



Brief Structural Risk Assessment

The Potential Sovereign Independence of Alberta

Prepared by ten Have Advisory Group

Making Canada Easier to Understand

Date: June 20, 2026

This is the "Brief" assessment, drawing only on public data. A full assessment would require classified, proprietary, or otherwise protected data.

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Note on Method and Caveats

This assessment maps the plausible causal consequences of a hypothetical Alberta secession. Several points should be kept in mind. First, current polling shows minority support for independence (roughly 28–42% depending on question wording¹), so a successful “Yes” vote is itself contrary to present opinion; the scenarios below assume separation has nonetheless occurred. Second, the demographic figures are illustrative projections built on stated polling intentions, which typically overstate actual behaviour. Third, many outcomes (debt share, pension share, military cost) would ultimately be set by negotiation and litigation, not unilaterally. Where figures are contested, this assessment presents ranges rather than single values.

Support for Alberta Independence (Angus Reid Institute)

Range-bound at roughly 29–36% — no sustained trend; a majority remains opposed

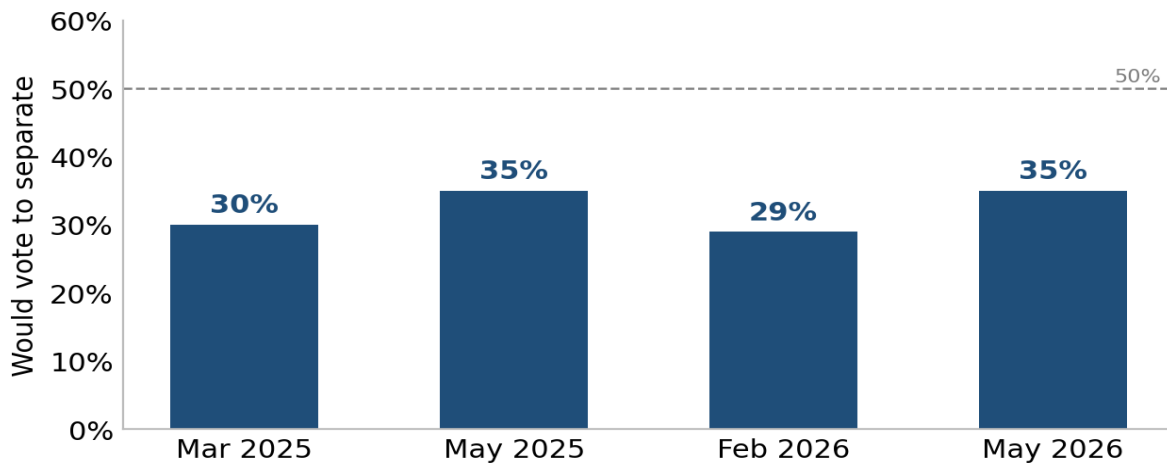


Figure 1. Support for Alberta independence has stayed range-bound (~29–36%) across 2025–2026; a majority remains opposed.

Source: Angus Reid Institute.

¹Ipsos, “Support for Independence in Alberta” / “Limited and Declining Support for Separation in Alberta,” Jan. 2026 (support ~28–42% depending on wording). <https://www.ipsos.com/en-ca/limited-and-declining-support-separation-alberta>

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1. Executive Summary

An independent Alberta would face large, front-loaded, and well-documented transition costs across currency, trade, pensions, healthcare, and defense. The weight of credible analysis suggests separation would be net-negative economically for a prolonged transition period.² The benefits separatists seek — full resource control, exit from equalization, and tailored policy — are real aims but are contingent and slow to materialize against those immediate costs.

This document tracks explicit causal chains from the act of secession to its structural consequences. A recurring theme is that achieving sovereignty would force policy choices (notably aggressive immigration to replace lost workers) that sit in tension with elements of the independence movement — though, importantly, the movement's primary motivations are economic and fiscal rather than anti-immigration.³

2. Demographic Baseline & Population Shock

Causal chain: Secession declared → some “stay” voters emigrate → loss of residents → workforce vacancy → pressure for higher immigration

Alberta's population reached approximately 5.04 million in 2025.⁴

Polling provides the exodus signal but must be handled carefully. The Angus Reid Institute found that about 60% of Albertans would vote to remain in Canada, and that roughly three-quarters (74%) of those “stay” voters say they would leave an independent Alberta.⁵ Stated intention, however, dramatically overstates actual relocation: moving is costly, and most people who say they would leave do not. The verified intention figure is 74%; the realization discount applied to it is an assumption, not data.

Applying a deliberately conservative realization assumption to the polled intention yields the following illustrative range. These are scenario projections, not forecasts.

Scenario	Share of population lost	Residents lost (of 5.04M)
Low / conservative	~6%	~300,000
Moderate	~10–15%	~500,000–760,000
Stated-intention ceiling	~30%+ (not credible as actual behaviour)	~1.5M+

Even the low-end ~300,000 figure is roughly the population of the city of Saskatoon (~266,000) and is material. Applying Alberta's labour-force participation rate (~69%), a loss of ~300,000 residents removes

²Trevor Tombe, analysis of higher trade barriers reducing Alberta's economy by ~4–6% (~\$20–30B per year), 2025, reported via The Globe and Mail. <https://www.theglobeandmail.com/opinion/article-danielle-smith-alberta-separation-numbers/>

³Polling cited in coverage of Alberta separatism indicating economic grievances — especially equalization (cited by ~88% of supporters) and federal energy policy — are the dominant motivations, not immigration. https://en.wikipedia.org/wiki/Alberta_separatism

⁴Statistics Canada population estimates, Q3 2025 (Alberta ~5.04 million), reported via CBC News, “Alberta population keeps growing, while Canada's dips in Q3,” 2025. <https://www.cbc.ca/news/canada/edmonton/alberta-canada-population-immigration-non-permanent-resident-data-9.7020511>

⁵Angus Reid Institute, “Alberta Separation: Three-in-five say they'd vote to stay...” — finding that ~60% would vote to remain and that roughly three-quarters (74%) of “stay” voters say they would leave an independent Alberta. <https://angusreid.org/alberta-referendum-question/>

on the order of 200,000 people from the labour force — enough to create acute vacancies in key sectors.

