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## Children's Services

### Premier lauds efforts to fulfil promise

The Calgary Herald

Thu 08 Nov 2007

Page: B8

Section: City & Region

Source: Calgary Herald

Premier Ed Stelmach joined the celebration Wednesday of the achievements of Alberta's Promise, a provincial body that has helped organizations donate more than \$100 million to children's programs.

At its annual meeting in Calgary, Alberta's Promise announced that in its first five years it has facilitated 1,124 partnerships that have invested \$139 million in support of children.

Speaking to reporters before the event, Stelmach lauded the effort.

"It's phenomenal," the premier said. "Very clearly, it's making a huge impact in the quality of life for our youth."

Alberta's Promise, which is funded by the provincial government, does not fundraise or distribute funds, but helps people and organizations connect with agencies providing services to children.

It encourages companies, foundations and service clubs to commit to contribute cash, goods, services or volunteers to the children's programs of their choice.

## Energy

**Premier says cabinet kept in dark**

The Calgary Sun

Thu 08 Nov 2007

Page: 4

Section: News

Dateline: EDMONTON

Premier Ed Stelmach says he was never made aware during his years in cabinet that energy ministry reports were recommending Alberta's royalties be increased by at least \$1 billion a year.

"In the time that I was around the cabinet table ... there was nothing coming to me at that time," Stelmach said.

The auditor general reported last month that energy ministry reports calling for higher royalties have been hidden from the public for years.

The Liberals have been pressing the premier all week since the fall sitting of the legislature began to reveal when he was first made aware of internal reports calling for higher royalties.

Stelmach has deflected the question in the legislature, but finally responded yesterday.

Hours later, the Liberals immediately demanded the premier release the internal reports calling for higher royalties.

However, Stelmach said throughout the day that no matter what conclusions are offered by energy ministry staff, royalty changes are not left to "non-elected people."

"Nothing was done wrong," he said.

"Policy is within the discretion of the elected people."

NDP Leader Brian Mason says if the cabinet was kept in the dark about royalties, then former energy ministry Greg Melchin should be compelled to explain why.

**Oil prices soar, royalties don't keep pace; Stelmach's new plan will see province's take rise with prices, but it won't kick in for 14 months**

The Edmonton Journal

Thu 08 Nov 2007

Page: A3

Section: News

Byline: Archie McLean

Dateline: EDMONTON

Source: The Edmonton Journal

With oil prices flirting with \$100 US a barrel, Alberta will have to wait more than a year before seeing any additional royalty money.

Premier Ed Stelmach's new royalty framework sets oil and gas royalties on a sliding scale -- when prices go up, so do royalty rates.

But the new rules won't be in place until January 2009, which leaves 14 months under the current system.

Both Stelmach and Energy Minister Mel Knight admitted Wednesday the province isn't capturing everything it could from higher commodity prices.

"There's no question that the previous royalty framework had no way of capturing higher prices," Stelmach told CBC Radio.

"And that's why I called for a review to put in place a sliding scale."

In his annual report released last month, Auditor General Fred Dunn said the province had been told as far back as 2004 that it could capture \$1 billion more each year without harming the industry.

Stelmach has argued that the decision not to raise royalties was the government's and not made by energy bureaucrats or the auditor general.

But Stelmach said Wednesday for the first time that he wasn't actually in on that decision as one of Ralph Klein's ministers.

"In the time that I was around the cabinet table -- and remember I resigned early in March (2006) to pursue the leadership -- there was nothing coming to me at that time."

If the government had acted in 2004 to raise royalties, they would likely be looking at substantially more money today with oil prices at record levels.

Under the current regime, royalty rates are capped at anywhere from \$30.50 to \$48.58 a barrel.

For each dollar the oil price rises, the province gets \$139 million more but gets less as a percentage of economic rent.

"We're letting billions slip through our fingers," said NDP Leader Brian Mason, who has argued for higher rates overall.

Mason said the government should implement its new framework in July 2008 as was recommended by the province's royalty review panel.

Stelmach and Knight have argued that the current system has served the province well. The province is set to reap another massive surplus this year and almost one-third of provincial revenues come from royalties.

"If you look at the growth in the province of Alberta ... it's phenomenal, not only in the amount of royalties we received, but the huge increases in Crown leases, unbelievable growth," Stelmach said.

Alberta Liberal Leader **Kevin Taft** countered that the premier's logic doesn't make sense.

"The premier can't have it both ways. He can't defend the royalty system then say it wasn't capturing enough rent," Taft said.

Oil prices surged above \$98 Wednesday before falling slightly.

