

Ric Dolphin's

# Insight

into Government

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## WELCOME TO INSIGHT'S 32nd YEAR

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### BBQS, HANDOUTS, & TREPIDATION

## DIPPER DOG DAYS A RESPITE BEFORE AN UNCERTAIN FALL

The gov't spends the warm months delivering cash, staging photo-ops, re-announcing programs, hinting at impending legislative initiatives, and generally burnishing its beneficent brand in advance of the electoral 'red zone' that is imminent.

### The summer just passed was a rather tranquil

two months for the NDP gov't: no cabinet meetings, no committee meetings, no major policy roll-outs; just a bunch of puckishly themed constituency AGMs, fundraisers with the inevitable selection of craft beers, hectoring appearances in pride parades, and a seemingly endless string of happy photo-ops where beneficent ministers handed out portions of previously announced cash allotments while standing proudly behind podium bearing coroplast signs bearing the all-too-familiar slogan: "Working to Make Life Better." Thus are brands burnished.

Capital grants were doled out for infrastructure projects ("Major funding for Peace River bridge twinning." \$88M); carbon-tax-funded grants were bestowed on Dipper-friendly recipients ("Cold Lake First Nations goes solar." \$200K); sops were thrown at rural regions hurt by the coal phase-out ("Diversifying Hanna's economy for the future." \$450K); cheques were issued for supervised drug shooting galleries ("Support for life-saving opioid program." \$1.2M); cash was doled out at umpteen separate ceremonies to post-secondaries for psychiatric "supports" for stressed students ("Improving post-secondary students' mental health." total \$25.8M); and an array of monies was broadcast to "the most vulnerable" of varying stripes ("Helping Calgary's homeless get the right support." \$750K. "Helping African francophone women work in health Care." \$50K).

And there was a smattering of announcements of studies, consultations, and reports presaging NDP policy initiatives and legislation that may or may not come to fruition in the upcoming fall sitting of the House (scheduled to run from Oct. 30 through Dec. 7).

Continued on next page...

## POLITICAL PULSE

### THE UCP LEADERSHIP RACE SUMMER'S OVER AND THE GLOVES ARE OFF

We finally figured out why Jason Kenney looked teary and crestfallen while Wildrose Leader Brian Jean appeared cocky when the Progressive Conservative and Wildrose leader signed their historic merger agreement on May 18. (*Insight* May 19). As with so many things, it was about money.

According to Kenney's "five-point plan" for the new party—the one touted throughout his successful PC leadership campaign—once the members had voted to unite, the fledgling party would hold a founding general meeting of members in the fall. UCP Delegates would elect executive officers, ratify a constitution, and thrash out a policy platform. The horses thus placed, the UCP members could then choose their cart—i.e. elect a leader.

But in the negotiations leading up to the May 18 agreement, Jean's Wildrose team were adamant that the cart be put before the horse: the leadership contest was to take place in the fall, and the founding AGM to in February or March. Jean's official logic for this: the sneaky NDP, taking advantage of UCP's leaderless state, might call a snap general election.

Unofficially, however, this chronological reversal gave Jean a strategic advantage in his campaign to become leader of the new party.

Bill 35, the *Fair Elections Financing Act*, pushed through by the NDP last fall, limits total political contributions by an individual to \$4,000 in any calendar year, beginning Jan. 1, 2017. (Corporations and unions have been prohibited from making political donations since June 2015). Therefore a good many of this year's contributors to Kenney's leadership campaign—which culminated with his 75% win on March 18—will have blown their wad for 2017 and be ineligible to donate again until 2018. (See chart, p.6)

Jean, on the other hand, has an advantage in not having had to tap his supporters this year. This meant that if the leadership campaign occurred in the fall, he would be eligible to receive the maximum amounts from the maximum number of supporters.

Were the leadership to take place in 2018—pace Kenney's five-year plan—the reset button would have been pressed and Kenney's supporters, greater in number than Jean's, could again contribute the full \$4K.

But the leadership will be decided on Oct. 28, placing Kenney at a fund-raising disadvantage, and giving all four candidates relatively little time to raise money or to get out into the ridings to make themselves known and sell memberships among hoi polloi.

Turn to Political Pulse on pg. 5...

One of the more substantive of the latter announcements was the release of a report from the independent review panel that had spent \$2.3M and 16 months producing recommendations to “modernize” the Workers Compensation Board (*modernize* being NDP code for “make it more labour-friendly”).

Workers Compensation is of particular interest to **Rachel Notley**, who cut her legal teeth in Alberta and BC defending WCB claimants. While in opposition, she vociferously criticized the Alberta board for unduly favouring employers, who, she claimed, paid half the national average in compensation to injured employees.

Among the panel’s recommendations: an increase to the premium paid by employers from \$1.02 per \$100 of an employee’s pay to \$1.08 and the liberalization of the criteria for claimant eligibility. For example, the definition of a “first responder” eligible for post-traumatic-stress-disorder coverage would be broadened to include correctional officers and emergency dispatchers.

Considering Notley’s earlier criticisms, the recommendations are relatively restrained, and Alberta Federation of Labour president **Gil McGowan**, the voice of the NDP base, complained that they did not go far enough in protecting or compensating workers. But the gov’t has already taken much flak from business, industry, and the opposition for increasing the financial burden on employers through higher taxes, the minimum wage hike, the carbon tax, and last session’s Bill 17 increasing benefits for workers and making it easier to unionize (*Insight* June 2). Thus the WCB amendments expected to be introduced by Labour Minister **Christine Gray** this fall will probably adhere fairly closely to the panel’s recommendations.

**Underlying the calm surface routine of an NDP summer**, however, was the background rumble of disturbances in the political and economic tectonics. Present since Notley occupied the premier’s office 28 months ago, these dark rumblings have lately been amplified by churlish oil prices that refuse to break \$50 (the budget was based on \$55) and are contributing to the gov’t’s revenue problems, increasing the deficit and debt, and eliciting dark words from the credit rating agencies of yet another downgrade.

