

Ric Dolphin's

Insight

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INSIDE THIS WEEK

Pg. 3: The AFL & NDP rush an afternoon of love

Pg. 4: The gov't makes its first big public sector union deal

Pg. 5: The troubled Agriculture Financial Services Corp's new board.

Pg. 6: Nenshi wanes while Iveson waxes; don't write off Christy

TARGETING FREE TRADE

TRUMP'S NAFTA STRATEGY: REPTILIAN BRINKMANSHIP

Another crazy week in Washington had the Donald threatening to rip up the free trade pact, relenting, then threatening again. While this looks like a negotiating technique, the softwood tariffs imposed Tuesday are a very real hardship for Alberta foresters.

Undoubtedly, one of the quirkiest sights in nature is the gangly retreat of an Australian frilled lizard. When this unique creature feels threatened, it rises on its hind legs, opens its yellow-colored mouth, unfurls the colorful, pleated skin flap that encircles its head, and hisses. If an attacker is unintimidated by these antics, the lizard simply turns tail, mouth and frill open, and bolts, legs splaying left and right. It continues its deliberate run without stopping or looking back until it reaches the safety of a tree. — The National Geographic.



AAussie lizard impression early in the week with a threat to issue an executive order to rip up the North American Free Trade Agreement (NAFTA). While pure bluster, and nothing we hadn't heard during his campaign, the renewed threat put the fear of God into the multitudes of the Canadians who depend on the free export of commodities to the United States, which of course includes those in Alberta's three biggest export industries: petroleum, agriculture, and manufacturing, which together account for around \$95B in exports to the US.

By the end of the week, however, following telephone conversations with Canadian Prime Minister **Justin Trudeau** and Mexican President **Enrique Peña Nieto**, Trump retracted his frill a little, though he didn't retreat up a tree.

"I respect their countries very much," he said. "The relationship is very special. And I said, I will hold on the termination; let's see if we can make it a fair deal." Then a little later: "If I'm unable to make a fair deal for the United States, meaning a fair deal for our workers and our companies, I will terminate NAFTA."

Easier said than done of course. The renegotiation of NAFTA, which Trump administration has been describing as "imminent" for a couple of months, has yet to be initiated. Congress needs to approve a motion that gives 90 days notice to negotiators to get to the table. It also has to appoint a chief trade negotiator—a.k.a. a

Continued on next page...

POLITICAL PULSE

CPC LEADERSHIP

KEVIN'S BRIEF ENCOUNTER ENDS IN A PITCH FOR MAX

We'd almost forgotten about the Conservative Party of Canada's leadership race until, on Wednesday, the Dragon/Shark created a flurry of excitement among the national punditry by announcing he was taking his ball and going home.

"Today the election just got real," quipped Ontario MP **Erin O'Toole** (Durham), one of the 13 remaining candidates, during the Toronto debate that same evening. "Elvis has left the building."

It was just over three months ago that the Boston-based Canadian entrepreneur **Kevin O'Leary**, 62, having teased for a year, finally announced his candidacy. This was good news for the CPC race, whose slate of relative unknowns, had hitherto failed to galvanize the Canadian public.

O'Leary, whose immodesty and braying self-aggrandizement brought comparisons to **Donald Trump**, was a celebrity on both sides of the 49th, thanks to his past membership on the panel of Canadian reality TV show *Dragon's Den*, and his current affiliation with the American version of the international franchise, *Shark Tank*. (The show originated in Japan in 2001 as "The Tigers of Money" and similarly named versions, most of them variations on dragons, sharks, or lions, now play in 30 countries.)

His entry into the CPC race brought buzz and a bump in membership sales—137K new ones, according to O'Leary, more than doubling the total. He claims most were sold to Millennials, attracted by his celebrity showmanship on campuses, his "massive social media platform," his socially liberal positions (pro-choice, LGBT)-friendly, and his promise to put Canada's fiscal house in order, create jobs, and reduce the debt, which the younger generations have to repay.

Most of the other candidates, along with the Conservative establishment, viewed O'Leary as a carpetbagger and joker, who lacked that all-important prime ministerial attribute: the ability to speak French. (He was taking lessons.)

Nonetheless, according to a Mainstreet poll conducted last week, O'Leary had become the front-runner, with 26% support, ahead of second-place MP **Andrew Scheer**, 37 (Regina-Qu'Appelle), the former Speaker of the House with 17%, and third-place MP **Maxime Bernier**, 54, (Beauce), former Minister of Foreign Affairs, with 14%.