Meanwhile, the province is taking a hit with the high flying loonie. With every cent the dollar rises against the U.S. greenback, the province misses out on \$123 million in revenue.

"It's absolutely amazing when you consider it jumped almost two cents (Tuesday) night," Finance Minister Lyle Oberg said. "The bottom line is, don't panic one way or the other. Everyone is saying this is probably a temporary issue, it's not going to last."

Knight said while he's concerned about the dollar's impact on the province's bottom line, it is offset by the additional revenue from higher oil prices. "The two things are balancing off," he said.

The rising dollar is harming other provinces more. Ontario Premier Dalton McGuinty said Wednesday that high interest rates are helping western provinces more than his.

"From an Ontario perspective, we would benefit from an interest rate reduction, something that makes the Canadian dollar less attractive on the international market," McGuinty said.

Prime Minister Stephen Harper expressed some concern.

"The appreciation we've seen is rapid by any standard, unprecedented in its rapidity by any standard," Harper said in Vancouver. "I think it does require some reflection."

With files from CanWest News Service

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### **Premier admits royalties fall short when prices up; No 'missing billions,' Stelmach insists**

The Calgary Herald

Thu 08 Nov 2007

Page: A4

Section: News

Byline: Jason Fekete

Dateline: EDMONTON

Source: Calgary Herald

Premier Ed Stelmach conceded Wednesday the current resource royalty structure doesn't capture enough economic rent at times of high prices, but insisted he wasn't privy to information in past years that suggested Albertans weren't receiving a fair share.

Opposition leaders charged, though, that Stelmach must have known during his time as a cabinet minister in the Klein regime that the province could be collecting higher royalties, and that the Tory government just decided not to act on it.

Stelmach has been grilled daily in the legislature this week about when he first knew the province could have collected at least \$1 billion more a year in royalties without stifling the oil and gas industry's profitability, information recently document by the auditor general.

The premier has dodged the question in the legislature, but said Wednesday he never saw any information around the cabinet table that would suggest Alberta wasn't collecting its fair share in royalties.

"In the time that I was around the cabinet table . . . there was nothing coming to me at that time," Stelmach said in an interview on CBC Radio. "There's no missing billions. It's in new schools, highways. It's in health."

Stelmach admitted, however, there is no way the current royalty framework -- which will be replaced in January 2009 with the government's new plan -- can capture enough royalties at times of lofty energy prices.

"There's no question that the previous royalty framework had no way of capturing higher prices," Stelmach said.

The current royalty structure has rate caps as high as \$48.58 US per barrel of oil and \$3.63 Cdn per gigajoule for natural gas. Once prices reach that point, royalty rates no longer increase.

Oil prices surged to a record high Wednesday above \$98 US, before settling back a bit.

The premier introduced a new royalty strategy a few weeks ago that is expected to collect an additional \$1.4 billion in 2010 -- 20 per cent more than currently projected -- but it falls nearly \$500 million short of what was recommended by the government's own expert royalty panel.

Liberal Leader **Kevin Taft**, meanwhile, urged the premier to immediately release all internal documents referred to by the auditor general's recent report.

"Will the premier just now admit the obvious fact that Albertans were not receiving a fair share and that his government failed to act?" **Taft** said in question period.

NDP Leader Brian Mason said the government should be capturing more royalties now when prices are at record levels.

"The premier sold out Albertans with his royalty plan giving away billions of dollars to Big Oil that belongs in the public treasury," Mason said.

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### **Possible gag over Bill 46 shocking; EUB meeting rights at stake**

The Edmonton Sun

Thu 08 Nov 2007

Page: 7

Section: News

Byline: BY JEREMY LOOME, LEGISLATURE BUREAU

Household energy bills could rise and democracy decline if Alberta passes a proposed law to limit public access to hearings before the board regulating energy projects, a consumer group said yesterday.

Bill 46 would remove the right of the Alberta Energy and Utilities Board to grant intervenor status during regulatory hearings to whomever it feels it is appropriate, and instead would give the province's Utilities Consumer Advocate that responsibility.

#### EFFECTS OF BILL 46

Directly affected landowners would still be able to address such hearings but not with legal counsel. It would also give the legislature the power to unilaterally overrule the act.

"This new model, which has been 'in the wind' since the creation of the original government Utilities Consumer Advocate Office in 2003, appears to be driven more by a desire to get rid of any impediments to implementation of government energy policy," the Consumers' Association of Canada said in a release.

"Many of these policies are directed towards increasing deregulation in the utilities sector to the benefit of the utilities and energy industry."

