

Ric Dolphin's

Insight

into Government

Alberta's independent newsletter on government & politics

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OIL TANKS

PETROGEDDON IS BACK AGAIN SO NOW WHAT ARE WE TO DO?

The Arabs have left the spigots open. Bad news for Russia, Texas, North Dakota & Alberta. Brace for cuts to everything and expect higher taxes & more gov't debt. Is diversification the vaccine for these bouts of petro flu? Yes, if it ever happened.

PART ONE

Alberta has recognized the need to broaden the province's economic base for six decades, and yet success remains elusive. Alberta is not alone in this: very few natural-resource-based economies have been able to diversify. But the Council believes doing so is urgent, critical and possible. - Report of the Premier's Council for Economic Strategy, 2011.

And so here we go again... Speaking at a \$125-per-plate Edmonton Economic Development Corporation (EEDC) lunch on Tuesday, Premier **Jim Prentice** dutifully catalogued his by-now familiar petrogeddon alarums —“the most serious economic situation to face the province in 25 years - maybe 50 years.”— then edged onto the “diversification” bandwagon that premiers from **Ernest Manning** through **Ed Stelmach** have climbed upon every time capricious energy royalties gave us a fright.

“It's fair to say everyone in this province has had enough of the roller coasters. It's time to deal with this. It's time to put in place a long-term plan,” said Prentice. The province needs revenues “that are less volatile, that provide greater certainty.” Will Prentice be the premier who saves us from the roller coaster?

Since we published our last issue on Dec. 19, the price of West Texas Intermediate dropped from \$70 to less than \$45 (it peaked at \$109 last summer). The Conference Board of Canada this week predicted a recession for Alberta—i.e. negative GDP growth. And Prentice has been underlining the seriousness of the case every time he's before a microphone.

A special budget cabinet committee, chaired by him is working

Continued on next page...

POLITICAL PULSE

WHAT WOULD LINCOLN DO?

JIM PRENTICE WELCOMES A ROSY TEAM OF RIVALS

The Premier's Christmas gift to each of his 71 fellow caucus members was the weighty political biography, *Team of Rivals: the Political Genius of Abraham Lincoln*. The gift probably had as much instructional intent as a semi-kindly desire to bestow a favourite tome on one's charges.

The book, one of around 15,000 titles on Lincoln, was written by the Brooklyn-bred Pulitzer Prize-winning author and former LBJ White House aide **Doris Kearns Goodwin**. It chronicles the rise of Honest Abe from prairie lawyer (*ring any bells?*), describes his skilful but always kind and considerate campaign for the Republican presidential nomination (*another tinkle or two, though that could just be Alison getting her black wings*), to his prosecution of the Civil War with its costly Union victory, the freeing of the slaves and his assassination in 1865. (*No bells yet.*)

As the title of Goodwin's doorstopper suggests, Lincoln accomplished all this through a skillful political puppetry whereby he appointed to his cabinet the defeated rivals from the hotly contested nomination race, some of them Democrats sympathetic to slavers, and all of them better known, better educated, and more experienced than the obscure senator from Illinois. But Lincoln, who possessed a superior understanding of human nature, flattered, cajoled and sometimes played his ministers against one another to achieve his main goals: a reconstructed union with black emancipation.

Some of Lincoln's erstwhile rivals, such as Secretary of State **Henry Seward** the New York senator who came second to Lincoln in the nomination, became steadfast allies. Others, like Treasury Secretary **Salmon Chase** of Ohio, a staunch Christian and a zealous abolitionist, continued to covet the presidency and felt Lincoln to be weak, irresolute, and too ready to compromise with the slave states. But Chase, initiator of the greenback dollar bill and the man for whom the Chase Manhattan Bank was named, proved a devilishly good treasurer, raising tens of millions of dollars in bonds for the war effort without which the war might have been lost.

Writes Goodwin: “That Lincoln, after winning the presidency, made the unprecedented decision to incorporate his eminent rivals into his political family, the cabinet, was evidence of a profound self confidence and a first indication of what would prove to others a most unexpected greatness.”