At his farewell Toronto press conference at the the Royal York Hotel on Wednesday afternoon, O'Leary threw his support behind Bernier (who stood beside him at the podium, but rarely got a word in edgewise) and said he'd be urging his supporters to back the Libertarian Québec MP whose tax-cutting, small-gov't positions O'Leary shares.

But the question many of the sceptical reporters at the rather raucous presser kept asking Leary was "Why did you quit?"

O'Leary's official explanation was that although his own campaign's polling figures showed he would win the leadership, his figures in Québec

Turn to Political Pulse on pg. 5...

“trade czar.” And Congress, despite (or perhaps because of) its Republican majorities in both houses, is dragging it’s heels.

Speculation on Trump’s actions has become a cottage industry that keeps the chattering classes on CNN and elsewhere occupied for hours, but a fairly common theory was that the president’s sudden return to tough talk on NAFTA was related to his upcoming 100 days in office, and part of a message of assurance to his base that, although he had not accomplished some of the things he had promised to do immediately (scrapping Obamacare, breaking ground on the border wall), he had not abandoned them.

At a campaign style rally in Harrisburg on Saturday, the actual 100th day, Trump told the friendly crowd, “We will renegotiate NAFTA... We have been on the wrong side of the NAFTA deal with Canada and with Mexico for many, many years, many decades, we can’t allow it to happen.” Again he said the U.S. would leave NAFTA “if we don’t get a good deal and a fair deal for our country.”

Whatever the future of NAFTA might be—and we’d describe it as nebulous—the Americans inflicted some real and immediate damage on Canada Tuesday when they slapped a 20% to 24% tariff on softwood lumber.

Trump made this sound like part of his plan to fire some shots across the bow of a pirate neighbour as a precursor to the NAFTA negotiations. “People don’t realize,” he said at an agricultural round table, “Canada’s been very rough on the United States. They’ve outsmarted our politicians for many years, so we did institute a big tariff.”

His Commerce Secretary, **Wilbur Ross**, 79, the billionaire investment banker who helped Trump avert the bankruptcies of his Atlantic City casinos in the 1980s, backed up the President’s characterization of Canada.

Canada, he said, is “generally a good neighbour, but that doesn’t mean they don’t have to play by the rules. Things like this I don’t regard as being a good neighbour, dumping lumber.”

The softwood lumber tariff had been coming for a while and was not a Trump initiative. **Hilary Clinton** would have done it. **Barrack Obama** would have done it, had he still been around. In fact **Justin Trudeau**, during Obama’s “bromance” visit to Ottawa last fall had spent time trying to persuade the President to reinstate the softwood lumber agreement between the US and Canada that had expired in October of 2016. But to no avail. The lumber lobby in the US, where the timber lots are privately owned and the owners band together, is strong. There was a one-year grace period following expiry, but because of the US election and the settling in of the new administration, the imposition of tariffs was delayed and Trump, who has been advised to include softwood lumber in the NAFTA negotiation, did the honors.

This of course is not the first time the two countries have been at, er, loggerheads over lumber. Since 1982, there had been four eruptions of this dispute, this latest one being the fifth.

Without getting too deeply into the legalities—many lawyers have made many dollars through the years—the root of the dispute lies in stumpage fees.

In America, where the timber stands are privately

owned, the free market determines the stumpage price paid by logging companies. In Canada, where most of the timber stands on Crown land, governments set the stumpage fees, and they are considerably lower than those in the US. The US lumber lobby has argued, sometimes successfully, sometimes not, that the lower gov’t stumpage fees in Canada constitute a subsidy.

The Canadians argued that because of additional costs incurred by timber companies in extracting the trees (the building of roads, compliance with environmental regulations such as reforestation), Canadian companies essentially pay the same.

In 2006, a NAFTA panel ruled in Canada’s favour, finding that the subsidy to Canadian lumber was “*de minimus*”—i.e. less than 1% and thus too low under US law for countervailing duty tariffs to be charged. In September of that year Canada and the US signed the Softwood Lumber Agreement, which, despite a few hiccups along the way, allowed for Canadian dimensional spruce, pine, and fir to be freely sold in the US for 10 years plus the one-year grace period.