The government may be pursuing the change intent on attracting new investment to the deregulated market, particularly companies interested in "unconventional sources of energy, such as coal bed methane and rapid development of the oilsands," the association said.

But giving the consumers advocate that power assumes the government appointee will always work in the public's best interests, it noted.

"There are many proposed changes to the regulated utilities regime that threaten to significantly increase the monthly utility bills of Alberta families," said association president Larry Phillips.

"Not only will Bill 46 take away opportunities for independent consumer groups and the public to effectively question and influence these decisions, it will also significantly reduce already limited public scrutiny and discussion of intended changes."

But according to Energy Minister Mel Knight, having a designated public representative will broaden the number of people who have a voice at hearings.

"What we put to this legislature and what we will put to the people of the province of Alberta - particularly landowners who are affected by any developments on their land or even in certain circumstances adjacent to their land - in this case is an opportunity to have a very much strengthened protection of their rights as landowners."

#### POLITICAL FIGHT VOWED

Both the Opposition Alberta Liberals and the NDP have vowed to fight Bill 46 in the fall session of the legislature.

"Albertans should be very concerned about the direction of this Progressive Conservative government. They want even more power to override legislation without any public debate or knowledge," said Liberal energy critic **Hugh MacDonald**.

"This is a blatant attempt to silence Alberta consumers and landowners."

**Directors barred from oilpatch over million-dollar cleanup bill; Order from energy regulator the first under seven-year-old provincial law**

The Edmonton Journal

Thu 08 Nov 2007

Page: A1 / FRONT

Section: News

Byline: Darcy Henton

Dateline: EDMONTON

Source: The Edmonton Journal

Two oil executives have been barred from operating companies in the oilpatch until they cough up nearly \$1 million for the shutdown and cleanup of operations by their failed company.

The Energy and Utilities Board took the unprecedented step Tuesday of publicly identifying David N. Matheson and Ronald P. Bourgeois as the directors and executive officials of M.L. Cass Petroleum who are responsible for those costs in east central Alberta.

EUB spokesman Bob Curran said a law allowing the board to take such action has been in place since 2000, but it hasn't been necessary to use it until now.

Curran said M.L. Cass Petroleum has not been in compliance with regulations at many of its 25 oil and gas wells dating back seven years, but refused orders to permanently shut them down.

"The board believed that unless certain remedies were put in place, those facilities could be problematic," Curran said.

At one well, a leaking storage tank required an environmental assessment and reclamation work.

The EUB was forced to close the wells with cement and clean up the sites at a cost of almost \$955,800. More than \$700,000 of the bill was paid from the Orphan Well fund created by industry and the board to reclaim well sites when companies shirk responsibility.

"The objective is the public should never pay for this work," Curran said. "The industry pays for it -- either directly or indirectly."

The order gives the board the authority to suspend operations of companies run by Matheson and Bourgeois, and to refuse to grant licences to any of their companies.

If it decides to permit them to operate, it can demand deposits to cover reclamation.

The board has already denied a licence to another company, Java Petroleum, where Matheson was a director.

The two men can appeal the decision to the board or to the Alberta Court of Appeal, Curran said.

Bourgeois, who lives in Vancouver, said he has been advised by his lawyer not to comment on the matter. Matheson, of Calgary, didn't return phone calls from The Journal.

The pair argued unsuccessfully at a hearing last summer that the EUB's unprecedented step was unconstitutional. They also denied responsibility for the costs, saying the company was insolvent.

Matheson argued he shouldn't be held responsible because he was out of the country for a year, working in Indonesia.

But a corporate-compliance panel created to prosecute the case said it

isn't in the public interest to allow people to control companies that "make no reasonable efforts to inspect or maintain" well sites, and who are "oblivious to warnings, notices and orders issued by the board."

Liberal energy critic **Hugh MacDonald** said the the board's action may help restore some of the credibility it has lost in a spying scandal that has rocked the oilpatch regulator.

The board shut down its security unit and removed one of its senior officials after a judge appointed by the province criticized the board's hiring of private detectives to eavesdrop on landowners opposing an electrical transmission line between Edmonton and Calgary.

**MacDonald** said the EUB must show it is in control of the oilpatch.

"Measures like naming offenders are a step in the right direction."

But **MacDonald** said the board needs more power to fine companies and people that break the rules.

Tony Nichols, president of the Alberta Surface Rights Federation, said oil and gas company officials shouldn't be allowed to walk away from their obligations.

