

'Me-Too-ism' Dogs Canada PM's Oil Revenue Deals

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By Randall Palmer

OTTAWA (Reuters) - Prime Minister Paul Martin celebrated the signature of agreements on Monday that would transfer billions of dollars in revenues to two of Canada's relatively poor Atlantic provinces, but he faced anger from other parts of the country over the deals.

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The agreements will give an immediate C\$2 billion (\$1.6 billion) to Newfoundland and Labrador and C\$830 million to Nova Scotia in "equalization" payments from Ottawa.

The deals result from a promise Martin made to Newfoundland during last June's federal election campaign. He vowed that revenues from the province's offshore oil fields would not cut into the federal grants it receives.

"I've kept my word," Martin said on Monday.

But minutes later Lorne Calvert, premier of the Prairie province of Saskatchewan, was on national television demanding a similar deal so that revenues from his province's budding energy industry do not reduce equalization payments from Ottawa.

"It is now a question of fairness and equity," he said.

In the equalization process, Ottawa redistributes revenues from prosperous provinces such as Ontario and Alberta to less prosperous ones.

In the federal Parliament, Gilles Duceppe, leader of Quebec's separatist Bloc Quebecois, complained of "sweet deals" that run against Quebec's interests.

And Ontario's Dalton McGuinty, premier of Canada's most populous and industrial province, has mounted an increasingly noisy campaign to demand the federal government stop treating his province as a cash cow.

In response, Martin told a news conference that the federal government helps out Ontario with auto plant subsidies and Western Canada with farm aid.

"We are one nation. We have a responsibility to one another," he said.

In Parliament, John McKay, speaking for the government, dismissed the demands of other provinces: "They've all got a case of me-too-ism."

The provincial conflicts come as polls give conflicting signals as to whether the Liberals are in a position to regain the parliamentary majority they lost in June's election.

Martin's team was sure to take some comfort from an Ekos poll in Monday's Toronto Star that showed the Liberals at 40 percent of popular support, up from the 36.7 percent that reduced them to a minority government in June.

The Star interpreted 40 percent as being "within striking distance of majority government." But it is also around the level where the Liberals sat last May when Martin called the election.

Ekos put the Conservatives at 26 percent, down from the 29.6 percent they registered in the election.

However, an SES poll released last week had the Liberals falling by three percentage points over the past three months to 38 percent and the Conservatives rising by the same margin to 29 percent.

Ekos saw the leftist New Democrats, which have tended to back the Liberals in parliamentary votes, at 19 percent, up from the 15.7 percent electoral result. SES had them at 17 percent.

Whatever the poll numbers, both the Liberals and the Conservatives have shown a reduced willingness recently to engage in any talk of triggering a new election.

Finance Minister Ralph Goodale will present the federal budget on Feb. 23, and the Conservatives had suggested last month they might vote against it. That move would threaten to bring down the minority Liberals and trigger another election, but lately the Conservatives have said that Canadians are not eager to go back to the polls so soon.

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