Another political fault line is growing in BC, with the resolute opposition to the Trans Mountain pipeline by Rachel’s erstwhile NDP friend, Premier **John Horgan**, who now runs the show in Victoria at the pleasure of **Andrew Weaver**’s three-member Green Party (*Insight*, July 1). The league’s fragile grip on power became less so last week when Liberal MLA **Darryl Plecas** (Abbotsford South) was kicked out of caucus after he accepted the job of Speaker (having earlier vowed not to). Thus the Liberal caucus shrank from 43 to 42. The Dipper/Green team has 44 members, increasing its majority from one to two and likely being able to count on Speaker Plecas to vote with the Greens if MLA absences even out the field and his tie-breaker is required to pass legislation to, say, bestow personhood on the Spirit Bears.

**Starting on Oct 2, the Federal Court of Appeal** is set to hear from the assortment of coastal tribes and environmentalists challenging the federal gov’t’s approval of Kinder Morgan’s Trans Mountain expansion. Their challenge rests on the argument that Natural Resources Minister **Jim Carr** spent insufficient time consulting indigenes following National Energy Board approval, especially in regard to the “seven fold increase” in tanker traffic—from

one tanker a week to one a day—along Burrard Inlet and westward into the Strait of Georgia off Vancouver Island.

Apparently Carr didn’t listen long enough to get the full story on the effects of tanker traffic on the killer whales—creatures with which the Tsleil-Waututh band that is lead claimant among the appellants says it has a “spiritual” bond. This is the same band, by the way, that moved its people off their “traditional territory” in a scenic part of North Vancouver with a view of the inlet to a less salubrious spot so it could turn the traditional territory into a high-end residential project. No doubt having Orcas visible from the balcony of one’s condo whilst sipping one’s morning kombucha is spiritual indeed.

Alberta, which in the spring was granted intervenor status at the hearing, is no doubt hoping for a hard-nosed judicial triumvirate that will agree with the NEB’s decision; that the pipeline has more benefits to Canadians than drawbacks.

The British Columbia gov’t applied for intervenor status in early August, was chided by the court for the sloppiness of its application and told to resubmit, and was finally granted status a couple of weeks ago.

Horgan, Weaver, and company are probably hoping for a bench of “latté-sipping, Birkenstock-wearing, *Lower Mainlanders!*”

This was a phrase we heard witheringly delivered three weeks ago during a pass through Fort St. John, in BC’s Peace Country. It was spoken by a city official who blamed the recent cancellation of Petronus’ \$36B Prince Rupert LNG plant on a gov’t regulatory regime unduly influenced by said latté-lappers.

She was keeping her fingers crossed and praying that Horgan and Weaver —“those idiots,” she called them—would not succeed in shutting down the Site C Dam, which is just outside of town, employs 3,000 people, and is \$3B into construction.

Listening to her rant, we realized again how polarized are the two solitudes—rural and urban—in British Columbia. Of course, now more than ever, it is the urban that calls the shots.

## RED ZONE?

## A STARTING OF POLITICAL ENGINES

If Premier Rachel’s initial fall appearances are indicative, the level of political partisanship is being ramped up in plenty of time for the next election. Is it possible we’ve entered the “red zone” already?

Last week at the opening of one of those Tory-initiated schools that the Dippers use as props when boasting of their scholastic largesse—this one Lois E. Hole Elementary in St. Albert—Education Minister **Dave Eggen** kicked things off by re-announcing the 25% cut to school fees facilitated by Bill 1 back in the spring.

But then Notley took the podium to tell her audience of 11-year-olds, “There are some people who would say we shouldn’t be building new schools. They would say we shouldn’t have so many teachers and they would say your classrooms should have more kids in them, not less.” One half expected a pantomime wolf to skulk menacingly on the stage.

Reaction to Notley’s “suffer-the-little-children” attack on Conservative policy to an audience of innocent s brought the predictable tut-tutting from the chattering classes and the reminder of how the NDP opposition belly-

ached when the Tories did the same sort of thing. Ho hum, say we; maybe the teachers can use it as an introductory lesson in political science.

A day or two later, homing in on another minister's territory, Rachel was at it again. Speaking to NAIT students and staff in a machine shop that furnished one of those hard-hatted photo ops that pols adore, the premier again banged the political drum during yet another re-announcement, this one by Advanced Education Minister **Marlin Schmidt**, touting the gov't's continued freeze on tuitions through the 2017-18 academic year (first announced last October).

"In this economic downturn we have a choice: we can lead the recovery or we can follow the recession," she said. "We are choosing to lead, and a big part of that is making sure that our colleges, our institutes, and universities are accessible and have predictable funding - not the reckless cuts that have been proposed by some. You can't take \$3.5B, \$5B, or \$10B out of a budget and expect that that doesn't have an impact, and it certainly doesn't make

sense to do that solely to give tax breaks to those who are already doing very well."

In both speeches, she was taking aim at the cost-cutting proposals put forward by the United Conservative Party leadership candidates, particularly **Jason Kenney**, who has suggested Alberta cut its per-capita spending (\$13.5K in 2017-18) to the same level as BC's (\$10.9K)—an almost 20% reduction.

Notley called this "a very heartless, reckless and mean-spirited approach to dealing with the single biggest recessionary crisis the province has faced in many, many decades... It is an extremely reckless idea and it would cause nothing but chaos and instability and would absolutely stop dead in its tracks the economic recovery that our gov't is proud to be leading right now."

In reality both Kenney and UCP candidate **Doug Schweitzer** are talking about reducing spending to BC levels over the space of four or five years. But, in the red zone, one tends not to let the facts get in the way of the big bad wolf.