Population-Loss Scenarios (illustrative, of 5.04M)

Scenario projections, not forecasts; ceiling reflects stated intent, not likely behaviour

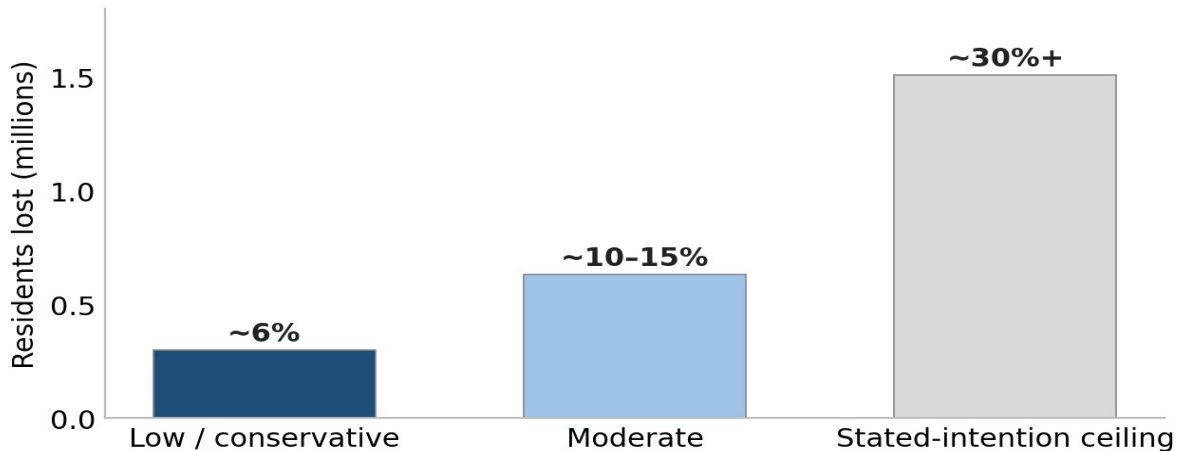


Figure 2. Illustrative population-loss scenarios (of 5.04M). The ceiling reflects stated polling intent, not likely behaviour.

Why a “small” 6% matters. It is tempting to read a 6% loss as marginal. It is not. A balanced economy behaves like a carpenter’s level: when the workforce, tax base, and ratio of contributors to dependants are in equilibrium, the bubble rests in the middle of the glass tube, and minor disturbances — a worker here, a retiree there — barely move it. But the tube has ends. A sudden, concentrated 6% shift — losing roughly 200,000 working-age contributors while retirees remain — is enough to drive the bubble hard to one end of the tube. And it does not travel upward toward a better equilibrium; it slides toward imbalance: a shrinking contributor base left supporting fixed obligations such as pensions, healthcare, and debt service. The economy performs best when it is level; secession tilts the glass.

3. The Immigration Tension

It is sometimes claimed that a “vast majority of independence advocates support secession to restrict immigration.” That claim is not supported by the available evidence. Polling indicates Alberta separatism is driven chiefly by economic and fiscal grievances — exit from equalization (cited by roughly 88% of supporters) and opposition to federal energy policy — rather than by immigration.⁶

The genuine tension is narrower but real: replacing ~200,000 lost workers would require sustained, possibly elevated immigration, which sits uneasily with the anti-immigration sentiment present among some (not most) supporters. The structural pressure toward higher immigration is the defensible point; the claim that this directly contradicts the movement’s central purpose is not.

⁶Polling cited in coverage of Alberta separatism indicating economic grievances — especially equalization (cited by ~88% of supporters) and federal energy policy — are the dominant motivations, not immigration.
https://en.wikipedia.org/wiki/Alberta_separatism

4. Monetary Policy & Currency Transition

Causal chain: *Loss of Bank of Canada access → sovereign credit/liquidity risk → choice between dollarization and a new currency → capital-flight and import-price pressure*

An independent Alberta would lose access to the Bank of Canada's clearing systems, liquidity facilities, and lender-of-last-resort function.

Phase	Mechanism	Consequence
1. Informal dollarization	Continued use of CAD without a monetary treaty	No control over interest rates or money supply; full exposure to a foreign central bank
2. Sovereign currency	Launch of an independent (e.g., resource-backed) "Alberta dollar"	Risk of capital flight and currency devaluation, raising the cost of imported goods

5. Healthcare Funding & Cross-Border Labour

Causal chain: *Loss of Canada Health Transfer → end of automatic labour mobility → out-of-province staff attrition → capacity strain → foreign recruitment*

Secession would end the federal Canada Health Transfer, worth roughly \$6.6 billion to Alberta in 2025–26 (within ~\$8.6 billion of total major federal transfers).⁷ The new state would absorb 100% of operating costs from a diminished tax base.

Labour mobility is the sharper risk. Alberta has roughly 12,100 licensed physicians⁸ and roughly 40,000 registered nurses.⁹ Today, credentials are portable across Canada under internal labour-mobility rules; on separation, Canadian-licensed staff would face foreign-credential recognition and work-visa requirements. Because this group is highly mobile, attrition could exceed the general ~6% population figure, and small specialized units (e.g., pediatric intensive care, advanced oncology) are especially vulnerable to losing critical staff.

6. The Pension Separation (CPP vs. APP)

Causal chain: *CPP asset demand → prolonged federal litigation → demographic imbalance → pressure on premiums for those who remain*

Alberta's 2023 LifeWorks analysis claimed entitlement to about 53% of CPP assets — roughly \$334 billion.¹⁰ The federal Chief Actuary rejected that methodology,¹¹ and independent estimates (including

⁷Department of Finance Canada, federal transfers to Alberta, 2025–26 (Canada Health Transfer ~\$6.6B; total major transfers ~\$8.6B). <https://www.canada.ca/en/department-finance/programs/federal-transfers/major-federal-transfers.html>

⁸College of Physicians & Surgeons of Alberta data via the Alberta Medical Association: ~12,123 fully licensed physicians as of March 2025. <https://www.albertadoctors.org/media/sd1pdeov/cpsa-2025-q1-update.pdf>

⁹College of Registered Nurses of Alberta (CRNA): ~40,349 registrants for the 2023–24 practice year. <https://nurses.ab.ca/>

¹⁰LifeWorks, "Alberta Pension Plan — Analysis of Costs, Benefits, Risks and Considerations," 2023 (estimated \$334B / ~53% of CPP assets). <https://open.alberta.ca/dataset/8453eb60-1ff8-4c87-9735-b253d4f28824>

¹¹Office of the Superintendent of Financial Institutions (Chief Actuary), position paper rejecting the 53% CPP-asset claim, Dec. 2024, reported via Investment Executive. <https://www.investmentexecutive.com/news/from-the-regulators/proposed-alberta->

University of Calgary economist Trevor Tombe and a federal expert panel) place Alberta's realistic share closer to 20–25% (\$120–150 billion).¹² The credible independent range is 20–25%.

