

## **Kyoto accord would kill Canada's golden goose, says Alberta finance minister**

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CALGARY (CP) - Talk that the federal government may soon ratify the Kyoto Protocol on climate change has rattled Alberta politicians who say the move would kill the country's golden goose.

Alberta Finance Minister Pat Nelson suggested a commitment to Kyoto would hurt the economies of rich provinces such as Ontario and Alberta where manufacturing and energy production are strong. That in turn would eat into the money Ottawa gets from those provinces and then uses for transfer payments to other parts of the country.

"Let's be very candid," Nelson said Thursday. "Our base revenue is coming from natural resources and when you have two "have" provinces in the country that are (providing transfer money), I allude to killing the goose that is laying the golden egg in Canada."

Canada's approval of Kyoto would devastate Alberta's energy industry, the province's bread and butter, Nelson added.

Even mentioning the possibility of ratification sends shockwaves through the oilpatch, she said.

"Every time something like this is raised, it causes uncertainty within the investment community." Alberta Premier Ralph Klein said Ottawa would be betraying a pledge to provinces if it implements the international treaty to cut greenhouse gases.

"Ratification now would be nothing less than a betrayal of a firm commitment made by the federal government," Klein said in a written statement.

He pointed out the federal government assured premiers it would not move Kyoto ahead until it consulted with the provinces and developed a clear understanding of all financial costs.

Klein did caution that so far it's just media reports that say Prime Minister Jean Chretien is moving swiftly toward ratifying the accord. He wants to hear directly from Chretien on the matter.

In a newspaper story Thursday, unnamed sources said the federal cabinet is set to go to cabinet with a plan Sept. 26 for ratification and implementation of the international treaty.

The report speculated Chretien may use his speech Monday at the World Summit on Sustainable Development in Johannesburg to announce his ratification plans.

The Kyoto protocol calls for a reduction in overall greenhouse gas emissions by six per cent below 1990 levels by 2012. The accord has been signed by many European countries, but the United States - Canada's largest trading partner - has stated it will not ratify the deal.

Klein has for months urged the federal government to meet to hammer out a "made-in-Canada solution."

Alberta has its own proposal for greenhouse gas reductions, which includes developing cleaner

energy technology and increasing energy conservation over a longer timeline. Alberta says its plan would cut greenhouse gas emissions in half by 2020.

Saskatchewan also reacted swiftly to Ottawa's reported plans. The minister of industry and resources said his province's economy would be devastated if the accord were ratified.

"I could hardly believe that that could be allowed to happen," Eldon Lautermilch said.

"Is it wise to pit the oil- and gas-producing provinces against other provinces in this country?" he asked. "I think it's an issue of the future of our country."

A report released Thursday by the Canadian Association of Petroleum Producers said the energy industry puts up to \$60 billion into the country every year.

"It is critical to ensure the Canadian upstream oil and gas industry is competitive with other Canadian industries and other petroleum industries around the world," association president Pierre Alvarez said in the report commissioned by the association.

Alvarez said it is purely coincidental that the competitiveness study was released during the latest federal-provincial bickering over Kyoto ratification.

Nelson noted federal government officials aren't releasing any dollar figures on how much Kyoto will cost the country.

"Either they have them or they are so bad, they don't want to share them or they haven't done their homework and need more time," she said.

The finance minister said she has "an idea" how much the accord would cost Alberta, but for now she is holding her cards close.

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