

# Stephen Harper facing pressure on pipelines and trade files

The clock is ticking for the prime minister to score a win on at least one of his three economic jewels.

By: [Tim Harper](#) National Affairs, Published on Mon Sep 16 2013

## OTTAWA

The three jewels in Stephen Harper's long-sought economic crown — two pipelines and a European trade deal — have lingered, unfulfilled for a combined 17 years.

But the clock is ticking for the prime minister and his deadlines are both political and pragmatic.

The Northern Gateway pipeline, which would transport bitumen from landlocked Alberta to the West Coast and then to Asian markets, was first proposed by Enbridge in 2005.

This week marks the fifth anniversary of TransCanada's Keystone XL application with the U.S. State Department.

Canada-EU trade negotiations were launched in May 2009 and are now in their fifth year. Harper promised a deal by the end of 2012.

All three are stalled, but not dead.

Should Harper somehow triumph on all three fronts, he will be able to boast that Canada under his watch has become an energy superpower and a signatory to the largest trade deal this country has ever inked.

Failure risks the country's economic future, relations with the U.S. and the support of the country's top business leaders. Harper's political capital would be greatly diminished heading into a 2015 election.

Already, business leaders have expressed frustration over the [lack of progress in the trade deal](#), which they say has been hung up on

provincial hobby horses. The danger is that if a deal is not soon reached, the EU will pivot and put all its focus on a pending deal with the U.S., swamping Canadian interests.

Harper may have to take what he can get, likely by the end of the year, or watch the deal unravel.

A decision on the \$7-billion Keystone pipeline, which would transport bitumen from Alberta to the U.S. Gulf Coast, is expected early next year, and if Harper wins approval from U.S. President Barack Obama, the question will be at what price?

According to the CBC, Harper [has offered to work jointly](#) with Obama to reduce greenhouse gas emissions in the oil-and-gas sector, something that has been characterized by Natural Resources Minister Joe Oliver as simple co-operation, but by Conservative opponents as an outsourcing of our environmental policy.

How far will Obama push?

Harper is providing the “cover” Obama will need to approve the project, but the prime minister, usually a master negotiator, has put himself in a weak negotiating position.

The most immediate push for success in one of the three jewels has now shifted to the West Coast.

Cynics will see [a blitz of First Nations](#) in British Columbia as Ottawa grudgingly dispensing its constitutional obligation to “consult and accommodate” — or as the federal government interprets the duty as “consult and, where appropriate, accommodate” — with aboriginals before pushing ahead with the project regardless.

But maybe not.

One federal source put it simply: “Nothing is dead until it is dead.” A federal Joint Review Panel is to render a final decision on Northern Gateway in December: a yes, a no, or a yes with conditions. A final decision still rests with the federal cabinet.

Oliver is trying to build trust with First Nations, something Enbridge

fumbled, and he has met with natives who have maintained an open mind as well as those who have closed the door to a pipeline that traverses hunting and fishing habitat.

There appears to be a change in tone, according to one chief who recently met with Oliver.

Doug Kelly, chief of the Sto:lo Tribal Council says he noticed a change in tone from the government and a sincere understanding from Oliver of the government's obligation to First Nations.

"I was pleasantly surprised," Kelly said. "First Nations cannot duck, bob and weave with a government that wants to consult."

Still, Harper will have to draw an ace to win the Northern Gateway battle because he must also win agreement from the provincial Liberal government, a strong environmental movement, and voters who would punish his party if he tried to override West Coast public opinion.

"You have a good, meaningful, ethical engagement," Kelly says. "But sometimes the only answer to a project is 'no.'"

The government has misjudged the politics surrounding the Keystone decision south of the border, it misplayed its hand with British Columbians on Northern Gateway and it appears to have underestimated the difficulty of negotiating a trade deal with the Europeans.

Those early missteps have only made the Conservatives' climb on any of these three files that much more slippery and steep. The clock is ticking.