"If these guys are just going to skip out and leave it to the Orphan Well Fund to clean up their mess," he said, they must face tougher penalties than blacklisting.

Ian Doig of Doig's Digest, an industry newsletter, called the EUB's actions "encouraging."

"As an Albertan, I just say, 'Fine, let's clean this up.' "

He said he's seen serious environmental problems in some American states that failed to hold oil and gas producers to account.

Curran said M.L. Cass had 25 wells, but none appeared economically viable and had not produced for a number of years. Any profitable wells were sold to raise capital, he said.

During financial problems in 2000, the company -- and failed -- tried to sell its remaining assets and diversify in southeast Asia, he said.

As the wells became a liability, the company was required to place an abandonment and reclamation security deposit with the EUB, but it never did, Curran said. As a result, the wells were ordered sealed.

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### **Liberals decry Tory royalty 'scandal'**

Fast Forward Weekly

Thu 08 Nov 2007

Page: 8

Section: News

Source: Fast Forward

The failure of the provincial government to properly collect royalties from oil and gas companies is "the most expensive political scandal in Canadian history," according to the provincial Liberals.

In Alberta auditor general Fred Dunn's annual report released in October, Dunn said Alberta Energy "estimates that it could collect an additional \$1 billion or more per year without stifling industry profitability. However, neither this information nor the reasons why changes have not taken place have been made public." Liberal leader **Kevin Taft** is demanding answers from the province. "We're concerned that this government knowingly decided to leave billions of dollars uncollected against the advice of their own officials," says **Taft**.

The Liberals say the missing money could have bought 24 new schools, a new cancer centre, hospital expansions and improved transit in Calgary, as well as a host of other public services and facilities around the province -- and money would still be left over for the Heritage Fund.

Stelmach says the missing dollars are benefiting Albertans even though they weren't collected by the government. "The missing billions is \$23 billion worth of debt that's been paid off," says Stelmach. "The dollars are in the economy -- the best economy in Canada."

The province has asked former auditor general Peter Valentine to review the way royalties are collected in Alberta to make sure the system is working as it should. He is expected to report to Stelmach in March 2008. The Liberals, meanwhile, want Alberta Energy to release all its internal reports on energy royalties to the public. (JK)

## **Finance (including Pensions/Insurance)**

### **Strong loonie raising alarms; Alberta loses revenue as dollar rises**

The Calgary Herald

Thu 08 Nov 2007

Page: A1 / FRONT

Section: News

Byline: Jason Fekete, with files from Tony Seskus, Calgary Herald, Eric Beauchesne, CanWest News Service, and Reuters

Dateline: EDMONTON

Source: Calgary Herald

As the Canadian dollar soared to unprecedented heights Wednesday, the provincial and federal governments raised serious concerns about its rapid rise and the potential multibillion-dollar economic fallout.

The loonie continued its surge into uncharted territory, topping \$1.10 US at one point, at the same time crude oil prices neared \$100 US per barrel before settling below \$98.

But it's not just the dollar that's garnering attention.

Eye-popping oil prices -- along with the high-flying loonie -- are producing budgeting headaches for the Alberta government, Finance Minister Lyle Oberg said Wednesday, but he believes the dizzying market numbers are only a "blip."

The continued run by both the loonie and crude could have a multibillion-dollar impact on the Alberta treasury -- good or bad -- that is being adjusted for by government officials almost daily.

"The bottom line is, don't panic one way or the other," Oberg told the Herald.

"This is probably a temporary issue, it's not going to last. However, I've heard that before."

Prime Minister Stephen Harper voiced concerns over the dollar Wednesday, saying while a strong loonie has its advantages, it also has some "significant disadvantages" for some sectors of the economy.

The loonie, after hitting a modern-day high of \$1.103 US during trading Wednesday, closed at \$1.0775, down three-quarters of a cent from its high of \$1.0851 as North American markets closed Tuesday.

Since oil is traded in U.S. dollars, the Alberta government collects royalties in American currency.

Every one-cent increase in the loonie guts \$123 million from the provincial treasury over the course of a year.

But much of the lost revenue is offset by an additional \$139 million in revenue for every year-long \$1 increase in oil prices.

Add it up, and it's a financial balancing act for the Stelmach government.

"It's a very difficult time from a budgeting point of view," Oberg added. "This is a blip, and you can't make a budget purely based on blips."

The impact on the treasury is likely "a billion dollars here or there," he said, and shouldn't erode the government's ability to plan and build projects -- including a 20-year capital blueprint expected to be released in the next week or two.