## DATA Bank ...

## A SLUGGISH RECOVERY

The recession is over, but full health remains elusive

Economists, NDP cabinet ministers, bankers, and other members of the Panglossian castes have, since spring, been talking up Alberta's projected 2.9% GDP growth for calendar 2017, the strongest growth of any province, and the first year of growth since 2014. Ding-ding the recession is dead! And while many of the YoY statistics shown below show improvement, the improvement is analogous to a downgrade in a patient's medical condition from "critical" to "serious." Alberta is far from being the picture of fiscal health it was prior to the recession. After GDP declines of 3.8% in both 2015 and 2016 following five successive years of 4%+ GDP growth, the province has a big hole to dig itself out of. The credit rating agency downgrades of the past two years—the latest being S&P's double-notch demotion from A+ to AA—still stand. And in late August, the last of the three major agencies to accord Alberta an AA (high) rating, DBRS Limited, reacted to Finance Minister **Joe Ceci**'s Q1 update (lower than predicted revenue with no reduction in spending) with ominous words: "The deterioration in the commodity price outlook increases the likelihood of a negative rating."

CATEGORY	2017	2016	Chg.	CATEGORY	2017	2016	Chg.
Population (est. to Apr. 1)	4.292M	4.234M	1.37%	Housing starts (urban areas >10K) (Jan-Aug)	18,328	14,218	28.9%
Net migrants to Alberta (Q2)	4,693	10,292	-54.40%	Value of homes sold (Jan-Jul)	\$14.15B	\$12.64B	12%
Interprovincial migrants (Q2)	-2,392	-1,525	56.85%	Unemployment rate (Aug)	8.1%	8.5%	-0.4%
International migrants (Q1)	7,085	11,817	-40.04%	No. of Albertans receiving Employment Insurance (Jun.)	69,740	81,950	-14.9%
Consumer price index*, all items (Jul.)	137%	135.6%	1.03%	Bus. incorporations (Jan -Aug.)	29,084	26,313	10.5%
CPI, energy (Jul.)	145.8%	139.5%	4.52%	Bus. bankruptcies (Jan-Jun)	68	50	36%
CPI, alcohol & tobacco (Jul.)	164.8%	160.9%	2.42%	Merchandise exports (Jan-Jul)***	\$58.93B	\$42.07B	40.1%
Av. WTI oil price (Jan-Jul, \$US/bbl)	\$49.61	\$40.28	23.2%	Manufacturing sales (Jan-Jun)	\$35.22B	\$30.51B	15.4%
Av. Western Canada Select oil price (Jan-Jul; \$US/bbl)	\$37.12	\$26.76	38.7%	Retail trade (Jan-Jun)	\$40.36B	\$37.37B	8%
Oil production (Jan-Jun) cu. metres	88.04M	78.07M	12.8%**	New motor vehicles sold (Jan-Jun)	126,253	112,301	12.4%
Natural gas av. reference price, \$Cdn/GJ (Jan-Jun)	\$2.44	\$1.43	70.6%	Farm cash receipts (Q1)	\$4.13B	\$3.98B	3.8%
Natural gas production (Jan-Jun) cu. m	53.42B	52.86B	1.1%	Av. non-Durum wheat price \$/tonne (Jan-Jun)	\$230.34	\$237.04	-2.8%
Wells drilled (Jan-Jun)	2,321	990	134.4%	Grain deliveries, tonnes (Jan-Jul)	9.99M	9.14M	9.2%
Bldg. permit value (Jan-Jul)	\$7.76B	\$7.98B	-2.8%	Av. slaughter cattle price \$/hundredweight (Jan-Jul)	\$150.21	\$150.35	0%
Housing starts (urban areas >10K) (Jan-Aug)	18,328	14,218	28.9%	Lumber production (cu. metres Jan-Jun)	4.93M	4.74M	4%

\*The CPI figure relates to the price of various items as a percentage of what they cost in 2002. \*\* The high increase is mostly due to the effects of wildfires in the Wood Buffalo region in spring 2016. \*\*\* Oil & gas products account for about 80% of merchandise exports.

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# THE UCP LEADERSHIP CONTENDERS

**T**his week the four gentlemen who aspire to lead the United Conservative Party (UCP) filed their papers and paid half the hefty \$75K entry fee (the other half is due Oct. 5), along with a \$20K good-behaviour deposit. (The unprecedented price of admission—the 2014 Tory race cost \$50K, the current federal NDP leadership costs \$30K—was too rich for former Wildrose MLA Paul Hinman, who abandoned his candidacy, having been unable to raise sufficient funds in time.) In the next six weeks the four standing candidates will step up their campaigns in preparation for the Oct. 28 vote. The first of five debates will be held in Calgary on Wednesday evening (see “The Week Ahead,” p. 6). However, the four would-be premiers have been pitching policies of varying specificity since early August, shortly after the July 22 unity vote (*Insight*, July 29). The following is a distillation of what we have learned so far about the candidates and their platforms.

**JEFF CALLAWAY** Born in Calgary, July 12, 1977 (age: 40), raised on a farm in the High Level area, earned a degree in International Relations at the UofC, becoming a successful senior investment adviser at Canaccord Wealth Management in Calgary. He co-founded the Wildrose Alliance Party in 2008, and served as its first and last president. He ran unsuccessfully for the provincial seat in Calgary North Hills in 2015, placing third with 27% of the vote behind NDPer Karen Mills (30%), and the PC incumbent and winner Sandra Jansen (who later defected to the NDP) with 33%. Callaway was never a supporter of Brian Jean, considering him an opportunist more concerned with his own political fortunes than those of the party—an assertion evident in the attack video (the first of the campaign) on Facebook, in which Jean is blamed for the profligate spending on Wildrose caucus staffers that resulted in the embarrassing announcement last month of a \$320K shortfall. The video also tracks numerous statements made by Jean dating back two years in which he disparages the idea of a Wildrose-PC merger. His campaign manager is Randy Kerr, a veteran PC campaigner who worked on Premier Jim Prentice’s constituency campaign in 2015. (Jimbo won that battle but lost the war.)



