the spectrum of the rainbow, without really truly understanding. And darned if Albertans aren't the last people in the world to stand up and point this out. I don't understand this. It is remarkable. Part of it is is because a lot of the people in power don't know it. They don't know the history.

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PMB: Because of the loss of history.

WALLACE: They don't know it.

PMB: There was a paper, and you talked about Schindler, and you talked about the fact that there are fish with lesions in the lakes and so on Ernie Huey (phonetic) gave his presentation he said there was exactly one photograph, there was one picture, and everybody's -- you know, that's what everybody sees, and there aren't any more fish with lesions (indiscernible).

WALLACE: Well, I talked to Schindler about that and he said I regret to my dying day that I ever held that fish up with Prentice standing behind me, to the press because it's be -- and I said well, David, if you want to become an icon, and that's -- you know, you don't understand what you're doing, you're a scientist, you sent out an iconic message to the world.

PMB: So are there fish with lesions?

WALLACE: Sure.

PMB: Yes, there are.

WALLACE: There are, sure.

PMB: Okay. Now, a couple of months ago there was --

WALLACE: Not as many as the press are making out.

PMB: But there are some?

WALLACE: They're starting to under -- you don't know it until you do the monitoring program, and they're just starting to go back and look at it.

PMB: Okay. Now, there was a paper that appeared, I forget in what journal, about -- yeah, I think it was in January, and it talked about --

WALLACE: It was Dr. Small.

PMB: Okay, so remember that paper. Can you describe it to me and give me your thinking about that.

WALLACE: Well, what they did was is they did samples in lakes in the area. What Dr. Schindler's contention was is that there were contaminants in the snow that were going into lakes and in the rivers. That was hotly disputed by Alberta. It was part of the reason Minister Renner sent up the AEMP panel was to say we've got to get to the bottom of this. It's part of the reason the federal government started its monitoring program.

These scientists, as the first component of the federal monitoring program which started in 2011, went out and measured sediments and lakes and in snow melt around the area, and sure enough they found contaminants from the oil sands in those sediments, at extremely low levels, okay? And that that was taken to decry Alberta's position that it had initially taken, that these were natural contaminants when, in fact, they were airborne contaminants from the oil sands. Are they as significant or as concentrated as has been made out by the press? No, they're not. They're so minute you can barely measure them, but the fact is that they've start -- they came from oil sands operations. And that's the whole purpose behind having a monitoring agency; you go out there, you understand what those components are, and what I would like to see is that you go out, you find out what those components are in the environment, you find out where they're being released, and you fix it. Okay? So it's kind of like a circle of life.

But the idea that academics can go running with their hair on fire to the media, who then say you shut down the whole oil sands, this is a very unfortunate --

PMB: So in a real sense that report was kind of a good-news story. It was part of this big effort to monitor.

WALLACE: Of course. Of course it was. And it's the first beginning to say, okay, if these things are showing up in the environment and they're harmful, where are they coming from and how do you stop them? That's where we're trying to get, and that's why you should set up this monitoring agency, and that's what we've been telling the government for the last three years. So hopefully this will become a good-news story. But at the moment it's being dominated by academics who are raising money for their research and turning this stuff into very unfortunate press incidents that are being amplified by people who have no understanding in chemistry, or ecology, or health concerns, and it's being amplified and it's terrifying local residents, and aboriginal people with no context or understanding of what's going on. This is a huge miscarriage of justice that's going on here.

PMB: That's very interesting because I left that Ernie Huey talk with the very distinct impression that there'd been exactly one fish --

WALLACE: There was exactly one fish, but there'd been --

PMB: -- who was dead. One dead fish. And it was definitely dead, but it didn't have two heads or whatever it was being --

WALLACE: Yeah. Well, you know, that's the Alberta government talking on the other side. If you had definitive monitoring data and scientists talking to this as opposed to Deputy Ministers who are engineers, which do you think would have more credibility? But at the present you've got Alberta Environment dominated by engineers, who are correctly saying yes, there are very few examples of this, and it's been hugely blown out, but until you've got scientists of the competence and capability of Schindler standing up saying that same message, saying that we now have definitive data that go back to the '70s, you're not going to have any credibility whatsoever. And that's what AEMP has been saying all along is that you have to create this so it can speak independently to this, and give some balance to it.