Disputed CPP Asset Share for Alberta

Federal Chief Actuary (OSFI) rejected the 53% figure

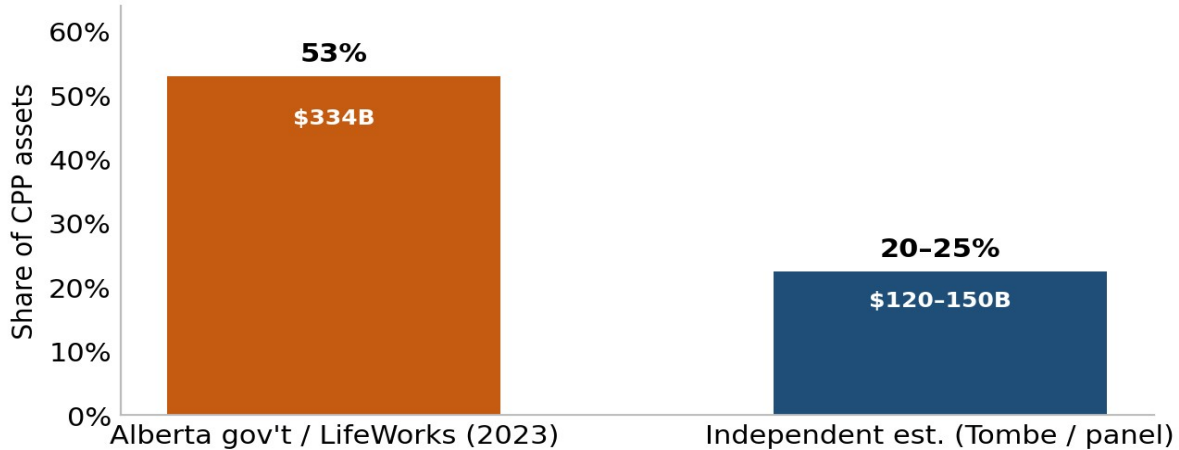


Figure 3. The contested CPP asset share: Alberta's 2023 claim (53%, ~\$334B) versus independent estimates (20–25%, ~\$120–150B).

Any transfer would likely be frozen during years of dispute. If departing residents skew younger and working-age while retirees stay — a plausible but unproven assumption — the ratio of contributors to beneficiaries would worsen, putting upward pressure on premiums for the remaining workforce.

Premium Load, Portability, and the Double-Jeopardy Risk

The selling point in reverse. The case for an Alberta plan rests on demographics: the 2023 LifeWorks analysis claimed a standalone APP could charge a base rate near 5.91%, well below the CPP's ~9.5%, saving up to about \$1,425 a year per worker — because Alberta's workers are younger and higher-earning.¹³ That advantage exists only while those workers stay. The exodus modelled here removes roughly 200,000 of exactly that group while retirees remain, eroding the demographic edge; other analyses already put the rate nearer 8.2% before any exodus.¹⁴ Combined with an asset transfer that realistically yields 20–25% rather than the 53% claimed, the likely result is higher premiums and/or reduced benefits for those who remain — the opposite of the promise.

pension-plan-not-entitled-to-53-of-cpp-assets-osfi/

¹²Trevor Tombe (University of Calgary) and the federal expert panel estimate Alberta's realistic CPP share at roughly 20–25% (\$120–150B), reported via Global News. <https://globalnews.ca/news/10932156/alberta-pension-plan-estimate-canada-actuary-report/>

¹³LifeWorks (2023) estimated a standalone Alberta Pension Plan could charge a base contribution rate of ~5.91% versus ~9.5% for the CPP (saving up to ~\$1,425/yr per worker), premised on Alberta's younger, higher-earning workforce; other analyses put the rate near 8.2%, and the advantage erodes if young workers leave. open.alberta.ca (LifeWorks) / Canadian Public Policy. <https://open.alberta.ca/dataset/8453eb60-1ff8-4c87-9735-b253d4f28824>

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Does the money follow the citizen? In principle largely yes, but with a dangerous gap. A CPP entitlement is portable: it is based on lifetime contributions, not where you live, and the CPP-QPP reciprocal agreement is the template — contributory periods are pooled and each plan pays the share it collected,¹⁵ so an individual's earned entitlement should follow them. The catch is that the bulk assets do not move with individuals; they are transferred plan-to-plan by negotiation. Once Alberta is a separate country, honouring a mover's entitlement requires an international social-security (totalization) agreement between APP and CPP — the same kind of deal that could be frozen for years alongside the asset dispute.

The double jeopardy. This creates a real double bind. Those who stay face higher premiums on a smaller, underfunded plan. Those who leave around the time an APP is created are exposed twice over: the assets attributed to their lifetime CPP contributions can be swept into Alberta's bulk transfer claim, while they themselves return to CPP territory — so their earned value is caught in litigation on one side of a new border while they live on the other. If coordination is delayed or APP is underfunded, the practical risk is delayed or reduced benefits for people who paid full CPP rates their entire working lives: they pay in nationally, then risk losing on both the premium and the payout.

This is general information, not financial advice; individual outcomes would depend on the eventual transfer terms and any coordination agreement.

7. Trade Barriers & Supply-Chain Friction

Causal chain: Secession → loss of internal-trade protections → customs at provincial borders → tariffs/non-tariff barriers → consumer price increases

On separation, Alberta would become a third country to Canada. Section 121 of the Constitution Act, 1867 nominally guarantees internal free trade, but the Supreme Court read it narrowly in *R. v. Comeau* (2018), so even within Canada it is not an absolute guarantee;¹⁶ on actual secession, both the constitutional provision and the Canadian Free Trade Agreement would simply cease to apply to Alberta.

