

Trudeau's Reckless Support for Kinder-Morgan. Billions of Tax Dollars to Buy an Unbuildable, Financially Doomed Pipeline

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With his reckless support for Kinder Morgan and other oil pipelines, Trudeau has willingly compromised his own commitments to address climate change and pursue reconciliation with Canada's Indigenous peoples. Now he's willing to risk billions of public tax dollars as well.

Recently Trudeau's Finance Minister, Bill Morneau, announced that Canada was willing to write a blank cheque from Canadian citizens to Texas-based oil pipeline company Kinder Morgan to [indemnify the company](#) against political risks to the Trans Mountain project. Over the past month, he's been negotiating behind closed doors to work out some sort of deal to save the project. Canada has repeatedly promised to phase out fossil fuel subsidies and next month is hosting this year's G7 Summit, where world leaders have already promised to end handouts for oil, gas, and coal. A move to indemnify Trans Mountain from risk would represent a massive new fossil fuel subsidy, breaking the Trudeau government's commitments.

Amid serious questions about the financial viability of the Trans Mountain project and Kinder Morgan's [inability to finance](#) its more-than-\$7.4-billion price tag, [few analysts expect](#) Kinder Morgan to actually proceed. In April, the company vowed to walk away if political risks to the project were not eliminated by May 31st, but since then obstacles and opposition have only grown. Canada's offer to indemnify Kinder Morgan's risk doesn't appear to be sufficient to save the project, and no other companies have stepped forward.

That likely leaves only one, crazy option on the table.

Are Canadians about to find themselves shelling out billions of tax dollars to a Texas-based company to buy an unbuildable, financially doomed pipeline? We're likely to find out before tomorrow, when Finance Minister Bill Morneau [plans to speak](#) in downtown Calgary.

Outside Canada's oil-soaked political bubble, this all sounds completely absurd. It's baffling to watch a seemingly progressive, stable, wealthy country like Canada twist itself into pretzels, risk billions in public money, and edge towards a constitutional crisis all for the benefit of a handful of private oil interests. With a diversified, service-based economy and a highly educated workforce, Canada has much more to offer than dirty fossil fuels. But oil money buys an awful lot of influence.

Canada's oil industry is a cornered, wounded animal. [Unprecedented](#) opposition to new

export routes that would feed tar sands expansion – including Keystone XL, Line 3, and Kinder Morgan, all of which are being heavily resisted by Indigenous peoples and millions more – has blocked all the exits. [Investment](#) in new growth has dried up. A coming global energy transition is an existential threat.

As we all know, wounded animals can be dangerous. The oil industry is calling in all of its political [favours](#), and its outsized influence on Canada’s government could lead to crazy things. We’re about find out just how far Prime Minister Trudeau is willing to go to indemnify Big Oil.

Our thanks to Oil Change International for this incisive report

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