

June 14, 2007

Legal storm brews

Saskatchewan premier vows to sue feds over equalization formula

By **TIM COOK, CP**

REGINA -- If Prime Minister Stephen Harper wants a legal fight over the federal equalization formula, Saskatchewan and its NDP government will give him one, Premier Lorne Calvert said yesterday.

The province will mount a legal challenge under the Constitution, arguing that Saskatchewan is being treated unfairly by the equalization program.

"I regret in some ways doing this," Calvert said in a telephone interview with the Canadian Press from Saskatoon.

"It's a poor way to run a country when a prime minister stands up and says 'sue me,' because this is going to take considerable time. It happens when you are in this kind of circumstance where you are betrayed by your own members of Parliament."

Calvert is upset with the federal Conservatives and the way they chose to follow through on an election promise to remove non-renewable resource revenues from the formula used to calculate equalization transfers to the provinces.

Calvert stressed the legal challenge will not be about a broken promise.

"If I were to hire lawyers to sue on every broken promise from Mr. Harper so far, I don't think we have enough lawyers," he said.

"It will fundamentally be based on provisions within the Constitution around equalization, around fairness and equity and the provision that natural resources belong to the people of Saskatchewan."

OIL AND GAS

Saskatchewan has long argued for the exclusion of non-renewable resources such as oil and gas, saying the revenues come on a one-time basis and should not negatively affect the amount of money the province receives through equalization payments from the federal government.

By provincial calculations, the change would mean an extra \$800 million annually for Saskatchewan under the program.

In Newfoundland and Labrador and Nova Scotia, the Atlantic accord protects off-shore oil

revenue from being clawed back through equalization. Saskatchewan is demanding the same consideration.

WAR WIDOW ASKS PM: 'WHY HAVE YOU LIED?'

Not willing to take "maybe some day" for an answer, the widow of a Nova Scotia World War II soldier accused Prime Minister Stephen Harper face-to-face yesterday of breaking his promise to help elderly veterans and their spouses.

In full view of television cameras, Joyce Carter caught Harper on his way into the House of Commons: "Mr. Harper you promised me you'd look after our veterans' widows. Why have you lied?"

The bad political optics prompted a hasty invitation to meet the prime minister following question period.

"There's no excuse for him not to keep his promise," said Carter, 80, as she waited to go upstairs from the Commons foyer to Harper's office. "I just want him to keep his promise."

When he was Opposition leader in 2005, Harper promised in writing that a Conservative government would "immediately" expand the Veterans Independence Program.

Yesterday he told her that he was still committed. "It is something we plan to do but we were not able to do it right away," said Carolyn Stewart-Olsen, a spokeswoman for the prime minister.