Now the whole messy dispute begins anew, with the added wrinkle that the softwood lumber negotiations may be rolled into the NAFTA renegotiation. Meanwhile, the Canadian mills will be faced with the 20-24% tariff, which, says **Paul Whittaker**, CEO of the Alberta Forest Products Association, reduces or eliminates the profitability of export the US, meaning a glut on lumber is about to come onto the Canadian market.

‘CANADA’S BEEN VERY ROUGH ON THE UNITED STATES. THEY’VE OUTSMARTED OUR POLITICIANS FOR MANY YEARS.’

Alberta had been exporting roughly 40% of its dimensional lumber (i.e. 2x4s, 2x6s, and 2x10s), worth \$900M a year, to the US. Another 40% is sold domestically. And the rest is exported overseas, mostly to China. The Chinese market, however, tends to fluctuate. It has accounted for as much as 20% of Alberta’s output. Lately, however, it has dropped to around 10% because of China’s increased imports of Russian wood, already cheaper than Canadian wood because of lax environmental regulations in Russia, and even cheaper since the collapse of the ruble.

Whittaker finds it difficult to understand the American logic behind the tariffs. The United States can only produce enough lumber domestically to meet about 65% of its market (mostly construction), while Canada supplies 34%. And with the recent uptick in US housing starts, more will be required.

And with less Canadian wood coming in, the shortage will push up retail prices. A US National Homebuilders Association spokesman told CTV news that he expects it will add US\$3K to the price of building a new house.

And at Alberta’s sawmills, there will be layoffs.

The only bright spots: cheaper 2x4s at Home Depot and a likely reduction in the cost of building a new house. We’ll be curious to see if that reduction amounts to US\$3K.

Meanwhile, one has to wonder what’s next for the frilled lizard, protectionist President. During one of his recent freewheeling rants on unfair imports from the north he included on his list “energy.”

Just more frill-unfurling? Or should we be worried?

A FAMILY AFFAIR

AFL CONVENTION HIGHLIGHTS
THE LABOUR-NDP KINSHIP BOND

The predictable cockle-warming hugfest took place Thursday afternoon as the Alberta Federation of Labour opened its fraternal arms to welcome a dozen or so NDP MLAs, two of them cabinet ministers, to its Convention at Edmonton Northlands.

This first convention since the NDP was elected, carried the theme “This is Our Time.” AFL president **Gil McGowan** summed it up: “This is our time, our moment to seize progressive change.” In other words: *now that we have our Dippers in the Legislature, brothers and sisters, we will get our hearts’ desire.*

McGowan went on to introduce the MLAs belonging to “this amazing gov’t” and listed their pre-political union affiliations to which those conventioners so affiliated emitted lusty cheers and, at the end of the introductions, the thousand or so in the ballroom gave one of their many standing ovations.

Next came the screening of a video, produced by the AFL and celebrating the worker-friendly achievements of the NDP gov’t—more than half with roots in labour—during its two years in power: upping the minimum wage, passing the farm safety bill, eliminating “big money” from campaigns, appointing a gender-balanced cabinet, allowing public employees to strike, instigating reform of the WCB and the school curriculum, initiating pilot projects for \$25-a-day childcare and hot lunches in the schools, ending the privatization of laundry services in the hospitals, etc. Cheers greeted every item and when the video ended the entire room gave the video a standing ovation.

McGowan then introduced the guest speaker, Labour Minister **Christina Gray**, the one MLA present who had no past union affiliation—doubtless to avoid potential conflict accusations—and was a computer programmer for a private company.

“She was a code basher, but now she is code fixer,” said McGowan, groaning at his own pun, which referenced the minister’s current tasks: the reform of both the Labour Relations Code (which affects unions) and the Employment Standards Code (which affects all workers).

Gray had spent the previous two weeks in the Legislature fending off attacks from the opposition about the short consultation period on these reforms (five weeks) and deflecting questions about the specifics. (*Insight* Apr. 21.) All we could intimate from her answers, was that reforms to the Employment Standards Code would enable non-unionized workers to take maternity leave sooner than a year after being hired, that employers would be required to allow a certain number of sick days (probably ten a year), and that there would be provisions for compassionate care leave to tend to a sick relative.

During her speech to the AFL—most of which repeated the boasts made by the video with a few obligatory digs at the opposition thrown in—Gray listed the 11 unions to which NDP caucus members once belonged, calling on the members belonging to those unions to stand and receive yet more applause.