**PLATFORM** — Like other candidates, Callaway vows to kill the carbon tax, roll back personal and corporate tax hikes to pre-NDP gov’t levels, balance the budget by 2021, institute recall legislation, and repeal Bill 6 (the farm safety legislation unpopular with the conservative rural base). He has also started to roll out what he calls his “Big Ideas,” which include the use of tax incentives and gov’t policy to increase the use of natural gas; the creation of a transportation corridor to tidewater involving a pipeline from Alberta to the currently mothballed port of Churchill, MB, which Jeff figures can be bought for \$20k and that it, a railway, and a road would be run by gov’t —not as a business (conservatives blanch at the idea of a gov’t “being in the business of business”), but as public utility. Callaway also wants to create a new class of security—similar to the “flow through shares” that encourage investment in Canadian mining. Individual Albertans or corporations investing in capital projects would get an Alberta tax deduction equal to the amount invested and, when they sold the shares for a profit, they would be forgiven the Alberta portion of the capital gains tax.

**BRIAN JEAN** Born in Kelowna, BC, February 3, 1963 (age: 54), Kelowna, BC, he was four when he moved with his family to Fort McMurray, attended a private Christian school, and later earned a BSc degree in Portland, OR, and then an MBA and a Bachelor of Laws in the accelerated program at Bond University, Queensland, Australia, augmenting at the UofC law school. Back in McMurray, where he practiced law and helped grow a family property management business that began with a car wash. He was elected as the Conservative MP for Fort McMurray Athabasca in June 2004, serving for ten years, five of them as parliamentary secretary to Transport minister Lawrence Cannon. A year after retiring from federal office, he won the leadership of the Wildrose Party with 55% of the vote in a three-way race. Despite being reduced to five incumbent MLAs, a result of the mass defection to the Tories in late 2014, the party rallied under Jean and in May 2015 was returned to the Legislature as the official 21-member opposition, its largest caucus ever—an accomplishment oft cited by Jean supporters in the current leadership race. Personal:



married second wife Kim Micheluti, his former aide in Ottawa, 15 years his junior. Brian has two grown sons from a first marriage, and two grandchildren. A third son Michael, died while Jean was running for the Wildrose leadership in early 2015.

**PLATFORM** — Jean has been churning out policy and promises practically from the minute the unity deal was ratified, a lot of it stuff we’ve heard from the Wildrose over the course of the last two years, such as MLA recall legislation (two failed private members’ bills if memory recalls), fighting Ottawa to get a fairer federal equalization deal for Alberta (*bonne chance* with that one *mon ami*), and, of course, repealing the NDP carbon tax, cutting gov’t spending, freezing public sector salaries, and all that other fiscally responsible malarkey that the other three candidates are preaching too, but which Jean and the Wildrose were preaching first. He is also promising to be tougher on crime (eg tougher sentences for repeat offenders, more police in rural areas) and, that tried-and-tested populist vote getter: the elimination of photo radar (or at least forcing municipalities to hold referenda on the question, which would have the same result).

**JASON KENNEY**— Born May 30, 1968, Oakville, ON (age 49), the son of a fighter pilot and grandson of noted Canadian big band leader Mart Kenney\* After studying philosophy but not earning a degree at the Jesuit University of San Francisco, Kenney worked for the Saskatchewan Liberal Party, but eventually joined the Canadian Taxpayers Federation and became its president. He was elected as the Reform Party MP for Calgary Southeast in 1997, and was instrumental in the merger that created the Conservative Party of Canada in 2003-04. Kenney rose from the position of parliamentary secretary to Prime Minister Stephen Harper in 2006, through various cabinet posts, the most successful being minister of Citizenship, Immigration, & Multiculturalism (2008-2013). After serving nine months as minister of Defense in 2015, Kenney’s gov’t was defeated and he announced he would resign to run for the leadership of the Alberta PCs on a unite-the-right platform. He won the leadership with 75% of the delegates’ vote and brought the Wildrose and the



\*You can hear the Mart Kenney band and vocalists Norma Locke and Wally Koster perform their 1940s hit, “I Wanna Go Home to Calgary” on 78-rpm record at: [https://www.youtube.com/watch?v=\\_](https://www.youtube.com/watch?v=_)

unity vote on July 22 of this year. Kenny, is a devout Catholic and a closeted homosexual who so far has resisted coming out (despite singer and lesbian activist k.d. lang's entreaties on Twitter [enTweeties?]) Perhaps he's waiting until after the the leadership contest when votes from the more conservative UCP members carry less weight. Should he win the leadership and remain in the closet, however, he can expect the NDP to set its gay activist hounds on him, with the likes of the UofA's Kristopher Wells, director of the "Institute for Sexual Minority Studies and Services," calling him out for being a "self-hating gay man."

**PLATFORM — No doubt upset that his "five-point-plan" to hold a policy convention ahead of the leadership race was sabotaged by Brian Jean, Kenney came off the blocks** saying he would not be announcing any policy until such time as he received guidance from the "grassroots" at the AGM. "I will not be running a presidential-style campaign where I improvise some detailed platform for an election two years from now, for a brand new party before its members can even be consulted," Kenney told the Canadian Press in early August. He would, however, be expressing his opinions, and those opinions are much the same ones we've been hearing since he first announced his candidacy for the leadership of the Progressive Conservatives in July of 2016: repeal the carbon tax, balance the budget, reduce taxes, and "fight for school choice." This last opinion is open to some interpretation, and is seen by some as a "dog whistle" signifying Kenney's belief that parents, especially those with children in Catholic or other religious schools, should have a say on when or if homosexual health and practice should be taught, and whether gay-straight-alliance clubs should be allowed in schools whose religious tenets, be they Christian, Moslem, Sikh, Hindu, or whatever, proscribe homosexual acts. Kenney already brought the weight of the liberal media down upon himself when, in an interview with the *Calgary Herald*, he suggested that parents be informed if their kids joined GSAs. "Kenney wants schools to out kids!" was the typical headline.

