

Alberta ready to fight economic limits

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CALGARY - Alberta Premier Ed Stelmach warned Ottawa yesterday that his province was ready to do battle against any destructive environmental initiatives that could threaten growth in his province.

Referring to the federal environment file as a "runaway train" with "every political party trying to get ahead of each other" on cutting greenhouse gases, Mr. Stelmach promised that sacrificing Alberta's energy sector on an altar of green would end in disaster, given that the province already shoulders a major part of the country's economic load.

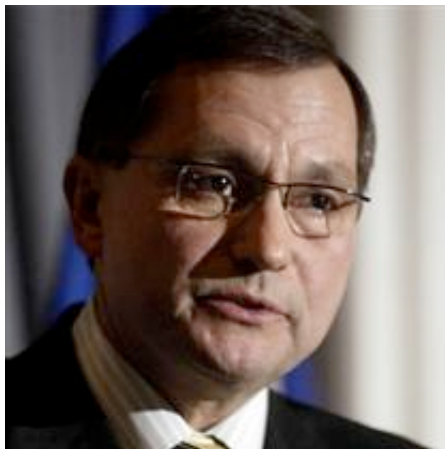
"My government does not believe in interfering in the free marketplace," he said, speaking to a crowd of 300 at the Calgary Rotary Club's annual Valentine's Day luncheon in a downtown hotel. "You can't just step in and lower the boom on the growth and the development of the oil sands or elsewhere in the province. If that were to happen, the economic consequences for Alberta, and for the economy of Canada would be devastating."

"The steelworker travelling to work in Hamilton, or some of the manufacturing that occurs in Quebec, or based on a recent visit by the four Maritime premiers who want to do business with Alberta -- that will all suffer," he said.

Mr. Stelmach also strongly criticized the idea of trading emissions credits with other countries, as proposed by the Kyoto accord, arguing that writing cheques to countries unbound by strict emission caps, such as China and India, was like buying "a license to keep polluting."

"Why not take the value of those credits? [and] invest them into the capital here, and show all of Canada that Albertans can lead in this file?"

Alberta has already proven itself more activist on CO2 emissions than any other government in Canada, said the Premier, who marks the start of this



Calgary, Alberta-20070213 - Alberta Premier Ed Stelmach addresses Rotary Club members at the Fairmont Palliser Hotel in Calgary Tuesday. Photo by Tim Fraser, Calgary Herald

third month in office this week. The province has the only emissions reduction legislation in the country and has reduced the intensity of greenhouse gas emissions by 16% since 1990, despite vast oil sands expansion during the same period. "We can embrace not only economic growth but also be good stewards of our land, of our province," Mr. Stelmach said.

Last week in Ottawa, Prime Minister Stephen Harper announced that the "era of voluntary compliance" to federal greenhouse gas emission standards was "over" and his government is scheduled to deliver a set of aggressive intensity-reduction targets next week. The new regulations are expected to hit the Alberta oil sands especially hard, since the region represents the largest greenhouse gas emitters in the country.

Federal politicians from all parties have sparred over the future of the oil sands and its impact on the environment in recent weeks, most notably with Liberal natural resources critic Mark Holland suggesting that his party would demand a stop to any further development in the region, and that there would be "consequences" if the province didn't follow suit.

When Mr. Stelmach responded by telling Mr. Holland to stay out of his province's business, the Liberal MP charged that the Premier and media outlets were taking his original comments out of context.

Mr. Stelmach also said he expects that Alberta will soon clash with the feds over changes to the equalization arrangement. After speaking with the Prime Minister last week, he said, he was left with the "instinct" that Ottawa was preparing to add resource revenue to the equalization formula, something Mr. Harper had long vowed to Westerners he would not do.

Skeptical Albertans see the broken promise as a ploy to woo Quebecers, who might ultimately see more federal money from equalization as a result of the revised calculation, said Barry Cooper, a University of Calgary political science professor. There is also concern that the move could blur the line on the jurisdiction over resource ownership.

"It will look more as if the tar sands belongs to Canada and not to Alberta," Mr. Cooper said. "And the disparity between Alberta and the other provinces will start to look more and more like simply a matter of luck."

In a shot at his federal Conservative cousins, Mr. Stelmach told the crowd that federal politicians, "regardless of the political stripe," must be reminded that energy resources "belong to you and I am your trustee to defend Alberta's interest and ownership of those resources."

The Premier said he has already formed an alliance with the premiers of B.C., Saskatchewan, Ontario and Newfoundland to resist the move. They will demand that rather than transferring bulk funds from province to province, Ottawa offer to each province "equal per capita funding, for programs, like health and like post-secondary education."

The message to Ottawa, Mr. Cooper said, is that Albertans are more than willing to pay to ensure all provinces can afford to offer services at least equivalent to their own.

But they will not pay for those provinces who choose to spend their

equalization money profligately. "Albertans don't mind paying to build highways in B.C.," Mr. Cooper said. "But I don't think they're crazy about supporting free daycare for everyone in Quebec."

Whether Mr. Stelmach's defence against equalization reform will work, said Mr. Cooper, depends on whether Alberta and its allies can raise enough of a stink to threaten the federal Conservatives politically, not just in the west, but in Ontario, too.

Mr. Stelmach said yesterday he believes "our strength as provinces is in a council of federations and working with other premiers."

There is a chance that esprit de corps will work with pushing back against changes to equalization, Mr. Cooper said.

But when it comes to fighting any new environmental rules, he said, the new Alberta Premier is more likely to find himself standing alone.

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