By the time she’d finished—and yes, she got another ovation—we were none the wiser about the details of the labour and employment code reforms, although she thanked the comrades

Continued on next page...

DATA Bank ...

BIG LABOUR’S WISHLIST

Although Labour Minister **Christina Gray** has studiously avoided any elucidation of the reforms planned for the Employment Standards Code and the Labour Relations Code, the Alberta Federation of Labour, whose union members comprise the biggest chunk of the NDP’s political base, released a list of recommendations on Thursday of the changes it would like to see, under the heading: “Unstacking the Deck.” One assumes the gov’t’s reform legislation will look very similar. Here are some of the AFL’s major recommendations:

EMPLOYMENT STANDARDS CODE

- Spot checks for violations (the current system is complaint-driven) and allowance for third-party complaints by relatives, coworkers, or unions
- The issuance of tickets and administrative fines by the Labour ministry for violations (currently the ministry’s only recourse is to take an employer to small claims court).
- Fewer exemptions from the code. Currently, for example, disabled workers are exempt from minimum wage requirements and domestics (nannies, house cleaners) are excluded from all protections by the code.
- Introduction of a standard 40-hour work week after which overtime pay is required (it’s currently 44 hours).
- Entitlement to three weeks annual vacation after one year of employment; four weeks after five years. (There is currently no provision for more than two weeks).
- Remove the ability of employers to terminate employees without cause.
- Expansion of non-paid job-protected leaves to include such things as tending to a critically ill child, bereavement for the death of a close relative, and recovery from domestic violence. The allowance would be for five days a year accumulative for up to three years.
- Paid sick leave of a minimum five days a year for minor illness. (Currently no sick leave provisions are mandated)
- Elimination of provisions allowing children aged 12-15 to work in retail, office, and janitorial positions (exemptions allowed for babysitting and newspaper/flyer delivery).

LABOUR RELATIONS CODE

- Elimination of the current multi-stage process to certify a new union bargaining unit—including the secret ballot— which the AFL says allows the employer time to threaten and intimidate workers. Workers should only have to vote once by signing a card or a petition (a.k.a. “card check”) “away from the worksite and away from employer pressure tactics.”
- Allowing low-wage, service sector workers, as well as part-time and temporary workers the right to organize across franchise locations and regions.
- First-contract arbitration allowing the Labour Relations Board to impose a settlement when an employer thwarts the employees’ attempt to start a union by refusing to bargain.
- A ban on replacement workers during a strike and more options for arbitration to end prolonged strikes in the private sector where large corporations are able to “starve out” striking employees.
- Give the Labour Relations Board “more tools and more discretion to deal with phony, employer-dominated unions.” This is a direct swipe at the Christian Labour Association of Canada (CLAC), which dominates the construction industry and which the AFL views as a shill for employers.

present for their contributions during the consulting period and reiterated in general terms the coming stipulations for sick leave, etc.

In his address to the convention that morning, however, McGowan offered up clues.

“The Gov’t of Alberta is in the process of reviewing and updating our workplace laws,” said McGowan, 48, the former journalist and union flack, who’s served 12 years as AFL president. “As the first progressive government in Alberta since the 1920s, the NDP has an opportunity to unstack the deck and level the playing field by giving Albertans an Employment Standards Code with real teeth and a Labour Relations Code that allows people to exercise their

constitutional right to join unions and bargain collectively.

“The economy has changed. So should our workplace laws. That is why the Alberta Federation of Labour has launched the ‘Unstack the Deck’ campaign to encourage our provincial government to implement modern, progressive labour legislation in Alberta.”

Given the near-conjugal relationship between the AFL and the NDP, the Unstack the Deck campaign’s accompanying recommendations, which include the elimination of the secret ballot for union certification, offer what might reasonably be expected in the code reforms. We include a representative selection of some of these recommendations in the “Data Bank” section on the previous page.

en passant...