Absent a negotiated agreement (which takes years), trade would default to WTO terms. Most manufactured goods face relatively low MFN tariffs (often 0–9%), but supply-managed agricultural products — dairy, poultry, eggs — face very high over-quota tariffs (frequently 200%+). A flat 5–25% range would be reasonable for many goods but would badly understate protected agriculture. Combined with a weaker currency and new border inspections, the cost of imported essentials would rise.

8. Energy Transit & Pipeline Jurisdiction

Causal chain: Secession → landlocked sovereign status → loss of constitutional transit protections → negotiated (and potentially toll-bearing) transit → margin pressure on heavy crude

¹⁵CPP entitlements are portable and based on contributions, not residence; the CPP-QPP reciprocal agreement pools contributory periods so benefits follow the worker. Cross-border coordination after separation would require an international social-security (totalization) agreement. Canada.ca / U.S. SSA. <https://www.canada.ca/en/treasury-board-secretariat/services/pension-plan/news-notices-pensions-benefits/cpp-qpp-enhancements-federal-public-sector-pension-plans.html>

¹⁶*R. v. Comeau*, 2018 SCC 15 — the Supreme Court read Section 121 of the Constitution Act, 1867 narrowly, barring only laws whose main purpose is to restrict interprovincial trade. https://en.wikipedia.org/wiki/R_v_Comeau

A sovereign Alberta would be landlocked, dependent on pipelines crossing British Columbia, Saskatchewan, or the United States to reach tidewater. The governing law is GATT Article V (freedom of transit), not UNCLOS. Under Article V and customary international law, a landlocked state has no automatic, unilateral right of transit across a neighbour's territory; access depends on negotiated agreements, and there is no obligation on a transit state to permit construction of new pipelines.¹⁷

9. National Defense & Security Costs

Causal chain: *Sovereign defense mandate → large start-up capital requirement → standing personnel demand → added fiscal and labour strain*

An independent Alberta would need to secure its borders, airspace, and critical infrastructure, requiring substantial up-front capital and a standing force of tens of thousands. A start-up figure of about \$25 billion is sometimes cited; it should be treated as an illustrative order-of-magnitude estimate, as this assessment found no authoritative published costing for it. For scale, Canada's entire national defense budget is in the tens of billions annually, so a credible Alberta force would be a major recurring line item drawn from a shrunken labour pool.

10. Counter-Migration Effects

Outflow of federalist, centrist, and left-leaning residents would impose housing and infrastructure pressure on receiving provinces such as British Columbia and Saskatchewan. In the other direction, politically aligned newcomers might wish to move to a sovereign Alberta — but once Alberta is a separate country, free movement ends: incoming Canadians would require passports and work visas. Crucially, politically motivated migration would not neatly replace lost specialists (e.g., pediatric subspecialists, senior pipeline engineers, corporate tax lawyers), leaving operational gaps.

11. Strategic Outlook

The combination of inherited debt, a compressed tax base, and heavy reliance on volatile oil royalties creates serious downside risk. Alberta's share of federal debt is commonly estimated at about \$170 billion — a figure used by Premier Smith but contested and ultimately subject to negotiation.¹⁸ Independent modelling suggests new trade barriers alone could reduce Alberta's economy by roughly \$20–30 billion per year.¹⁹

¹⁷WTO, General Agreement on Tariffs and Trade (GATT) 1994, Article V — Freedom of Transit (no obligation to build new pipelines; transit subject to MFN and negotiated terms). https://www.wto.org/english/res_e/publications_e/ai17_e/gatt1994_art5_gatt47.pdf

¹⁸Premier Danielle Smith's estimate of ~\$170B inherited federal debt and a ~\$400B separation cost, reported via CBC News, 2026. <https://www.cbc.ca/news/canada/calgary/danielle-smith-jeffrey-rath-separation-cost-9.7222674>

¹⁹Trevor Tombe, analysis of higher trade barriers reducing Alberta's economy by ~4–6% (~\$20–30B per year), 2025, reported via The Globe and Mail. <https://www.theglobeandmail.com/opinion/article-danielle-smith-alberta-separation-numbers/>

Fiscal Snapshot of Separation

Orange = one-time stock (debt, contested); others are annual flows lost or incurred

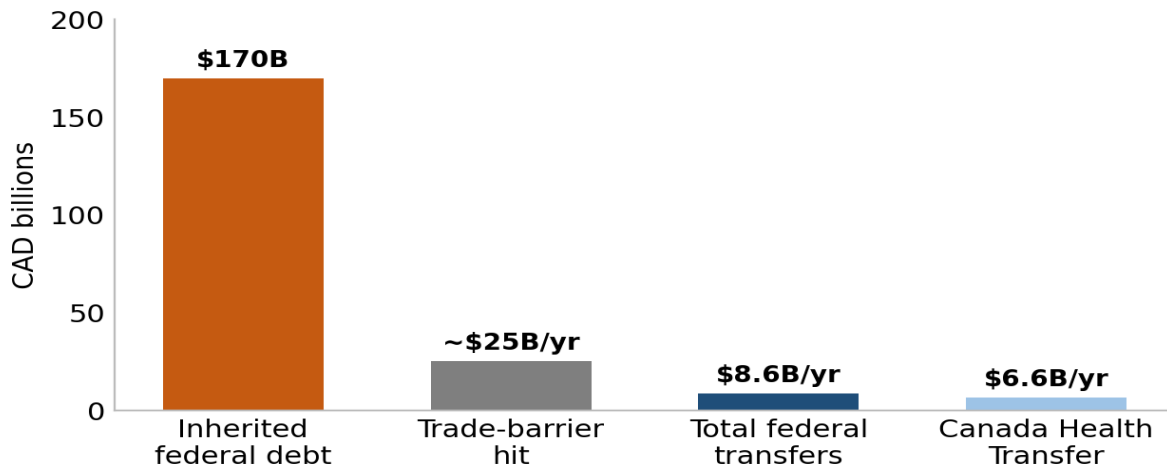


Figure 4. Fiscal scale of separation. Inherited debt is a one-time (contested) stock; the others are annual flows that would be lost or incurred.

A “failed-state trajectory” framing overstates the case. The honest assessment is that the downside is concrete, large, and front-loaded, while the upside is real but contingent and slow. A sustained oil-price downturn, without a diversified economy, a reserve currency, or federal fiscal stabilization, would expose an independent Alberta to genuine insolvency risk — but “high, well-documented transition risk” is a more defensible characterization than “inevitable failure.”