**DOUG SCHWEITZER**, Born in Kelowna, BC, Jan. 30, 1979 (age 38), he lived in different cities growing with a police officer father who got transferred (Edmonton, Calgary, Grande Prairie). A baseball scholarship in the States fell through when he blew out his shoulder, so he moved to Winnipeg and earned a law degree from the University of Manitoba, where he met his wife Jen, and also became involved in PC politics. The couple moved to Calgary and practiced law, with Doug campaigning on the side (he supported Jim Dinning in the 2006 PC leadership). He returned to Winnipeg for a year, where he served as the CEO of the Manitoba PCs, rebuilding the party under leader Hugh McFadyen (now a Calgary lobbyist). Back in Calgary he has been with Dentons as a business lawyer for four years and in 2014 he was campaign manager for Jim Prentice in the PC leadership race. He and Jen have two daughters aged 5 & 7.



**PLATFORM — Calling himself a "social moderate," Schweitzer is more extreme on the fiscal side of things.** With figures verified by UofC economist Trevor Tombe, Schweitzer says he can balance the budget in his first term, employing what he calls "public sector wage resets," meaning wage cuts of 6% for those on the Sunshine List making more than \$107K p.a., 9% for all politicians, and 3% for everyone else. He would also introduce the "largest tax relief in Alberta history," reducing corporate tax to 10% from its current 12%; small business tax cut in half to 1%; a 10% flat tax reintroduced on all incomes above \$100K, and a 9% flat tax on taxable incomes below \$100K. He would also reduce the minimum wage in 2019 from \$15 to \$12:20.

## POLITICAL PULSE ... from Page 1

This is particularly disadvantageous for the two dark horses: former Wildrose President Jeff Callaway on the right, and Calgary lawyer Doug Schweitzer on the centre-right. They officially entered the race last week despite an apparent attempt by the UCP's interim board to keep them out by demanding an outlandishly high entry fee: \$75K plus a \$20K good behavior deposit. It is the largest fee we've ever heard being charged in a provincial leadership race; it's 50% higher than the \$50K price of admission to the 2014 Tory contest that chose Jim Prentice. Hardly in the "grassroots" spirit preached *ad nauseam* by Jean and Kenney.

But then most of million bucks or so in the Wildrose kitty at the time of the merger cannot be used by the new entity for its operations. And the PCs had a \$700K debt left over from their lavish (and disastrous) 2015 election campaign, which they hope to be pay off with money donated by some of the richer constituency associations such as Westlock-Barrhead (former home riding of former Speaker Ken Kowalski, a fundraising machine) and Edmonton-Whitemud (former interim premier Dave Hancock's treasure-filled fiefdom.) Bottom line, however, the UCP needs cash.

**The leadership debates begin this Wednesday** in Calgary, but the political back-biting and back-room politicking — Jean's play in advancing the time of the leadership election to Kenney's disadvantage being an example — are on-going and we can safely assume that this campaign is not going to be the respectful-exchange-of-ideas kind of hugfest that the current federal NDP leadership race is putting us to sleep with.

Jean and Kenney loathe each other. And Callaway, no fan of Jean's, was the first out of the gate with an attack ad—a Face-

book video calling Jean out for hypocrisy by interspersing recent clips in which he declares his support for unity with older clips where he denounces it.

Callaway's video also attacks Jean for the \$337K shortfall in the UCP's caucus budget. This projected deficit came to light after the two parties merged, and brought all of their own caucus people with them, thus adding and duplicating staff while receiving less in per-capita allotments from the Legislative Office of Alberta (LAO)—there being two fewer MLAs and just one leader eligible for a leader's allowance (interim leader Nathan Cooper, MLA for Olds-Didsbury-Three Hills).

All three of his rivals blamed Jean for bringing much of the debt over from the Wildrose. But Jean said such shortfalls are "seasonal," increasing when the Legislature is in session and more staff and supplies are needed, but evening out during the quieter periods. Be that as it may, a number of UCP staffers got pink slips shortly after the story broke.

**The biggest embarrassment of the summer for** the new party, however, was the Fildebrandt meltdown, which came to light in mid-August.

Strathmore-Brooks MLA Derek Fildebrandt, 31, tall, blonde, bearded, and vaguely Wagnerian is the mouthy, opinionated, and always entertaining former Wildrose finance critic who has built a career as a fiscal hawk. Formerly a director of the Canadian Taxpayers Federation—Kenney is also an alumnus—Fildebrandt has built his short but meteoric career on attacking gov'ts—first the Tories, now the NDP—for reckless spending, over-taxing, running deficits, and generally disrespecting the taxpayers' money.

Once a supporter of Jean's, Fildebrandt had broken with his leader—and with his leader's Machiavellian senior policy adviser, Vitor Marciano—in May of 2016. The occasion was a visit to the Alberta Legislature by Ontario's Lesbian Premier Kathleen

# People ...

## Recent appointments by cabinet and highlights of recent cabinet orders

### Appointments

● **Nathan Rotman**, former chief of staff to Finance Minister **Joe Ceci**, as Premier **Rachel Notley's** Chief of Staff. He replaces **John Heaney**, who had served in the role for less than



Rotman

a year (replacing **Brian Topp**, who returned eastward), but had been among Notley's top political staff since joining her transition team in May of 2015. Heaney, 55, an Albertan who cut his political teeth as an assistant to NDP Leader **Ray Martin** in the 1980s, is a lawyer who spent most of his career in Victoria, and was chief of staff to then NDP Leader **John Horgan** (now premier) before joining the Notley team.

Heaney, whose wife and two school-aged kids live in Victoria, insists he is resigning to be closer to his family, intends to resume his law practice, and says he has no plans to join the Horgan gov't.

**Rotman**, 37, is a former director of the national NDP who was among the Dipper diaspora that flocked to Alberta from all parts of the country following Notley's win. Prior to becoming national director, he had worked for **Olivia Chow's** Toronto city council of vice, and later in the Toronto-Danforth riding office of her husband, the late NDP Leader **Jack Layton**.

● **Parand Meysami**, a Calgary chemical engineer and former project planner with ConocoPhillips, **Dean O'Gorman**, a physicist and climate change expert with a Calgary engineering company, **Mary-Clare MacKinnon**, a Calgary lawyer and former senior council (aboriginal engagement) with the National Energy Board, **Tracey Stock**, a Calgary land-

man, lawyer, engineer and university instructor, and **Larry Strong**, an oil & gas technology consultant and investment bankers, as hearing commissioners with the Alberta Energy Regulator, each for a five-year term.