The Alberta Teachers’ Association reached a tentative contract agreement with the gov’t this week, becoming the first of the big public sector unions to complete the bargaining process in this bumper year of expired contracts. The ATA announced a memorandum of understanding on a two-year contract retroactive to August of 2016, which was when the previous contract expired. Therefore the new deal will only last until August of 2018, perhaps reflecting the hope that the gov’t will be more generous with the election less than a year away. The latest contract, which has still to be ratified by the 46,000 teachers and the 61 school boards, provides for no pay increases in either of the two years. It does, however, include the rather rare “me too” provision. This means that if any of several other named unions receive higher settlements, the ATA contract is modified to match. The other named unions are the United Nurses of Alberta, the Health Sciences Association of Alberta, and the Alberta Union of Provincial Employees, all of which are currently in negotiations with the gov’t. The ATA contract also includes a \$75M “classroom improvement fund,” which will be allocated to school boards on a per-student basis and spent on additional teachers or equipment that will be decided by a committee comprised of teachers and board representatives.

While not necessarily the sexiest of outfits, Alberta’s Office of the Auditor General is without a doubt an invaluable adjunct to a democracy. Administered independently from gov’t, this 148-person, \$27M-p.a. agency, led by the owlishly elegant Auditor General, **Merwan Saher**, audits the annual financials of all gov’t ministries, departments, and regulated funds (e.g. the Heritage fund). It also assists the senior bureaucrats and holds the hands of the sometimes perplexed politicians in the oversight of gov’t spending. But although vetting the books and gentling politicians takes up 70% of the AG’s time, the other 30% is spent on what the office calls “performance audits.” These are focused examinations of specific areas of operation in the great human machine of gov’t. One of the more memorable examples of a performance audit, was the 2014 examination of Premier **Alison Redford**’s office expenses—the indiscriminate use of gov’t planes, the secretive construction of her “sky palace”—and Saher’s coining of the phrase “aura of power” in relation to Redford’s intimidation of those who might have otherwise blown the whistle. Most performance audits, while useful in pointing out deficiencies and recommending areas of improvement in the catacombs of the bureaucracy, are not nearly so engaging. And so, with a view to increasing public awareness and engagement by better focussing its efforts on things that matter to Albertans, the AG assembled an external advisory panel made up of former

deputy ministers and former politicians including Klein-era treasurer **Jim Dinning** and former NDP leader **Ray Martin** to help identify “the strategic and operational risks faced by the Gov’t of Alberta.” And last week the office released a three-year plan which outlined, in the rather opaque language favoured by the auditing classes, performance audits the AG has planned between now and 2020. They include assessments of Forestry’s improvements to wildfire management systems, of the industry-funded Orphan Well Association’s ability to manage the reclamation of abandoned oil and gas facilities during this period of reduced revenue, and of the Finance ministry’s ability to effectively manage Alberta’s increasing debt load. The AG’s Office would also like to hear the general public’s opinion of these projects and suggestions of other areas that might take priority. The three-year plan can be found at http://www.oag.ab.ca/webfiles/reports/Performance%20Auditing_PoW_2018_2020.pdf and suggestions can be submitted by email to audits@oag.ab.ca

Next Friday, the second anniversary of the NDP victory, is the deadline set by the two negotiating teams appointed by the Wildrose and the Progressive Conservatives to come up with a framework for the creation of a merged party. Assuming the two teams can reach an amicable compromise between PC leader **Jason Kenney**’s plan to fold both parties, and Wildrose leader **Brian Jean**’s insistence on retaining the Wildrose (under a different name) as the vessel for the combined membership, the next steps will be ratification by the respective memberships, a founding convention, and a leadership contest by early next year. Other than Kenney, 48, and Jean, 54, the names of possible leadership contenders we are hearing include Wildrose MLA **Derek Fildebrandt**, 31, (Strathmore-Brooks), federal Conservative MP **Michelle Rempel**, 37 (Calgary-Nose Hill), former PC cabinet Minister **Diana McQueen**, 55 (Drayton Valley-Devon), and PC MLA **Dr. Richard Starke**, 56 (Lloydminster-Vermilion), the progressive who lost to Kenney in March’s PC Leadership race (*Insight Mar. 17*). A Mainstreet poll released Friday on preferences for the leader of a merged conservative party put Jean at 29%, Kenney at 24%, and “someone else” at 24%; 23% were not sure.

The Green Party of Alberta, the entity Alberta Liberals and the Alberta Party look at and say “Things could be worse,” is having a leadership race. **Janet Keeping**, the Calgary human rights lawyer who has led the party for five years and ran unsuccessfully in two elections, will pass the mantle when a replacement is chosen sometime in November. The deadline for applications is Sept. 10 and party president **Carl Svoboda**, in a statement, claims that several people have expressed an interest and “we anticipate a lively leadership race.” The Alberta Greens have existed in various iterations (The Alberta Green Party, the Evergreen Party of Alberta) since the mid-1980s, but have yet to elect a candidate.