12. GDP Trajectory: Initial Shock, Worker-Loss Trough, and Recovery

Alberta’s economy is large — roughly \$450 billion in nominal GDP and about 15% of Canada’s total output,²⁰ with the highest GDP per capita of any province (~\$71,000 in 2024).²¹ That scale is what makes the transition costs material in absolute terms.

Initial projection. Independent modelling by Trevor Tombe finds that new trade barriers alone would reduce Alberta’s economy by roughly 4–6% (about \$20–30 billion per year).²² Layering on investment uncertainty, capital flight, and the cost of a currency transition, a plausible initial contraction is on the order of 8–10% of GDP in the first one to two years — before the demographic effects fully land.

After worker losses. Removing roughly 200,000 workers (~6% of the labour force) subtracts both productive capacity and consumer demand. This compounds the trade-and-currency shock into an illustrative trough on the order of ~12% relative to the pre-separation level, around years two to three.

²⁰Statistics Canada, Provincial and Territorial Economic Accounts, 2024 (Alberta ~15% of Canada’s GDP; nominal provincial GDP on the order of \$450B CAD). <https://www150.statcan.gc.ca/n1/daily-quotidien/251106/dq251106a-eng.htm>

²¹Alberta GDP per capita ~\$71,037 in 2024 (highest among provinces). Alberta Economic Dashboard / Statista. <https://economicdashboard.alberta.ca/dashboard/gdp-per-capita/>

²²Trevor Tombe, analysis of higher trade barriers reducing Alberta’s economy by ~4–6% (~\$20–30B per year), 2025, reported via The Globe and Mail. <https://www.theglobeandmail.com/opinion/article-danielle-smith-alberta-separation-numbers/>

Illustrative GDP Trajectory of an Independent Alberta

Our scenario model (in CAD billions), not a third-party forecast; recovery is oil-price dependent

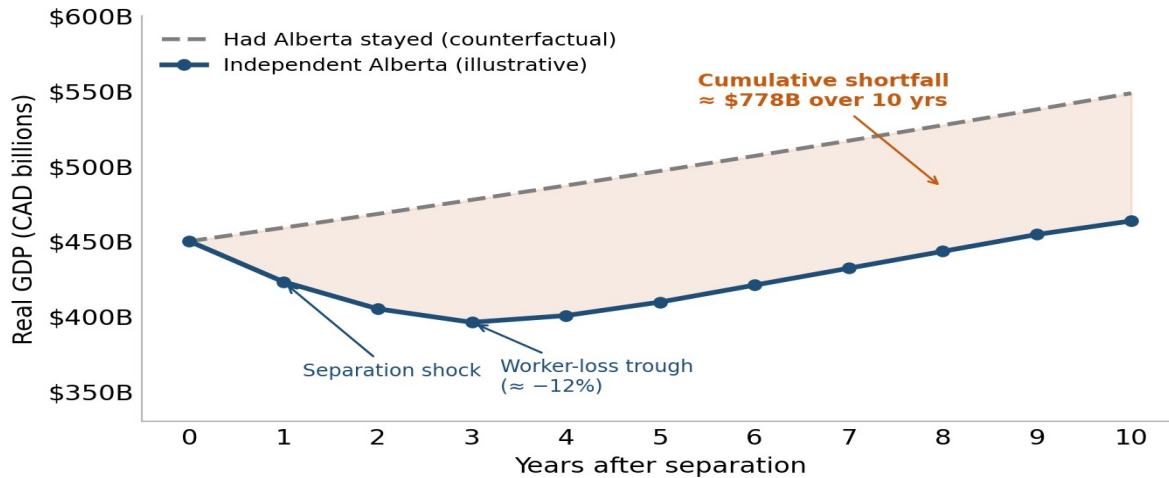


Figure 5. Illustrative GDP path: an initial separation shock, a deeper trough as workers leave, then a slow, oil-price-dependent recovery that remains below the “had Alberta stayed” counterfactual.

A per-capita caveat. Because roughly 12% of the population may also depart, the fall in GDP per capita is smaller than the fall in total GDP. The headline aggregate number overstates the change in average living standards, but it understates the loss of fiscal capacity: fewer taxpayers are left to carry fixed obligations such as pensions, healthcare, and debt service.

Recovery. Recovery is real but contingent. With aggressive immigration, swiftly negotiated trade agreements, a stabilized currency, and firm oil prices, an illustrative return to the pre-separation level over roughly seven to ten years is plausible. Even then, the economy would likely remain well below the path it would have followed inside Canada — the true cost is the persistent gap against that counterfactual, not the distance from the trough. A sustained oil-price downturn could stall recovery entirely.

Putting numbers on it. Because this is our own illustrative model rather than a third-party forecast, it can be stated in dollars. Starting from Alberta’s roughly \$450 billion economy, the annual shortfall against the counterfactual peaks near \$85–90 billion in the trough years, and the cumulative gap over a decade is on the order of \$780 billion — even after assuming a recovery.

Alberta: GDP Lost Per Year and Cumulatively

Gap vs. the counterfactual path; bars = each year, line = running total

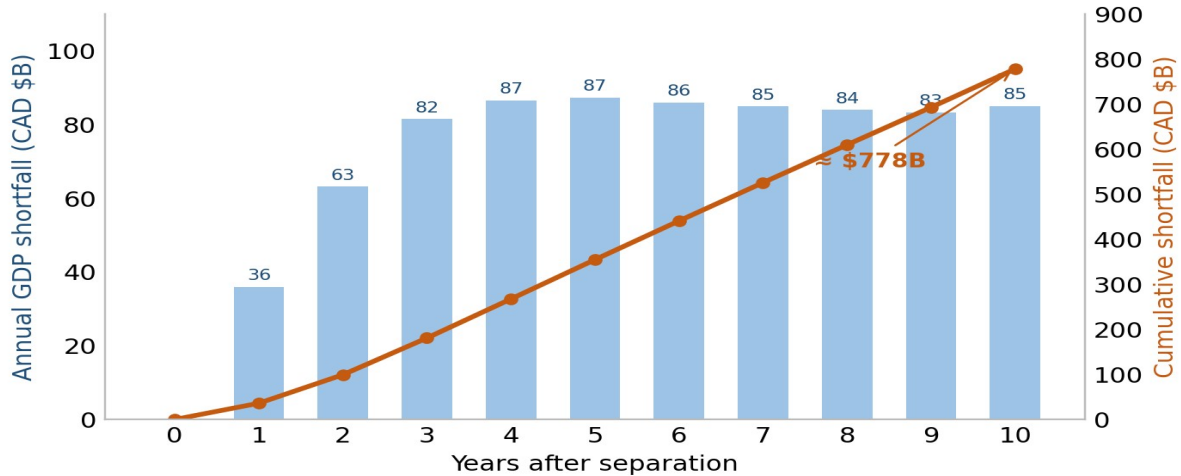


Figure 6. Estimated GDP shortfall versus the counterfactual: annual (bars) and cumulative running total (line). Illustrative model, CAD billions.

