

## Clash over oil sands inevitable: Lougheed

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Calgary — A war is looming between Alberta and the federal government over pollution caused by oil sands development that will far surpass any previous federal-provincial battle in its political and economic stakes, former Alberta Premier Peter Lougheed predicted Tuesday.

Mr. Lougheed told a Canadian Bar Association convention that a ferocious constitutional clash is all but inevitable, pitting the federal right to protect the environment against the provincial right to develop natural resources.

Mr. Lougheed — who was at the epicentre of similar, historic conflicts in the 1980s involving the National Energy Plan and the repatriation of the Canada Constitution — said that the clash will be “10 times greater” than federal-provincial conflicts of the past.

“The issue is there front and centre, and coming to a head,” he said. “I think the issues we saw before — and I was involved in many of them — were important. I don't minimize them. But they aren't even close to the issue I have just described.”

He said that Alberta's desire to bypass toughened federal environmental laws will cause considerable dispute within the province itself, and will “cause significant stress to Canadian unity.

“The government of Alberta, with its acceleration of oil sands operations, will in my judgment be seen as the major villain in all of this in the eyes of the public across Canada,” he said.

A major source of greenhouse gas and water pollution, the tar sands project is expected to double in size within the next few years.

Mr. Lougheed predicted that the dispute will very likely go before the Supreme Court as a constitutional reference, forcing the Court to decide whether the British North America Act gives the province the right to develop its energy resources as it sees fits.

“My surmise is that we're into this constitutional legal conflict soon,” he said. “And my surmise is that — and this is strong stuff — national unity will be threatened if the court upholds federal environmental legislation and it causes major damage to the Alberta oil sands and our economy.”

Mr. Lougheed said he is convinced that public concern for the environmental is no passing fad and will only increase pressure future minority governments in Ottawa to apply strict pollution guidelines.

Ontario may face a less extreme version of the oil sands constitutional battle, since it will be under great pressure from the federal environmental laws with regard to its auto industry, he added.

Mr. Lougheed told reporters after his speech that it is far from sure which side of the conflict will win at the Supreme Court, particularly considering the Court's penchant for interfering in questions of government policy.

However, he said that, in his opinion, the BNA Act clearly guarantees provinces the “exclusive” right to decide how to develop, conserve and manage natural resources.

In his speech, Mr. Lougheed also:

- Criticized successive Alberta governments for allowing the province's Heritage Savings Stress Fund to “wither,” instead of steadily injecting more money into it. He said the fund should not contain more than \$50-billion, not the \$12-\$13-billion it currently holds.

- Expressed his amazement that there have not been regular first ministers conference held, led by the federal government, to thrash out important political issues.

“I think there should be ... an obligation on whoever the prime minister is to have a full-scale, televised first minister's conference each year. I think it is an embarrassment that that has been allowed to lapse.”

- Repeated a concern he first expressed last fall that tar sands development is proceeding in a haphazard way which threatens the environment. “But there is so much momentum there that it isn't going to be easy to slow the process,” he noted.

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