People ...

Appointments...

The troubled Agriculture Financial Services Corporation (AFSC) has a new board. The previous one was fired and the top three executives suspended after an independent audit in early 2016 uncovered excessive expenses such as long-distance limousine rentals, unnecessary travel, and a \$5,108 dinner for four in Tokyo. (*Insight* June 24).

Jessica Wood, incoming chairwoman of the board, tasked with overseeing the 600-employee, \$365M-p.a. crown corporation that provides loans, disaster assistance, and insurance to the farm sector, says the first order of business will be finding a new—and cheaper—CEO.

Suspended CEO **Brad Klak** pulled down \$732K in 2015. The NDP gov't's recent review of agencies, boards, and commissions (ABCs), caps the salaries of most ABC chiefs at \$301K. The crown's CFO **Darryl Kay** is currently serving double duty as interim CEO.

The following are the newly appointed board members:

- **Jennifer Wood** (Edmonton), who will serve as AFSC board chairwoman, is a professional agrologist, a partner in a private equity holding company that focuses on the agribusiness sector and co-operates her family cattle ranch. Wood has 15 years of board experience in a variety of roles, across sectors.
- **Gerald (Gerry) Bouma** (Edmonton), a partner in an agri-food management consulting firm, with more than 35 years of experience in the business and marketing side of the agri-food sector and decades of varied board experience.
- **Gordon Cove** (Red Deer), the most recent president and chief executive officer of the Alberta Livestock and Meat Agency, with private sector agri-business experience in the areas of international marketing and business development.
- **Peter Galloway** (Fort Saskatchewan) is a professional agricultural coach and manages a fourth-generation family farm operation, producing, processing and marketing cereal grains, pulses, and oilseeds.
- **Jo-Ann Hall** (Stony Plain) has more than 30 years of experience with the Alberta Public Service, most recently

as an Assistant Deputy Minister with Alberta Agriculture and Rural Development.

- **Harvey Hagman** (Mayerthorpe) has served on a number of boards related to agriculture and rural development and is president of the Hagman Cattle Company.

- **Anna Harder** (Camrose) is a Chartered Professional Accountant with a focus on agriculture and agribusiness and has a background in agricultural work in grain and mixed farming.

- **Kiren Singh** (Canmore) is a financial executive with more than 25 years of risk management, insurance, credit and capital markets experience, holding senior roles in the energy industry. Singh is actively involved in the community supporting organic farming, sustainable land development and agri-tourism and is a director and chair of the Finance and Audit Committee of Travel Alberta.

Teaching Profession Act Appointments...

- **William J. Farr**, a former business instructor at Red Deer College, **Naeem Ladhani**, Outpatient Pharmacy Contracts Manager at Alberta Health Services, Calgary, and **Sheri Young**, secretary of the board of the National Energy Board, Calgary, as public members to the Professional Practice Review Committee, each for a three-year term.

- **William Stuart White**, an architecture professor at SAIT, as a public member to the Professional Practice Complainant Appeal Committee for a three-year term.

- **Robin D. Everall**, Dean of Students at UofA, as a public member to the Professional Practice Appeal Committee for a three-year term.

- **Abisola Adesanya**, a Calgary employment lawyer, **Ismat Bandali**, a Calgary social worker, and **Barrie Chivers**, an Edmonton labour lawyer and former NDP MLA for Edmonton-Strathcona (1990-93) as public members of the Professional Conduct Committee, each for a three-year term.

- **Jillian Williamson**, a Calgary malpractice lawyer, as a public member of the Complainant Appeal Committee for a three-year term.

- **Vance Coulas**, an employment relations officer with the Professional Institute for the Public Service of Canada, Edmonton, as a public member of the Professional Conduct Appeal Committee for a three-year term.

POLITICAL PULSE ... from Page 1

were disappointing, stuck at around 12%. Calling that province "the Florida of Canada," because its voters often decide the next gov't, O'Leary said his poor polling there suggested he could not win a general election.