Inflation. A distinct but linked risk is inflation, and here Alberta and Canada diverge sharply. An independent Alberta launching its own currency would face devaluation, new import tariffs, and the loss of monetary-policy control (see Section 4), driving a sharp early price spike — plausibly into double digits — before it moderates as the currency stabilizes. The rest of Canada keeps the loonie and the Bank of Canada, so it would see only a mild, temporary bump from energy and trade disruption.

Illustrative Inflation: Independent Alberta vs. Rest of Canada

Our scenario model. Alberta spike is currency- and tariff-driven; Canada keeps the loonie and the Bank of Canada.

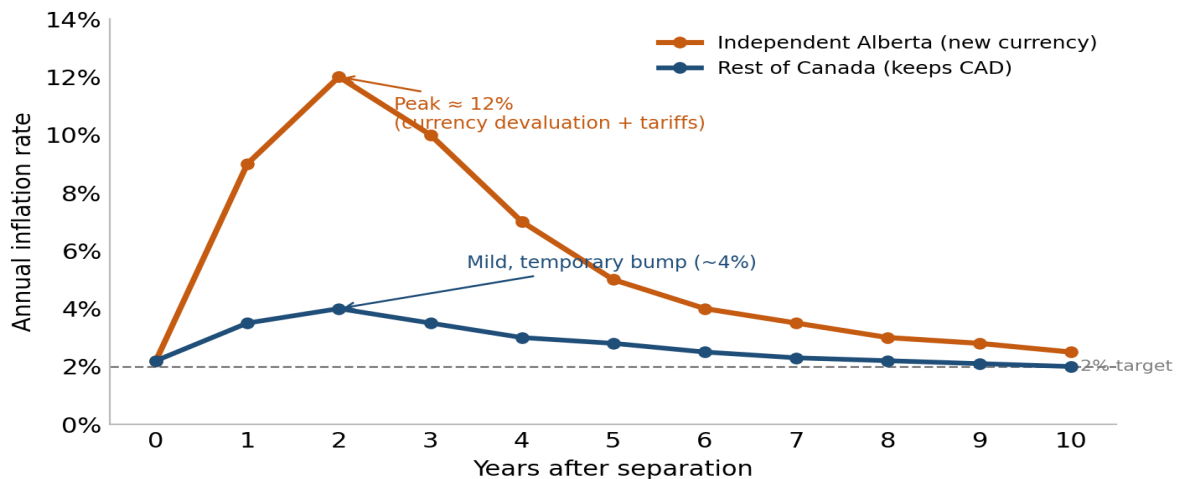


Figure 7. Illustrative inflation paths. Alberta's spike is currency- and tariff-driven; Canada's stays near the 2% target.

13. State-Building: New Institutions Without the Staff to Run Them

Sovereignty is not only a fiscal event; it is an administrative one. Alberta would have to build, from scratch, the entire apparatus of a national government that Ottawa currently provides: a central bank

and currency authority, a federal-level tax and revenue agency, customs and border services, an immigration and passport system, a foreign ministry and diplomatic corps, a defense establishment, financial-market and prudential regulators, and the food, drug, aviation, and transport regulators that a modern economy requires.

Each of these requires thousands of specialized public servants — central bankers and economists, customs and immigration officers, trade negotiators, regulatory lawyers, actuaries, and diplomats. The problem is timing: the new state must staff tens of thousands of these roles at exactly the moment the ~6% exodus has thinned the professional labour pool it would draw them from. Many of the people best qualified to run these institutions are also those most likely to leave.

The result is a capacity gap. Core state functions — clearing payments, processing imports at the new border, collecting revenue, and issuing visas to the very immigrants needed to replace lost workers — would be understaffed and slow. This throttles the economically necessary processes the new state depends on, and it creates a vicious circle: immigration is the remedy for the labour shortage, yet the immigration system itself cannot be stood up and staffed quickly enough to deliver that remedy, delaying the fix and deepening the GDP trough described above.

14. Impact on the Rest of Canada and Required Responses

Canada would lose about 15% of its national GDP in absolute terms and its single largest net fiscal contributor — on the order of \$20 billion per year net to Ottawa (estimates range \$15–27 billion).²³ The federal revenue base would shrink immediately, even as obligations remain.

Per-capita effect. Because Alberta had the highest per-capita GDP in the country,²⁴ the rest of Canada's average GDP per capita would edge down after separation, even though the national population also falls.

Pensions. Alberta's comparatively young workforce is a net contributor to the Canada Pension Plan. Its exit worsens the national contributor-to-beneficiary ratio, putting upward pressure on the contribution rate paid by the Canadians who remain — the mirror image of the pension strain Alberta itself would face.

Equalization. Equalization is paid from federal general revenue rather than by direct provincial transfers,²⁵ so losing Alberta's outsized contribution to that revenue base constrains Ottawa's ability to sustain payments — Quebec alone receives roughly 53% of equalization²⁶ — without raising taxes or cutting spending elsewhere.