And so, you might ask, what does all this have to do with the price of oil? Well let's take it back a month or so to when Prentice and his chief of staff **Mike Percy** were having their final talks with their then rivals in the Wildrose Party concerning a merger.

Turn to Political Pulse on pg. 5

in eight-hour stretches to come up with budget estimates that, in past years, had been passed on to each of the ministries by early January.

The situation—but not the cause—is almost identical to that faced by Stelmach in 2008 when the world-wide financial collapse sent oil from \$145 in June to \$31 in December sending sphincters snapping shut through gov't offices.

The province's GDP declined by 4.1% in 2009 and

“THEY DON'T CALL IT THE ‘DISMAL SCIENCE’ FOR NOTHING,” SAYS PRENTICE ABOUT ECONOMIC FORECASTS FOR OIL

although it grew by between 4% and 5% during the next five years, the gov't, determined to continue its capital project program in light of a still increasing population, ran deficits in each of those years.

Unlike Stelmach, however, Prentice does not have as big a contingency fund at his disposal. Ed's fat kitty had been engaged to \$17B thanks to high natural gas revenues during the late 1990s and the early zeroes. Unfortunately the Bakken shale fields came alive in mid-decade and created a NG glut on the North American market, cutting the gas price by two-thirds in 2007-8.

Ed's fat kitty offset the \$5B to \$7B-a-year shortfalls in revenue that Prentice, with a contingency fund of only \$5B, says we can now expect for the next three fiscal years. (Based on oil prices settling at \$62, which is the figure that the economists he listens to came up with this week.)

This time around it isn't a global economic slowdown, but our old friends the Arabs—the Saudis and the Emirates, rulers of the 14-member OPEC roost—who are once more controlling the supply of oil.

In the 1970s OPEC precipitated the oil crisis by holding back supplies, creating shortages and high fuel prices which enriched oil-producing regions like Alberta and Texas, but sent the rest of the world into recession. In the 1980s, they flooded the market, sent prices plummeting, and put Alberta into a tailspin that lasted into the mid-1990s.

Currently King **Abdullah Saud**, 90, has been taken grievously ill. The crown prince and others around the court seem reluctant to curtail their production in a world where fracking technology—especially in the United States—has created a glut of oil that is pushing Alberta towards another of its periodic recessions.

Wreathed in the sort of mystery that once attended the Soviet Union, the Saudis' motivation for keeping oil cheap can only be speculated upon. Is it a means of further blighting the economy of Shiite Iran, the Sunni

Saudis' OPEC colleague but religious nemesis?

Is it a move secretly directed by the United States, a Saudi ally, to rob **Vladimir Putin's** Russia of its resource revenue and prevent further Ukrainian-type adventures in eastern Europe and to punish him for his aid to the Syrian rebels, notably ISIS? (At the same time stimulating the majority of the recovering US economy that benefits from low fuel costs.)

Or is it part of an economic gambit by Saudi Arabia to quell the development of costly shale production in the United States (and costly oilsands production in Alberta), so that Arab exports to North America are not severely curtailed. After all, the Chinese economy, which the Middle Eastern oil producers thought would compensate for the loss of American demand, has entered a period of (relative) sluggishness, and what demand there is for imported oil can be satisfied by the closer-to-hand Russians.

How long the Arabs can hold out without acquiescing to the demands of less-flush OPEC stablemates like Venezuela who need higher priced oil to prevent economic crisis, is an open question.

The Saudis and the Emirates have cash reserves of around \$1 trillion, which could keep them in Rolls Royces and yachts for a year or two longer.

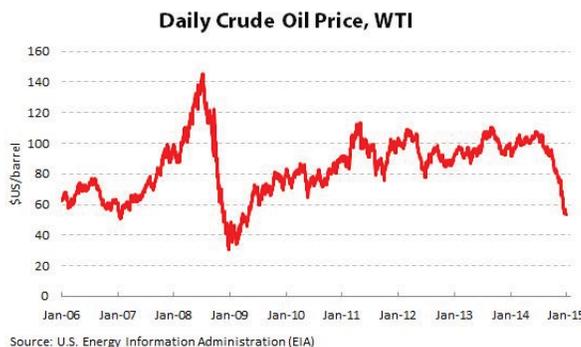
Further questions arise, however. Do the Saudis really want to deplete their reserves? And will the new Crown Prince share the same attitude as his ailing king? And what about the law of supply and demand? With gas prices almost half of what they were in the fall (68¢ a litre in Alberta at this writing) and other fuels similarly reduced, won't this stimulate everything from industrial production to shipping costs to recreational air travel? How long before increased demand eliminates the glut and prices climb?