PMB: Now Ernie made the argument that one of the reasons the environmentalists have got lead on this issue is that people don't trust information from government.

WALLACE: Well, nor should they. Nor should they.

PMB: Continue.

WALLACE: Well, that's why Renner set up the AEMP is that he realized his own scientists in his own department were not telling him the truth. They were telling him definitively that Schindler's work was completely beyond the pale because he was just measuring stuff that was naturally occurring in the environment. That has been absolutely devastatingly disproved now. And that was the purpose of the paper that Small and others came out with in January. Schindler has been proven to be correct.

However, what is significant about this is that they are taking very minute amounts of chemicals that we really don't understand, but are unquestionably derived from the oil sands, but the question that I had was has anybody done any measuring around the Montreal refining complex? Has anyone done any monitoring around Sarnia? Anybody gone over to Kuwait? Anybody looked around Houston?

Well, when you present data like this that comes screaming out from academics, whether at Queens University or wherever which says Schindler has been proven correct, well, what a stupid position for Alberta to have taken in the first place, okay? 'Cause, in fact, they've been now discredited, so of course nobody believes them. So you can't have it both ways. You can't not have the science out there that puts in context properly what's going on and abandon that to academics who are going to be riding a hobbyhorse for their own purposes, and to have engineers over here denying that there's anything -- surely, there's something in the middle here that we can come to as responsive Canadians, and that's what we're trying to get through with this agency.

PMB: Okay. I don't know what else to say. We got to the first of my 24 questions. Now, is there anything -- I guess my last question is there anything else that you think it's important to say as we wrap up?

WALLACE: Well, I just think Alberta -- I just hope that Alberta and Canada come to a resolution at putting this together, and I just hope that the Alberta government and industries start to tell the true story of what's been developed and done here. There has been too many crusading journalists who have gone off and told very narrow components of the story about the rapacious oil sands, and the capital investment, and you can pick any part of that story, but to not tell that whole story of the most successful development, industrial development of any Indian band in North America, in history, without telling the story that we started monitoring in the '70s, without telling the story that there were tremendous aboriginal involvements through the Northern Rivers Board, without telling the story of the inconsistent involvement of the federal government, so that (indiscernible) look like a white knight riding to save the environment of Canada by singlehanded action; unless you understand all of that stuff and put it together into a comprehensive hold, you really don't understand the story of the oil sands. And that's a real pity. That's a real pity that that's been missed.

PMB: Now, Joy Romero, and this is going to be my last --

WALLACE: She's a terrific scientist.

PMB: Well, she's great. But she said when I interviewed her a couple of weeks ago she said that there is a professor at Harvard, and I've forgotten his name, it's on the transcript, or it will be in the transcript. She said there's a professor at Harvard who has a new model of environmental -- of how environmental management should occur. He called it collective values. And she said that he went up to Fort McMurray from Harvard to take a look at what was going on. And he spent a few days or a week up there. And he said this is the model that I'm suggesting taken at a level that has never really -- isn't being done anywhere else in the world.

WALLACE: But Alberta is much at fault here for not mobilizing. They have left the academic community to become radicalized. They have left the aboriginals, in spite of this stuff, to become radicalized. They have left the agenda open to the NGOs.

Joy Romero was one of the best people in the world for putting this stuff in context, and for understanding it. She is a beacon in the darkness. And the fact that she works for Canadian Natural Resources is a huge complement to the industry. But is CAP doing that job of bringing this together? I think not. They're running ads that say everything's fine, and we're reclaiming everything. These ads are aimed at Grade 6, Grade 3, Grade 9 level information. This is not the level of communication that the Environmental Defence Fund is working at. This is not the level that Schindler's working at. And we just don't seem to have the capacity within Alberta to mobilize that information and to bring it out. And, frankly, I don't understand why that's happening. It wouldn't have happened under Peter Lougheed. It wouldn't have happened. It would have been taken forward at a much higher level. So that's the story.

PMB: This has been really one of the most exciting interviews I've had the privilege to do.

WALLACE: Well, thank you for that.

PMB: So thank you so much for this.

WALLACE: Well, this is just great, and I'm just so delighted by what you're doing.

PMB: Well, one of the things that -- I'm going to turn --

[END OF RECORDING]

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