²³Fraser Institute: Alberta is the largest net contributor to federal finances — roughly \$20B per year (estimates range \$15–27B); cumulative net contribution 2007–2022 of ~\$244.6B. <https://www.fraserinstitute.org/commentary/alberta-remains-largest-net-contributor-ottawas-coffers-despite-damaging-federal>

²⁴Alberta GDP per capita ~\$71,037 in 2024 (highest among provinces). Alberta Economic Dashboard / Statista. <https://economicdashboard.alberta.ca/dashboard/gdp-per-capita/>

²⁵Equalization is funded from federal general revenue, not direct provincial transfers; Quebec received ~52.7% of total equalization in 2024–25. Wikipedia / Department of Finance Canada. https://en.wikipedia.org/wiki/Equalization_payments_in_Canada

²⁶Equalization is funded from federal general revenue, not direct provincial transfers; Quebec received ~52.7% of total equalization in 2024–25. Wikipedia / Department of Finance Canada. https://en.wikipedia.org/wiki/Equalization_payments_in_Canada

The workforce movement, specifically. An inflow of roughly 300,000 or more federalist-leaning Albertans into British Columbia, Saskatchewan, and Ontario. As Canadian citizens they retain full internal mobility — so, unlike inbound migration to a sovereign Alberta, there is no visa barrier. This is a partial benefit (skilled workers and taxpayers) but also a sharp near-term shock to housing, healthcare, and schools in the receiving regions.

Putting numbers on the Canadian side. The clearest ongoing, quantifiable injury to the remaining federation is the lost net fiscal contribution — roughly \$20 billion a year, accumulating to about \$215 billion over a decade. That is separate from, and on top of, the one-time ~15% (about \$450 billion) reduction in the size of the national economy as Alberta leaves the national accounts, and from harder-to-quantify trade-friction losses that fall on both sides.

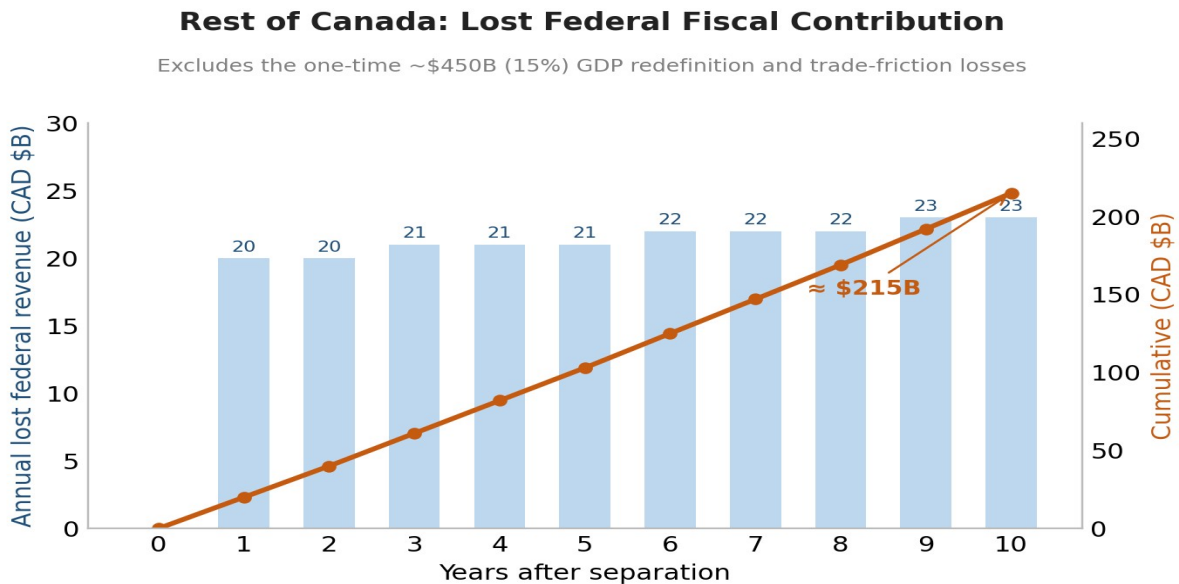


Figure 8. Rest-of-Canada lost federal fiscal contribution: annual (bars) and cumulative running total (line). Excludes the one-time GDP redefinition and trade-friction losses.

What Canada Must Do

- Absorb the migration: accelerate housing supply and expand healthcare and education capacity in receiving provinces, while channelling incoming skilled workers to offset labour gaps.
- Replace lost revenue: a phased mix of spending restraint and tax adjustment to close the ~\$20B federal gap without triggering a demand shock.
- Reform fiscal arrangements: renegotiate the equalization and fiscal-stabilization formulas to fit a smaller national revenue base.
- Stabilize the CPP: an actuarial revaluation and possible contribution-rate adjustment to offset the loss of Alberta's younger contributors.
- Secure energy and trade: negotiate transit and tariff terms with the new state — as a transit nation, Canada could levy tolls on landlocked Alberta crude, partially offsetting the fiscal loss.
- Manage the border: stand up customs and supply-chain processes quickly to limit disruption for both economies.

15. Oil on the World Market: Production Risk and Who Benefits

Canada holds about 163 billion barrels of proven oil reserves — the fourth-largest on earth — and almost all of it is Alberta's oil sands,²⁷ which produced roughly 3.56 million barrels per day in 2024, over 75% of Canada's oil supply.²⁸ Separation is therefore not only a Canadian event; it puts a globally significant supply at risk.

Production-drop scenario. The oil sands are unusually exposed to a disorderly separation. They are capital-intensive, run as long-life projects, and depend on pipelines crossing what would become foreign territory, plus cross-border capital, diluent, and skilled labour. Transit disputes, financing and currency stress, and the loss of operators in the exodus could idle a meaningful slice of output. Even a partial disruption of 0.5–1.5 million barrels per day — roughly 15–40% of oil-sands production — would be material, because in-situ and mining operations cannot be switched off and on cheaply and can degrade if curtailed.

Global impact. With global spare production capacity at record lows in early 2026, the market has little cushion, so even a modest but sustained Alberta outage would push world prices up and add a risk premium, amplified by uncertainty over the new state's reliability as a supplier.²⁹

Who benefits. A sustained price rise and the removal of reliable Canadian barrels would most benefit other large exporters able to raise output: the OPEC+ core (Saudi Arabia, the UAE), Russia (whose export revenues climb with price), and U.S. shale producers, who gain from higher prices and from displacing Alberta's heavy crude in U.S. refineries.³⁰ The clearest third-party loser would be U.S. Gulf Coast refiners configured for discounted Canadian heavy crude, who would lose a cheap, secure feedstock. Notably, this cuts against the separatist premise: the very oil leverage that motivates independence is hardest to monetize as a landlocked new state dependent on others' pipelines (see Section 8).