● **John Gabriele**, assistant southern director of the Justice ministry's Calgary regional office and former investigator with the Alberta Human Rights Commission, as interim director of the commission pending the hiring of permanent replacement for outgoing director **Don Smallwood**. Smallwood had held the \$227K-p.a. post from April 2, 2012 to June 30, 2017, when he moved to Justice as Executive Director of its Claims and Recoveries Branch.

● **Deborah Mary Lynn Hanly**, a Sylvan Lake lawyer, as a full-time justice of the peace.

### Orders in Council...

● Amending the Order in Council numbered *O.C. 4/2014* to increase the borrowing limit of the Alberta Petroleum Marketing Commission from \$400M to \$800M. The increase was partly necessitated by the increase in construction costs of the Sturgeon Refinery from \$8.5B to \$9.5B (*Insight* July 1). The APMC, already backstopping the North West Redwater Partnership's subordinated debt to the tune of \$325M, calculated the increased cost would —with when added to loans to other projects—push the amount over the \$400M limit. (The subordinated debt, provided 50-50 by the partnership and the APMC, represents 20% of the equity in the project and enables the partners to secure the other 80% from private lenders.) The APMC also anticipates, once the refinery is up and running, that it will need more money to pay in advance for the first two months of the toll charged by the refinery for processing the gov't's bitumen, and also for the creation of a contingency fund in case there are losses in the first year of operation.

● Changing of the status of Lac La Biche County from a municipal district to a specialized municipality.

## PROGRESSIVE CONSERVATIVE LEADERSHIP CONTRIBUTIONS (2016-17)\*

CANDIDATE	TOTAL DONATIONS	EXPENSES	SURPLUS (DEFICIT)	LARGEST DONORS*
<b>JASON KENNEY</b>	\$1.46M	\$1.51K	(\$3.67K)	Nolin & Constance Denis, \$52K; Maria & Michael Binion: \$34.5K; Stan Milner, \$26K; Prem Singhmar, \$26K; Deborah Wall, \$26K; Fred Mannix, \$25.5K Nancy Southern, \$21.26K; Richard Has-kayne, \$17K; Rene Amirault, \$17K; ;
<b>RICHARD STARKE</b>	\$192.6K	\$192.6K	\$0.00	R.A. Chiswell, \$25.5K; Alison Starke, \$25.5K, Vikas Kwatra, \$12.75K; Joseph Ulmer, \$8.5K; Richard Klinger, \$4.45K Darren King, \$2.6K; Ken Freimark, \$2.23
<b>STEPHEN KHAN</b>	\$24.92K	\$54.92K	(\$30K)	Susan Evaniew, \$8.5K; Kurtis Whitfield, \$4.25K; Robert McGinn, \$2.13K; Ashfaq & Heather Khan: \$1.7K
<b>BYRON NELSON</b>	\$44.02K	\$45.58	(\$1.56K)	Byron Nelson, \$30K; Jason Zwarg, \$1.7K, Susan Nelson, \$1.28K; Kevin Galandy, \$850; Derrick Telford; \$765

### CONTRIBUTIONS FROM POLITICIANS PAST AND PRESENT

**KENNEY:** Sine Chadi (\$850); Jim Dinning (\$425); David Dorward (\$850); Paul Gagnon (\$425); Art Hanger (\$1,700); Stephen Harper (\$1,700); Mike Percy (\$425); James Rakppte (\$850); Steve West (\$225)

**STARKE:** David Dorward (\$433.50); Peter Elzinga (637.50); Iris Evans (\$297.50); Jacquie Fenske (\$510); Dave Hancock(\$850); Ken Hughes (\$425); Leroy Johnson (\$255); Heather Klimchuk (\$255); Stephen Mandel (\$425); Mary O'Neill (\$297.50); Verlyn Olson (\$595); Bridget Pastoor (\$425); Blake Pedersen (\$340); Rob Renner (\$425); Ed Stelmach (\$382)

**KHAN:** Michael Cooper (\$340) **NELSON:** 0

## POLITICAL PULSE ... from Page 5

Fildebrandt had used the opportunity of Wynne's presence in the visitor's gallery to vigorously criticize Ontario's fiscal policies, a performance that was regarded as churlish, even by some members of his own party. But that wasn't the firing offence.

Later that evening Derek was going through the hundreds of posts he receives on his Facebook page. One of them complimented him for criticizing "Mr. Wynne or whatever the hell she identifies as." Fildebrandt sent off a stock reply commending the man's comments and finishing with, "proud to have constituents like you."

Portuguese-born Marciano, 48, dark, compact, and fast-talking, had been involved in federal conservative politics for years when he was hired by the Wildrose in 2010 to, as he puts it, "professionalize operations." He's an organizational whiz on campaigns and strategy who comes off like he knows more than anyone in the room, which is often true, but tends to alienate. A vaguely New Jersey inflection to the voice completes the picture. Within the Wildrose, the Vitor love/hate ratio hovered round 50/50.

Ever since Wildrose candidate Rev. **Alan Hunsperger** was caught out for having once written that homosexuals were desitined for a "lake of fire" —thus preventing Wildrose from taking gov't in 2012 (or so goes the myth)—Vitor had been hyper-sensitive to "bozo eruptions." So when Vitor, who was attending a federal Conservative convention in Vancouver with **Brian Jean**, saw Fildebrandt's appreciative reply to the "Mr. Wynne," on Facebook, he urged Jean to immediately hold a caucus teleconference to vote on suspending Fildebrandt.

The upshot was that Jean suspended Fildebrandt indefinitely. We heard from other Wildrosers at the CPC convention that Marciano, long resentful of the young firebrand, was jubilant, boasting to some Alberta MPs that he had "neutered" the upstart.

But Derek didn't stay neutered. He wrote an apology and explained that he got hundreds of Facebook comments daily and couldn't read them all as carefully as he'd like. And, naturally, he didn't ascribe to the "sentiments" expressed in the offending comment.

