

# Biden's Termination of Keystone Pipeline Deepens Divisions Between U.S. and Canada

By [Paul Antonopoulos](#)

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*One of the first documents signed by U.S. President Joe Biden immediately after his inauguration on January 15 was an executive order revoking the permit to build the Keystone XL pipeline. The Keystone project should have been the cornerstone of the Canadian economy. First proposed in 2005, it struggled with many bureaucratic hurdles in Canada and the U.S., and also faced fierce environmental resistance. According to the proposal, the Keystone XL is a 3,500km oil pipeline that is supposed to pump out 800,000 barrels of oil a day from the Canadian province of Alberta to U.S. refineries in the Gulf of Mexico, primarily in Texas. The project has the potential to create or support about 60,000 jobs – 42,000 in the U.S. and 17,000 in Canada.*

The importance of the pipeline to the Canadian economy is seen by the country's major banks and several pension funds having big shares in the venture. The Alberta government has already invested \$1.5 billion on top of the \$6 billion provided by loan guarantees.

It is no coincidence that in 2013, just before the beginning of Justin Trudeau's Prime Ministership, he named Keystone “one of the most important infrastructure projects of our generation” at a meeting with oil business representatives. He also promised to fight for its implementation. Criticizing then-Prime Minister Stephen Harper for his vague stance in defense of the project, Trudeau told oil and gas tycoons that Canada “needs a government, not a cheerleader.” One can just imagine how much Biden's decision would have angered his Canadian neighbors.

From the beginning, the Democrats opposed Keystone as it is in opposition to their [Green New Deal](#). A 2015 decree by former President Barack Obama suspended the construction of an oil pipeline through American territory. One of the main lobbyists for this was Biden, who at the time was Vice President.

Democrats have always justified their position because of environmental concerns. However, the interests of party politics played a major role in Biden's decision. The fact is that one of the main beneficiaries of the pipeline would have been a business empire created by the billionaire Koch brothers, who are major supporters of the Republican Party. By destroying the project, Obama and Biden deprived their political opponents of significant financial support. This motive is overlooked in U.S. media.

During his election campaign, Biden made no secret of his intention to kill Keystone XL by revoking a building permit signed by previous U.S. President Donald Trump in January 2017. The promise to ban the pipeline has been one of the cornerstones of Biden's program since last spring. At the same time, Trudeau promised to strongly oppose any American government if the construction of the oil pipeline was terminated. This has certainly created tensions between the two North American countries.

Without much consultation and warning, Biden killed the project only five days after his inauguration. Trudeau, instead of offering the promised fierce resistance, is now forced to make conciliatory statements.

Another important promise by Biden was to improve relations with Washington's closest allies in the aftermath of the Trump administration. As a presidential candidate, Biden condemned Trump's approach and promised to restore friendly relations with partners, especially Canada. However, as his silent move to end the Keystone construction shows, the new U.S. president is no more interested in the political and economic interests of Washington's partners than Trump was, especially since Biden ignored basic courtesy, even with a supposed ally.

That is what the now furious Premier of Alberta, Jason Kenney, is highlighting – Washington's complete disregard for the interests of its partners. Kenney is calling for the federal government to take tough action and even impose economic sanctions against the U.S. His outrage is also shared by the premiers of other Canadian provinces. Biden has demonstrated to not only Canada, but the whole world, that he has an inability to negotiate or compromise.

If Washington treats its fellow Anglo neighbor and supposed ally so harshly, it gives indications to how Biden's policies will be towards Russia and China. It is likely that Trump's war against the Nord Stream-2 project will only intensify under Biden despite being contrary to the interests of Washington's allies in Europe.

The president's promise to abandon oil production and ban shale gas fracturing technologies demonstrates to Europe that they should not believe that the U.S. will replace Russian energy resources. This comes despite many assurances from Washington that so-called "freedom gas" will save Europeans from supposed Russian dependence. The example of Keystone XL clearly shows to Europeans that the U.S. is not a reliable partner, especially in issues related to energy.

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*Paul Antonopoulos is an independent geopolitical analyst.*

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