As George Bernard Shaw said, you could lay all the economists of the world end to end and they still wouldn't reach a conclusion.

Since the fall, various analysts have been making various predictions on where and when the price of oil will bottom out, only to be overtaken by dismal reality a few days later.

“They don't call it the ‘dismal science’ for nothing,” J.P. quipped when asked about the variance in prognostications by EEDC president **Brad Ferguson** on Tuesday.

The premier seems oddly at ease these days, calm and relaxed while delivering increasingly dire predictions for an Alberta economy that, somewhat paradox-



cially, he insists will remain strong and resilient. He rejects Conference Board of Canada chief economist **Glen Hodgson's** prediction of a recession, choosing instead to go with the bank economists who predict a "slippage" in the GNP from last year's 4% to around 2%.

How can the worst crisis in one, maybe two generations not result in recession? After all, Ed's relatively brief brush with petrogeddon produced a recession in 2009, even with his \$17B kitty to backstop things.

Prentice has less trouble setting out the hard times ahead for gov't budgets. The accelerated decline in oil prices will, he says, create a deficit of \$500M in the current fiscal year—down from the \$1.5B surplus that was predicted in mid-December—and revenue "holes" of \$6.25B, \$5.5B and \$5B in the ensuing three years.

He and his specially created cabinet budget committee are working long hours to figure out ways to best employ the "three levers" available to mitigate what Prentice blithely calls the "most serious economic situation to face the province in 25 years - maybe 50 years." Although avoiding any specific examples of what form the three levers—taxes, service cuts, and debt—might take, Prentice has dropped some broad hints.

He cited the 100%+ increase in health-care costs over a past decade in which the population has only increased 25% and inflation risen by just 20%. He mentioned the labour intensive ministries like education (70% labour costs). And he mentioned, pointedly that Alberta has the lowest taxes and gov't workers who receive 12% higher wages than the rest of Canada.

Somewhat optimistically, perhaps, he spoke of gov't employees—be they nurses, teachers or legislature clerical staff—as being "partners" in helping to cut costs. Discussions have already begun with gov't unions who, so far, are not sounding very much like fellow partners in diversity.

AUPE President **Guy Smith** told the Edmonton Journal that there was "absolutely no way" his union would accept any rollbacks. The nurses' and teachers' unions sounded equally recalcitrant.

All means of raising revenue, says Prentice, are "open for discussion." These include a possible return to health-care premiums (eliminated by Stelmach a year before oil revenues tanked), a possible 1% to 2% increase to the province's 10% flat income tax, and something that the media were all abuzz about this week: a provincial sales tax. Even former finance minister **Ted Morton** in an op-ed piece this week called for one. But Although Prentice said he would be "talking to Albertans" about the possibility, he personally doesn't like the idea.

As for fixing the revenue rollercoaster once and for all, Prentice may have some ideas on the topic which we will ask him about next week in an interview in preparation for part two of this series.

Meanwhile might we once more suggest a floating 20¢-per-litre tax on gasoline. But for God's sake don't call it a "carbon tax."

DATA bank ...

HERITAGE FUND: Q2 REPORT

The Alberta Heritage Savings Trust Fund committee was presented with a 2nd quarter update last month which revealed returns cumulatively similar to those at the same time last year, albeit with a marked reduction from global equities (40% of holdings) and a surprising increase from fixed income investments such as bonds, short-term deposits, etc. (19% of holdings).

Canadian equities, which are energy dependant, took a big jump because of the high price of oil between April 1 and Sept. 30, but will dive with oil prices in Q3 & Q4.