Before long there was groundswell of support for Fildebrandt's reinstatement from Wildrose constituency associations all over the province, and even from NDP members and gay activists. Jean was forced to climb down and welcome Derek back into caucus, while Vitor, we can only imagine, seethed and hoped for day when he might exact revenge.

Fildebrandt, meanwhile, broke with Jean and took up with those in the nascent unite-the-right movement: PC MLA **Mike Ellis** (Calgary West), Wildrose president **Jeff Callaway**, and, after July 2016, federal MP **Kenney**, for whom he actively campaigned during the PC leadership.

Derek had never forgiven Brian for suspending him and, following the unity vote on July 22, he made no bones about what he thought of his former leader

"I've had two-and-a-half years to work with him and seen his leadership up close and I've got more than enough experience to make a very confident decision that he is not the best man to lead the party and lead Alberta," he told reporters on Aug. 8.

"I've seen a leadership style that focused more on making the party about a single individual than a greater collective. I want a leader who is going to focus on building a party and building a team and not just promoting themselves and their own personal brand."

Fildebrandt had been thinking of running for the leadership himself, but a day after he'd said those unkind things about Jean, things began to unravel.

Word was passed on to the *Edmonton Journal* that he was renting out his downtown Edmonton bachelor suite through airbnb when he wasn't occupying it—earning close to \$3K in eight months, but at the same time collecting the monthly allowance of around \$2,500 from the Legislative Office of Alberta to pay his rent. In other words: double dipping.

"Vitor leaked it," everyone was saying, but when we called Vitor he denied having anything to do with it.

And at first, the valiant defender of taxpayers' dollars showed no remorse, just the usual Fildebrandt bluster, seemingly proud of how he gamed the system. "Find someone under 35 with a downtown apartment that doesn't let their apartment if they're gone half the year," he told the *Edmonton Sun*. "It would be a waste... to have an apartment that sits empty half of the year and not let it out when I'm gone out of session."

In fact, according to Vitor, Derek had been heard talking about the airbnb deal with friends in Red Deer at the unity conference.

On the day after he made those first cavalier statements to the press, however, his tone had changed. Perhaps the party whip had given him a talking to. Derek apologized, announced he would be taking an indefinite leave of absence from his finance critic's role, and said, "Since January I believed that renting out my Edmonton home while I was away was above board and never cost the taxpayer anything extra. I however recognize the perception that this is not good enough, and have spoken with my constituents, and they are never wrong. I have paid the amount I earned during those eight months [\$2,555] to the taxpayer."

But his travails were not over yet. A few days later, while Derek was on holiday with his wife and baby daughter, Alberta Party Leader **Greg Clark** (Calgary-Elbow) presented meal expense receipts that showed Fildebrandt had double-dipped on nine occasions, claiming both the blanket per diem amount granted for out-of-town meals (\$39 a day) and also submitting separate receipts for meals on the same days.

This time Fildebrandt stayed away from the cameras, instead issuing a statement, saying, "There were some administrative errors in processing meal receipts for staff, constituent and stakeholder meetings, with a potential total of up to \$192.60 over a period of two-and-a-half years," he said. "I am thankful that this has been brought to my attention. I should have been more careful in reviewing them before signing off. I will fully reimburse any discrepancy and take immediate action to ensure that errors like this do not happen again."

Commenting on Fildebrandt's actions during campaign stop in Medicine Hat, **Brian Jean** said, "This was not the right thing to do; it was the wrong thing to do, and I think the people of Alberta and his own constituents will have something to say in the next election and the next election cycle."

And still it was not over for the beleaguered MLA. The CBC discovered that Fildebrandt had been charged with hit and run that allegedly occurred in June 2016 outside his Edmonton apartment building.

A neighbour testified that she had watched from her balcony as a man matching Fildebrandt's description backed his red Ford F-150 into her company van with a loud bang, and then drove away. Fildebrandt was charged with leaving the scene of an accident and appeared in court in February representing himself. He testified it could not have been his truck, because at the time the woman said the accident occurred he was in a caucus meeting with his Wildrose Colleagues.

After the CBC story broke, Fildebrandt, likely under pressure from interim leader **Nathan Cooper**, announced in a statement that he was resigning from the UCP caucus and will sit as an independent.

"I'm a flawed man, and I can do better," he wrote. "If I have let anyone down, know that I have let myself down, and I will prove that I am the man that I hold as the standard for trust and integrity."

The hit and run case was put over until last week and this time Fildebrandt had retained a lawyer. Having heard the conflicting testimony of the Fildebrandt and the owner of the van, the traffic commissioner reserved his decision until Dec.18.

This means Fildebrandt will have sat an entire session in the Legislature as an independent in the meantime. And, depending on the who is picked as new leader of the UCP, and how well Derek comports himself in the interim (some charity work might be in order) he could be offered a UCP seat as a Christmas present.

## Talk ... ... in the Corridors

### The Kanger comes a cropper...

● It is the wise male politician who observes the following dictum: when hiring a female assistant or constituency manager, pick a matronly grandmother type and reject at all costs the young and pulchritudinous candidates. By following this rule, the honorable member not only avoids making his wife suspicious when he's working late or out of town, but he also forestalls any temptation in his imperfect, male self to, er, *reach out* in an unwanted manner following, say, the second bottle of wine at a "working dinner."

Evidently, federal Liberal MP **Darshan Kang**, 66, (Calgary Skyview), failed to follow such prophylactic personnel practices. During his time as provincial Liberal MLA (Calgary-McCall, 2008-15), the affable, turbaned Sikh immigrant, a former welder and realtor, hired the lovely young daughter of Sikh friend (now an ex-friend) to run his Calgary constituency office.

The unnamed woman, now 25, stayed on after Kang was elected to federal office in Oct. 2015. But in June she filed a sexual harassment complaint against Kang in the Liberal whip's office. *The Hill Times* broke the story on Aug. 11, and although she has not given interviews since filing her complaint, the *Toronto Star* talked to her father—Kang's erstwhile chum, an airport cab driver.