16. Geopolitical Exposure and Foreign Interference

Separation would injure and constrain a key Western power. Canada is a founding member of NATO, a G7 economy, half of NORAD's continental air-and-space defense with the United States, and a member of the Five Eyes intelligence alliance. Fracturing it would weaken all four, complicate Arctic sovereignty vis-à-vis Russia, and create a new, militarily weak, landlocked state on the continent's energy frontier.

Foreign interference is already documented. Canada's intelligence service (CSIS) has warned that an Alberta referendum is highly vulnerable to foreign interference, and researchers in 2026 traced Russian influence networks — including the Storm-1516 operation — and some U.S.-based actors amplifying separatist narratives to fray Canadian unity.³¹ These actors did not create western alienation; the

²⁷Canada holds ~163 billion barrels of proven oil reserves, the 4th-largest in the world, overwhelmingly in Alberta's oil sands. Worldometer / Wikipedia. <https://www.worldometers.info/oil/oil-reserves-by-country/>

²⁸Alberta oil sands produced ~3.56 million barrels/day of bitumen in 2024 (over 75% of Canada's oil supply). Canada Energy Regulator / Alberta Energy Regulator. <https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-existing-projects-largely-responsible-for-continued-production-growth-from-alberta-oil-sands.html>

²⁹Global spare oil-production capacity fell to record lows in early 2026 (IEA), leaving prices highly sensitive to supply disruptions; OPEC+ producers, U.S. shale, and Russia benefit most from sustained higher prices. IEA Oil Market Report, 2026. <https://www.iea.org/reports/oil-market-report-april-2026>

³⁰Global spare oil-production capacity fell to record lows in early 2026 (IEA), leaving prices highly sensitive to supply disruptions; OPEC+ producers, U.S. shale, and Russia benefit most from sustained higher prices. IEA Oil Market Report, 2026. <https://www.iea.org/reports/oil-market-report-april-2026>

grievances over energy and federalism are real. But they repackage and inflate it for their own ends — Moscow to divide a NATO member, others for ideological, strategic, or commercial motives.

For and against. Adversary states have an interest in a weaker, divided Canada and in a precedent for Western fragmentation, so they would tend to encourage or exploit separation. Most allies — the UK and NATO partners — would oppose destabilizing a G7 member. The United States is the pivotal and ambivalent actor: Washington would worry about instability on its border and within NORAD, yet some U.S. interests might welcome closer access to Alberta's energy and the leverage a landlocked, transit-dependent Alberta would hand them, and annexation rhetoric has periodically surfaced.

Bottom line. The geopolitical cost is borne well beyond Alberta and Ottawa: separation degrades the capacity and reliability of a G7 / NATO / NORAD member at a time of heightened great-power competition — which is precisely why hostile states have incentives to promote it, and why the referendum itself is a foreign-interference target.³²

17. Who Pays In: Alberta's Contribution to Confederation

The simple truth: Albertans pay more because they earn more. Federal tax rates are identical across the country; under a progressive system, higher incomes simply generate more tax. The contribution is a measure of Alberta's prosperity, not its mistreatment — and it runs both ways. When oil prices fell in 2020, federal spending exceeded revenue in every province, Alberta included, for the first time since 1965.³³ That is the point of a country: when you are strong you help carry it; when you are not, it carries you.

Alberta is, per person, by far the largest net contributor to the federation: only Alberta, Ontario, and British Columbia send Ottawa more than they receive back, while every other province is a net recipient. On a long-run average Alberta contributes roughly \$3,720 per person per year.³⁴ Crucially, about 72% of this gap reflects Alberta's high incomes and young population rather than unequal federal treatment, with equalization accounting for only ~12%.³⁵ The imbalance is real, but it is largely a by-product of prosperity — which is why simple “we are being robbed” framings overstate the case even as the dollar flows are genuine.

³¹CBC News / CSIS: Canada's intelligence service warned the Alberta referendum is highly vulnerable to foreign interference; researchers in 2026 traced Russian influence networks (including the Storm-1516 operation) and some U.S.-based actors amplifying separatist narratives. <https://www.cbc.ca/news/canada/calgary/russia-and-u-s-amplifying-alberta-separatist-narratives-to-stoke-division-distrust-report-9.7189604>

³²CBC News / CSIS: Canada's intelligence service warned the Alberta referendum is highly vulnerable to foreign interference; researchers in 2026 traced Russian influence networks (including the Storm-1516 operation) and some U.S.-based actors amplifying separatist narratives. <https://www.cbc.ca/news/canada/calgary/russia-and-u-s-amplifying-alberta-separatist-narratives-to-stoke-division-distrust-report-9.7189604>

³³Library of Parliament, Distribution of Federal Revenues and Expenditures by Province (2011–2020): in 2020, when oil prices fell, federal per-capita expenditures exceeded revenues in every province — including Alberta — for the first time since 1965. https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/202303E

³⁴Fraser Institute: Alberta is the largest net contributor to federal finances — roughly \$20B per year (estimates range \$15–27B); cumulative net contribution 2007–2022 of ~\$244.6B. <https://www.fraserinstitute.org/commentary/alberta-remains-largest-net-contributor-ottawas-coffers-despite-damaging-federal>

³⁵Trevor Tombe, “Who Pays and Who Receives in Confederation?” (Finances of the Nation, using Statistics Canada data): per-capita fiscal gap by federal budget category; ~72% of Alberta's net contribution reflects high incomes and a young population, with equalization ~12%. <https://financesofthenation.ca/2020/11/17/who-pays-and-who-receives-in-confederation/>

The full analysis — how much each province funds Ottawa, where every federal dollar goes, and how Alberta's payments break down by budget category, with charts — is provided in the companion paper ***Where Every Federal Dollar Goes*** (ten Have Advisory Group).

Sources

Full citations appear as footnotes throughout the document. Key references include Statistics Canada population estimates, the Angus Reid Institute and Ipsos polling, the federal Chief Actuary (OSFI) and LifeWorks pension analyses, Trevor Tombe / University of Calgary economic modelling, the Department of Finance Canada transfer figures, the College of Physicians & Surgeons of Alberta and College of Registered Nurses of Alberta, WTO/GATT Article V, R. v. Comeau (2018 SCC 15); CSIS and reporting on foreign interference; and energy-market data from the IEA, the Canada Energy Regulator, and Worldometer.