"I was there on weekends; I was there on weekdays. And I was working as hard as I could, but I couldn't move the needle... It's for the sake of the party that I do this and the country. Because I can't deliver Quebec. I can't win. That's my opinion. I wish it was different."

"But what was the *real* reason you quit?" asked a persistent reporter. For the suspicion was that, despite his lead in the polls, he realized he would not even win the leadership. This is because of the Byzantine proportional ranking system on the ballots (mailed out Thursday) where polarizing candidates like O'Leary, are likely to have as many members list him last as first.

Not to delve too deeply into this swampy system, but unless a candidate is placed at the top of the lists of the majority of voting members—a highly unlikely prospect with 13 candidates running—being the most popular candidate with

26% support is no assurance of a win.

At the May 27 leadership convention in Toronto the ballots will be counted and the candidate having the fewest first place votes will be eliminated and his/her votes awarded to the candidate their supporter ranked second—and so on until one candidate has more than 50% of the total.

This system tends to give second-choice candidates an edge and O'Leary probably wasn't many people's second choice.

Bernier, on the other hand, has a better chance of being first and second on more ballots, especially now that O'Leary has urged his supporters to back Max.

The tall, charismatic lawyer is sometimes called "the Albetan from Québec," because of his Libertarian fiscal views, his opposition to gov't handouts to corporations like Bombardier, and his criticism of the supply management system enjoyed by dairy farmers.

When Max visited Edmonton at the beginning of April, eight Wildrose MLAs, including Finance Critic **Derek Fildebrandt**, threw their support behind him, as did PC MLA **Mike Ellis**.

Like O'Leary, however, **Bernier's** biggest problem is language: his English is lousy. But it's not as bad as O'Leary's French, and we understand Max is taking lessons.

Talk in the Corridors

Nenshi-mania waning...

● The latest Mainstreet Research poll shows Calgary Mayor **Naheed Nenshi's** approval rating has dropped to 52% from 65% in January. While his net approval rating (approval percentage minus disapproval percentage) remains a positive 6, a continued downward trend into the negatives could encourage a serious conservative contender to threaten the centre-left Nenshi's chances for a third term as Canada's highest paid mayor (\$218K p.a.).

With the municipal elections less than six months away, there are no serious contenders, although five candidates have filed papers. The only one of those not likely to be totally embarrassed on Oct. 16 is Coun. **Andre Chabot**, the 12-year Ward 10 veteran (salary: \$116K) and fiscal hawk whose main platform plank will be tax cuts (high taxes being the biggest reason for Nenshi's declining popularity.) Chabot is well-known and popular in his northeastern ward, but not elsewhere.

Local investment banker and former *Dragon's Den* panelist **Brett Wilson**, and interim former police chief (and defeated 2015 PC candidate) **Rick Hanson** are rumored to be testing the waters. Personally, we'd like to see interim federal Conservative leader **Rona Ambrose**, who represents the Edmonton-area riding of Sturgeon River-Parkland but now resides in Calgary with her stockbroker hubby, take a crack at it. She's shone as fill-in leader, attacking **Justin Trudeau** with aplomb. Calgary's pudgy purple princeling shouldn't prove too daunting, though an incumbent like Nenshi, 45, with proven campaigning skills and an adeptness with social media, is not to be underestimated.

Meanwhile up in the 'chuk...

● Trending in the other direction from Nenshi is Edmonton's centre-left Mayor **Don Iveson**, 37 (salary: \$169K) who presides over a city that, thanks to a surfeit of NDP-protected public employees, has not been as severely hurt by the petro-recession as Calgary.

On his watch the city has seen magnificent new edifices like the Rogers' Place arena and the Royal Alberta Museum rise, and construction has begun on skyscrapers that will be taller than anything in cowtown. Did we mention the lower business taxes? And how about them Oilers?

Mainstreet polling has shown a steady growth in Iveson's approval rating from 52% last October to 66% in recent weeks. And although one councillor, Ward 5's **Michael Oshry**, an accountant who's more fiscal owl than hawk, has mused about running but has yet to declare. As is the case in Calgary, it would take more than a little known alderman to unseat le grand fromage.

BC's pipeline nemesis retains his lead, but...