Luckily they represent only 8% of the holdings. Since low oil prices are good news for most other areas of the economy, global equities are expected to rebound in Q3 & Q4, meaning the AHSTF could well perform as well as it did last year under the ultimate control of retiring AIMCo CEO **Leo de Bever**, 65, who leaves under a golden cloud.

The Beev's replacement, **Kevin Uebelen**, a 30-year veteran of investment management, most recently president of the institutional asset management division of Fidelity Investments in Boston, will have his chance to shine in the next fiscal year starting April 1. Perhaps that will be the time to buy energy stocks at bargain basement prices.

Q2 HIGHLIGHTS	2014-15 (6 mos.)	2013-14 (6 mos.)	2013-14 (year)
Rate of return	4.7%	4.0%	16%
Net assets fair value	\$17.4B	\$16.7B	\$17.5B
Gross Income	\$1.005B	\$948M	\$1.92B
Investment Expenses	\$74M	\$88M	\$163M
Income retained for investment purposes	\$180M	\$134M	\$193M
Payable to gov't general revenue fund	\$751M	\$726M	\$1.9B
INVESTMENTS HELD (% OF TOTAL)	RETURN (LOSS)		
Fixed income & money market (18.5%; 20%)	4%	(0.6%)	3.2%
Real estate (18.9%; 17.6%)	3.5%	4.0%	11.8%
Infrastructure/private debt (6%; 7.6%)	2.5%	(0.1%)	3.1%
Timberland (2.1%; 1.9%)	(2.1%)	5.8%	25.6%
Canadian equities (8.1%; 7.9%)	6.9%	3.3%	18.8%
Global equities (39.5%; 38.3%)	5.3%	8.4%	28.3%
Private equities (6.9%; 7.1%)	8.8%	(0.9%)	9.6%
PER-CAPITA VALUE OF THE FUND IN 2014 DOLLARS			
1983: \$10,800 • 2014: \$4,291			

FEDERAL FUBAR

OVER-BUDGET, 3 YEARS LATE, & TAINTED BY THE SKY-PALACE, THE FED BLDG. IS FINALLY READY

The renovation, refitting and expansion of the venerable Federal Building on 107 St in Edmonton, just north of the Legislature grounds, has not been an easy process. But this month crews are finally preparing the offices for the first of the 600-odd gov't people who will be moving into the 355,000-sq. ft. (31,122 sq. m) granite and limestone edifice beginning on Ground Hog Day.

Eventually the 10-story, two-winged, art deco building will house bureaucrats and MLAs currently working in the dilapidated Terrace Building, the leaky glass turquoise tower known as the Annex, the Haultain building on 109 St., and the leased Oxbridge Tower across the road from the Federal Building.

This consolidation of staff in one location will—as per the “results based budgeting” process initiated several years ago—reduce the per capita “footprint” per gov't employee from around 300 sq. ft. (28 Sq. m) to 190 sq. ft. (18 sq. m).

As the name suggests, the building housed federal civil servants when it opened in 1958. When the feds vacated in 1983, the province bought it and used it as offices. But when the affects of asbestos became known, the province vacated the building in 1989 and it has remained empty to this day.

Clark Builders, the general contractor, began renovation work in early 2009, and were supposed to have it completed by late 2011, with deadlines getting pushed back to late 2011, then late 2012, then early 2013, and finally to late 2014—the final target being off by just a couple of months.

Meanwhile the costs fluctuated. Originally budgeted at \$356M in those heady days just before the last oil crash, the estimate was reduced to \$275 when the ensuing economic downturn reduced construction costs. And it may have stayed at that price if the original 2011 deadline had been met.

But it wasn't, and as the economy rose with the oil prices, the sticker price rose to \$350M in mid 2013. Now Infrastructure tells us the cost will be \$475—and that is even after the recent cancellation of couple of accoutrements that would have actually benefited the public at large: a public skating rink with change rooms and Zamboni, and a rock and water feature that would have linked the north Legislature grounds with plaza outside the Federal Building. The saving: about \$7.5 million.