He said Kang gave his daughter "unwelcome hugs," held and stroked her hand during car rides, and once invited her to an Ottawa apartment, where he offered her wine and "pulled at her jacket to try to get her to take it off." Dad also alleged that the MP offered the woman payments, "escalating to \$100K" to stop her from reporting the incident to him and his wife, a couple who had been friends of the Kangs for years.

Prime Minister **Justin Trudeau**, a professed feminist who had earlier declared a policy of zero-tolerance of sexual harassment by MPs, did not remove Kang from caucus and waffled when asked why he hadn't, muttering something about there being independent processes in place to deal with these things.

On Aug. 31, following an investigation by an external mediator, Kang, till then silent on the matter, issued a statement announcing he would resign the party and sit as an independent until such time as he was able to clear his name. Meanwhile he'd be taking some stress leave.

"While I cannot comment directly on an open, ongoing investigation," said the grandfather and husband (wife **Sharanjit**, an arranged marriage, remains out the public eye at the best of times.) "I continue to proclaim my innocence and will defend my honour at all costs."

Kang's plea of innocence was rather damaged when **Kristin Morrell**, 37, came forward with a more lurid account of Kang's improprieties during the 13 months she worked as a constituency office assistant for the MLA between 2011 and 2012.

She told the *Hill Times* that then-MLA would insist on meeting her in his personal office.

"At first, I would say, 'No, no, let's do [talk] this outside of your office.'" said Morrell, who now runs a small Calgary decorating business. "He'd say 'Oh, no, no, come inside my office. There's no problem, there's no problem. I'd come inside his office, and sit down. And, then he'd sit down next to me and lean in and grab my breasts, or kiss me. And I'd say 'stop,' and he would start to get very forceful about demanding that I stay."

Morrell said she didn't intend to press charges, but had come forward in the hope that her account would assuage any doubts about the veracity of the young girl's complaints.

"I believe her. I think she's telling the truth. She was always honest when I worked with her. She has a very good heart and she did not deserve this."

The young woman is planning to bring her complaint before the Alberta Human Rights commission.

Kang is the third federal Liberal MP to face accusations of

harassment since the party formed government in late 2015. Trudeau previously removed Liberal MPs **Scott Andrews** and **Massimo Pacetti** from his caucus after receiving complaints involving the men from two female NDP MPs.

Former fisheries minister **Hunter Tootoo** later resigned from the Liberal caucus and cabinet of his own accord, after acknowledging that he engaged in an inappropriate but consensual sexual relationship with one of his female staffers.

Meanwhile back in Calgary Skyview, we imagine that **Devinder Shory**, the incumbent Tory whom Kang, riding the Trudeau wave, beat by 6% of the vote in 2015, is envisioning a spring byelection.

## The week ahead ...

**Sept. 18-Oct 16**—After a single day of nominations, the four week municipal election period is underway with most of Alberta's cities experiencing a record number of candidates for councils and school boards. Municipal elections for council and school boards. Blame it on the recession and high unemployment rate. For the provincial rules and regulations associated with these elections, go to [http://www.municipalaffairs.alberta.ca/mc\\_elections](http://www.municipalaffairs.alberta.ca/mc_elections)

**Sept. 18-Oct. 1**—The opening of the first round of online voting for the leadership of the federal NDP. Subsequent votes will be held if none of the four candidates—MP **Charlie Angus**, 54 (Timmins, ON), MP **Guy Caron**, 43 (Gatineau, QC), Ontario MPP **Jagmeet Singh**, 38 (Brampton, ON) & MP **Niki Ashton**, 35 (Churchill, MB)—has achieved a majority on Oct. 1. The flamboyantly turbaned Singh, a Sikh lawyer, appears to be the front-runner. His visibility and popularity were recently enhanced by a viral video that showed him at a Brampton rally peaceably fending off a racist heckler with repeated declarations of his campaign slogan "Love and courage." Whoever the winner, it is unlikely we'll see a repeat of the success of the **Jack Layton**-era Dippers, whose rise to opposition status had as much to do with lacklustre Liberal leadership as it did with smiling, tragic Jack. And by the way, Singh and his three rivals are all opposed to the Trans Mountain and Energy East Pipelines. This is why we've not seen any endorsements by Alberta Dippers.

**Sept. 20**—The first of four United Conservative Party leadership debates with candidates **Brian Jean**, **Jason Kenney**, **Doug Schweitzer**, & **Jeff Callaway** takes place in Calgary at the Bella Concert Hall, Mount Royal Conservatory, 4825 Mount Royal Gate SW, 6-8 pm. The UCP, missing no opportunity to augment its coffers, is charging a \$20-a-head admission. During the six weeks between now and the Oct. 28 election, debates will be held in Edmonton (Sept. 28), Red Deer (Oct. 3), Fort McMurray (Oct. 12), & Lethbridge (Oct. 17).

**Sept. 20**—The Ministerial Panel on Child Intervention, charged with examining the legislation, policies, and current practices related to children in gov't care, and due to release its report and recommendations in late October, will meet in the Federal Meeting between noon and 4 pm. For live-streamed audio of the proceedings, to hear audio transcripts of past meetings, and to contribute to the online discussion, go to: <https://www.alberta.ca/child-intervention-panel.aspx#toc-1>

**Sept. 23**—NDP tribute dinner for venerated party member, founder, veteran labour leader, and past president of the Alberta Federation of Labour **Reg Basken**, 80, hosted by Edmonton-Glenora MLA and Health Minister **Sarah Hoffman** at Edmonton's Polish Hall, 10960 104 St, 6 pm. Tickets \$150 at <http://www.albertandp.ca/celebrateregasken>

**Sept. 24**—Final day to apply for the job of executive director of the Alberta Party, a new, paid position recommended by the author of a recent report on the party's future. For more info: [http://www.albertaparty.ca/alberta\\_party\\_opens\\_competition\\_for\\_executive\\_director](http://www.albertaparty.ca/alberta_party_opens_competition_for_executive_director)