● As in the radio debate the week before (*Insight*, Apr. 21), this Wednesday's televised BC Leadership debate produced no knock-out blow or obvious winner. But this time around we heard a lot more from Green Party Leader **Andrew Weaver**, who came out of his shell to attack both BC Liberal Premier **Christy Clark** and, more often, NDP Leader **John Horgan**—who briefly reiterated his opposition to the Kinder Morgan pipeline expansion during this debate—albeit in more measured and professorial tones than Horgan, whose penchant for angry cross-talk is starting to wear. (At one point moderator **Jennifer Burke** asked him “Do you have an anger management issue?” “I’m an Irish descendant, I’m passionate,” he explained.)

Clark, whose campaign-strength political grin rarely quavered, showed some deference to Weaver, 56, a climate scientist and former University of Victoria professor, by making a point of calling him “Dr. Weaver.” This was an intimation of the Liberals' hope that the Greens might upset the NDP in the latter's Vancouver Island stronghold. For although a Main-

street poll done just before the debate showed the NDP with a ten-point province-wide lead over the Liberals (44% to 34%), the Greens were up to 22%. And on Vancouver Island, where the NDP holds 9 of the 11 seats, the Greens 37% was a point ahead of the Dippers.

However, the poll showed the NDP with a healthy lead in the all important Greater Vancouver, which, with the addition of the two new seats, has 17 of BC's 87 ridings (the same total as Alberta, which has half a million fewer people).

Going into the final ten days leading up to the May 9 election, one can expect to see Clark ramp up her formidable campaign skills, spreading her sunny personality far and wide, while attacking Horgan not only on his vaguely costed promises to spend billions on social programs, but on his “anger management issues”—the calm, cool hand versus the hot-headed spendthrift.

Failing a major Liberal scandal, we're beginning to think that Clark, who increased her party's seat count in the 2013 election despite being 20% behind in the opinion polls, might just be able to pull it off again.

The week ahead ...

May 1—The spring session of the Leg. resumes at 1:30 pm following the last of two breaks. Expect more bickering over the budget bill and Bill 7, which will give university professors and other faculty the right to strike. Live-streaming at <http://assemblyonline.assembly.ab.ca/Harmony/>

May 1—Two days before the anniversary of the fire, Municipal Affairs Minister **Shaye Anderson** and his beard will journey to the Wood Buffalo Municipal District city hall in Fort McMurray to announce educational property tax breaks for those whose homes have yet to be rebuilt or rendered habitable. Outgoing mayor **Melissa Blake** will join Anderson for the announcement, scheduled for 1 pm.

May 3—The one-year anniversary of the Fort McMurray fire will be marked by a low-key event in the city's Snye Park with no speeches or presentations, just family and community stuff. Beginning with a pancake breakfast, there will be arts, and recreational and spiritual activities throughout the day, culminating with a barbecue and acoustic performances by local musicians.

May 5—The deadline set by the two-party committee to come up with a framework for merging the Wildrose & the Progressive Conservatives (see p. 4).

May 5—The Alberta NDP celebrates the second anniversary of its “Cinco de Mayo” electoral victory with events in various constituencies including: a fiesta, dinner, and tequila tasting in Sherwood Park with MLA **Annie McKittrick** & Education Minister **Dave Eggen**, 7 pm at the Spark Centre (tickets \$75); a dinner with Athabasca-Sturgeon-Redwater MLA **Colin Piquette** and Advanced Education Minister **Marlin Schmidt**, 7 pm at the Athabasca United Church (\$25); the “Better Alberta Birthday #2” bash with assorted Calgary MLAs, 6 pm at the Royal Canadian Legion #1 (\$25). For more information & tickets: <http://www.albertandp.ca/events?page=2>

May 6—Alberta Liberal Leadership candidates **Kerry Cundal** and **David Khan** conduct their second and final debate in Edmonton prior to the electronic voting period that begins May 27 and ends with the announcement of a winner on June 4. The debate will be held in lecture hall L1 490 at the Edmonton Clinic Health Academy 11405 87 Ave NW, 2-4 pm.

May 7—The Edmonton NDP Women's Caucus holds its annual **Olga Blondheim** Lunch (named for the late party worthy who created the caucus in the 1980s), a fundraiser for female NDP candidates, with Strathcona-Sherwood Park MLA (& “ML-Gay”) **Estefania Cortes-Vargas**, 26, the youngest caucus whip in Alberta's history, delivering the speech. 11 am at the NAIT Catering facility, 11762 106 St. Tickets \$30 at <http://www.albertandp.ca/olgablondehlunch2017>