Infrastructure flack **Dave Prisco** assured us that there is still room for a skating rink when the province's economic situation improves (all gov't ministries are being told to reduce their 2015-16 budgets by about 2% over last year,) And the garage is there to house the Zamboni when we might be able to afford one.

Also, despite reports to the contrary, the plaza on the west side of the building looked towards the Leg. will keep

its splash fountains and shooting water jets for the kiddies.

As for **Alison Redford's** so-called “sky palace” - to our mind a relatively modest and reasonable 800-sq-ft, two-bedroom suite allotted within the 2,700-sq-ft penthouse structure—the space will be incorporated with the rest of the 11th floor structure, which will be used for hosting and meetings.

In the rest of the building, most of the floors will contain offices, with the Legislative Administration taking up the first four floors. The three committee rooms currently in the Annex will grow to four in the Federal Building. The will be a visitor's centre with hosting facilities on the second floor, a new gym in the basement (replacing the on currently at the Leg) and connections to the pedway system that leads to the other buildings.

Infrastructure blames all the delays and cost overruns on unforeseen structural problems requiring retrofits to replace, for example, load bearing pillars that blocked sight-lines, as well as a more involved than expected asbestos removal program.

One might have thought that Clark Builders and Infrastructure would have figured these things out ahead of time, and one might also have expected there to be penalties for missed deadlines. Perhaps one is naive.

Verbatim ...

A MESSAGE FROM JUSTICE MINISTER & GOV'T HOUSE LEADER JONATHAN DENIS

As indicated in the 2015 Sessional Calendar now available on the Legislative Assembly website, the spring legislative session will reconvene on Tuesday, March 10 for the continuation of the 3rd Session of the 28th Legislature. During the fall session, our gov't passed 10 pieces of legislation that demonstrated the steps we've taken to address Premier Jim Prentice's five priorities while ensuring Alberta's consumers are protected, and provincial legislation is harmonized, streamlined and current. Premier Prentice made good on his commitments to Albertans with the Respecting Property Rights Act, which hit the reset button and launched a new era of consultation on property rights in our province, and the Alberta Accountability Act, which saw important measures put in place to enforce the highest ethical standards for those privileged to serve Albertans.

As we move ahead with our gov't's agenda, the spring session will focus on stabilizing Alberta's finances by way of a long term plan to offset the volatility of provincial revenue streams. While this means tough choices will need to be made in the coming months, Premier Prentice has been clear that critical services will not be undercut, and we will not balance our books on the backs of vulnerable Albertans. Our government will present a spring legislative agenda that reflects prudent and thoughtful leadership and ensures our government is operating as efficiently and effectively as possible. While the date is not yet finalized, Budget 2015 is expected to be tabled by Finance Minister Robin Campbell by the end of March.

People ...

Appointments...

- **Rodney Skura**, formerly an ADM in Infrastructure and a financial policy adviser in various departments since coming to the gov't from the Canadian Forces (where he was an accountant) in 2005, as Deputy Minister of Service Alberta, effective Jan. 19.
- **Carolyn Campbell**, former associate dean of the U of A School of Business and an Edmonton visual artist, as Deputy Minister of Culture & Tourism effective Jan. 12.
- **Mac H. Van Wielingen**, chairman and founder of Calgary's energy-related ARC Financial Corp., as chairman of the board of directors of the Alberta Investment Management Corporation (AIMCo). He replaces **Charles Baillie**, who chaired the board for seven years. **John Ferguson**, founder and chairman of Edmonton's Princeton Developments assumes the position of vice-chairman.
- **Shannon Marchand**, lately the acting deputy minister of Tourism, and previously an ADM in Culture and an executive director of immigration policy in Employment, as Deputy Chief, Policy Coordination in the Premier's Office, effective Jan. 26.
- **Christine Couture**, formerly ADM of strategic services at the Alberta Energy and Utilities Board, and an executive director with Alberta Employment, as Deputy Clerk of Executive Council and Deputy Secretary to Cabinet, effective Jan. 26.
- **Art Froehlich**, an agronomist, grain & cattle farmer, and agri-businessman, as a member of The Board of Governors of Olds College for a 3-year term.
- **Clayton Sissons**, a long-time Medicine Hat lawyer, as a member of the board of directors of Alberta Treasury Branches for a 2½-year term.
- **Judith Barbara Hanbury**, a Calgary lawyer for 35 years, as an ad hoc master in chambers of the Court of Queen's Bench of Alberta for a 2-year term.
- **Alan Lefever**, deputy chief judge of the Provincial Court of Alberta, **Blair Lundy**, retired distribution manager for Company's Coming cookbooks, & **Catherine McKercher**, a Calgary psychiatrist, as members of the Alberta Review Board, each for 5-year terms.
- **Dr. Graeme Dowling** as Acting Chief Medical Examiner. The position was vacated by **Dr. Anny Sauvageau** on Dec. 31 when her contract was not renewed following her criticism of interference by Alberta Justice in the CME office. Dowling held the position prior to Sauvageau's appointment in June of 2011.
- **Alan Skoreyko**, an Edmonton engineer and former general manager of Edmonton Northlands, as chairman of the board of governors of NorQuest College, with the extension of his term on the board for a further 3 years.

POLITICAL PULSE ... from Page 1

Like Lincoln, J.P. felt it better that the rivals, all of a similar conservative bent, join together to tackle the great evil. Not slavery, lynchings and klansmen perhaps, but low oil prices—which for the latte-sipping middle-class, 21st-century oil firm middle manager facing a layoff is just as scary as a cracker coming at you with a bullwhip. In the refrain of the old Calgary spiritual:

*John Brown's Bentley lies a moldering in the drive
And the bailiff marches in.*

At times like this, Prentice and Percy told leader **Danielle Smith** (Highwood), **Rob Anderson** (Aidrie) and the other restive Rosers, conservatives should not be fighting conservatives in the House but pulling together as a team to develop the sort of stringent fiscal policies that would be required to slay the \$6B shortfall in oil revenues: cutting costs, trimming salaries, reducing staff, shrinking gov't. Music, sweet as Dixie, to many a Roser ear.

Gary Bikman, the pre-glacial Mormon from Cardston-Taber-Warner, was even wooed over to Jimbo's team, much to the surprise of the five who didn't cross. (Those five remain the official opposition, thanks to a ruling by Speaker **Gene Zwodzesky**, and are under the interim leadership of **Heather Forsyth**, pending a leadership election.)

The cause of Bikman's conversion was partly from a Lincolnesque act of kindness by Prentice during the last session of the Leg. In a Question Period exchange when then Wildroser Bikman suggested Prentice's attempts at eliminating entitlement were "cosmetic surgery," the premier had rejoined with "Mr. Speaker, the hon. member sitting where he is should not be talking about cosmetic surgery," a dig at Bikmans grizzled 71-year-old countenance.

Later on, J.P. personally delivered a note of apology to Bikman's desk—the kind of thing that Lincoln might have done to mollify his jealous secretary of state, **Salmon Chase**.

In a recent FaceBook post, Bikman was also delighted to announce, "I learned today that our premier is a disciple of Hayek and has studied *The Road to Serfdom*." **Friedrich Hayek** was the 20th-century Austrian economist, Nobel laureate, castigator of socialism, champion of small government and the darling of **Margaret Thatcher**, **Ronald Reagan**, and, more recently, **Danielle Smith** who, rumour has it, has Hayek's visage discreetly tattooed on her right buttock.

The 11 rivals who chose to join two earlier floor-crossers—**Ian Donovan** (Little Bow) and **Kerry Towle** (Innisfail-Sylvan Lake)—did so in the belief that they and the Tories under Prentice now shared a belief in the hard-nosed fiscal prudence necessary to tackle the \$5B-\$6B shortfalls Prentice predicts for the next three years.

For some, like the ambitious Anderson and Smith, there had also been the suggestion of cabinet positions.

But at the subsequent Tory caucus meeting where Prentice pitched the idea of a Roser influx, there was hostility to the suggestion that any of these newbies, none of whom had helped make Prentice leader or worked to win the October byelections for the blue team, be put on cabinet. Let 'em get elected as Tories first, was the general sentiment. About a quarter of the caucus—MLAs like former Health Minister **Fred Horne**,

Continued on next page...

Talk in the Corridors

● Bridget bows out but brings a clone...

Bridget Pastoor (Lethbridge East), at 75 the oldest MLA in the chamber, has announced she will retire at the end of her current term, having served 10 years: the first seven as a Liberal MLA, the last three as a Tory.

Her crossover in late 2011 was largely because of Premier **Alison Redford**, who inspired Bridget with her apparent melding of social conscience, global awareness, and fiscal responsibility (the province was running deficits). Pastoor was tiring of a Liberal Party that had been declining under a succession of uninspiring leaders for 20 years. (And would, under **Raj Sherman**, lose four of their nine seats in 2012.)

The crossover didn't get Pastoor a cabinet position and neither did it bring her any closer to the woman she had admired. Like most other MLAs, Pastoor found Redford to be extremely private and reclusive.

"I don't think 99 per cent of the cabinet members knew what she was doing," Pastoor told the *Lethbridge Herald* following Redford's resignation as an MLA last August.

Nonetheless, and unlike most of her colleagues, Pastoor, a former RN, still had kind words for the shamed premier.

"I will staunchly defend her vision of where she thinks Alberta should be in the global community – and how to get there," she said, also citing Alison's "positive legislative legacy."

At the time of that interview, however, she did not sound particularly enthusiastic about leadership front-runner **Jim Prentice**.

When we encountered Bridget in the Leg. cafeteria a couple of months ago, she was on the fence about whether to run again. A close relative had recently been diagnosed with cancer.

Pastoor had to make a choice: the politics she'd loved since being elected to Lethbridge City Council in the late '90s; or spending more time with her ailing relative. This week, possibly gently nudged by Prentice who has said he wants a 30% turnover in MLAs, she chose the latter option.

This may not mean we will never see the likes of Bridget in the Assembly again. For Bridget's daughter, also a nurse, also a Bridget and also, at the moment, a Lethbridge councillor, may run for her mother's vacated seat in May (or whenever Prentice decides to have his election.)

Hoping to overturn what could turn into a Lethbridge-East dynasty will be **Maria Fitzpatrick**, a correctional services worker and staunch unionist, nominated from three candidates on Wednesday night at an event attended by NDP Leader **Rachel Notley**.

The Dippers have shown special interest in Lethbridge since candidate **Shannon Phillips** came close to beating PC MLA **Greg Weadick** in Lethbridge West last time.

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voted against accepting any of these carpetbaggers. but the yeas won.

There was, moreover, almost universal enmity towards **Rob Anderson**, the former Tory who crossed to the Wildrose, became the PC's most vociferous critic, and had now wandered back, expecting a cabinet position.

"People felt they couldn't trust him," says one of the MLAs present, who nonetheless accepted Anderson's request for "a hug," telling him in the process, "You know Rob, you're going to have to behave."

"I will," he said meekly.

But outrage in his constituency about his re-ratting, a recall petition organized by the deputy mayor of Airdrie, and a death threat from someone who suggested he be gutted like a deer, later dissuaded Anderson from further political endeavours. Last week he announced he would retire at the end of his term and return to the financial sector.

His term may well come to an end in May. Prentice and the PC party have expedited the nomination process and word has gone out to the constituency associations to have all the candidates in place by the end of March.

J.P. has not yet committed to going to the polls prior to the legislatively set election period of March-April 2016, saying only that he wants to keep his options open. But the fact that Elections Alberta began advertising for returning officers this week, strongly suggests that Albertans will go to the polls in April or May.

Whether this means that the budget—slated to be released in late March—will be passed before the writ is dropped, is unknown.

There's speculation around the Legislature that Prentice will seek a mandate for the budget by taking it to the people during the election campaign.

Dave Yager, who quit his position as Wildrose president in December to take the less demanding role of vice-president for fundraising, thinks Prentice will call an early election to "eradicate" the remaining Rosers while the party is in the midst of the process of finding a permanent leader (Forsyth has announced she will be stepping down at the end of her term.)

Thus the chances of bolstering Prentice's team with any more Wildrose "rivals" are looking pretty slim.

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