The government has a \$7.7-billion Sustainability Fund to cushion the treasury from the wild gyrations of oil prices and changes in the Canadian dollar, he noted.

In what was an extraordinary day, Harper for the first time said he's worried about the Canadian dollar's rapid appreciation and its impact on sectors such as forestry that export a large amount of their product to the United States.

"The appreciation we've seen is rapid by any standard, unprecedented in its rapidity by any standard, and I think it does require some reflection," Harper said Wednesday in Vancouver.

"The prime minister doesn't typically comment on the Canadian dollar, other than to say it's clear that it has some advantages and some real significant disadvantages for certain sectors and we are concerned, we share those concerns," he added.

Stelmach said the loonie's rapid rise is troublesome to the government and its planning.

"We are being very careful as we project into the next year," Stelmach told reporters in Calgary.

Treasury Board President Lloyd Snelgrove, who is responsible for provincial capital projects, said the 20-year plan will allow government to delay new projects like schools, hospitals and roads if the treasury takes an unexpected hit.

"If it means that our dollars are short enough, we'll have to stretch out our projects," Snelgrove said, adding that soaring crude prices will alleviate some of the pain. "It isn't just an all good or an all bad."

Indeed, Brett Gartner, senior economist with the Canada West Foundation, said the positive impact that high oil prices are having on the provincial economy is being offset by the soaring loonie.

But "the high dollar is not eliminating all of the benefits by any stretch," he said.

Liberal Leader **Kevin Taft**, however, warned the economic fallout will impact forestry, farming and the rest of Alberta exports.

"There's really widespread consequences," **Taft** told reporters at the legislature. "There's a real danger that the Canadian dollar is becoming a problem."

Those dangers are perhaps most felt in Ontario and its manufacturing- and export-based sector, which prompted Premier Dalton McGuinty on Wednesday to call for interest rates to be chopped to alleviate the economic hardship on parts of his province.

"We have an interest-rate policy which is designed to cater to a superheated petro-dollar originating from economic activity taking place in Alberta and Western Canada," he said. "The high dollar is hurting us much more so than it is Western Canada."

While McGuinty urged Ottawa and the Bank of Canada to step in, federal Trade Minister David Emerson -- in Vancouver with Harper -- said: "I think this is for central bankers and ministers of finance and first ministers to start reflecting collaboratively . . . (on whether) adjustments are being managed in an appropriate way."

The last time the Canadian dollar was worth this much was 130 years ago as the U.S. was still recovering from the Civil War, which was the catalyst for a climb in the Canadian dollar to its highest level ever of \$2.78 US on July 11, 1864.

National Bank of Canada economist Stefane Marion noted that in the past three months alone the currency has appreciated 16 per cent against the U.S. dollar, making Canadian exports more costly for the country's largest trading partner.

"We wonder if our loonie may not be flying too close to the sun," Marion said.

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**Sask. gets warmth from Alberta's overheated economy; Sharing the burdens of success might ease stresses here, says ATB economist**

The Edmonton Journal

Thu 08 Nov 2007

Page: E1 / FRONT

Section: Business

Byline: Gary Lamphier

Column: Gary Lamphier

Dateline: CALGARY

Source: The Edmonton Journal

CALGARY - Todd Hirsch calls Saskatchewan "the new Alberta."

Even as the prairie province's energy, mining, construction and agricultural sectors surge ahead, he notes, a variety of factors are conspiring to slow growth in Canada's traditional economic powerhouse.

"We don't have exact numbers yet, but we're definitely seeing a slowing trend in Alberta from 2006 to 2007 and again into 2008," says ATB Financial's erudite senior economist, over a coffee at Calgary's Bankers Hall.

"The (impact of higher energy) royalties are going to be a part of that, but there's a lot of other factors, too. Even now, for all the key economic indicators -- retail sales, auto sales, housing prices -- Saskatchewan is leading, and Alberta is second, year over year."

For some, the prospective loss of economic bragging rights to Saskatchewan -- where voters were set to go to the polls Wednesday to elect a new provincial government -- is profoundly unsettling. Maybe even a sign of Alberta's pending economic decline.

But Hirsch isn't losing any sleep over it. Like many observers, he figures Alberta's long-overheated economy could use a breather, as chronic labour shortages, soaring inflation and slowing in-migration levels wreak havoc on companies inside and outside the oilpatch.

"For the last three quarters, Alberta has lost people to Saskatchewan, reversing the trend of the past decade. Now, with house prices falling, that's an alarm bell for many people. If we can't attract and retain workers, we're going to be in real trouble," he says.

Although Alberta's energy sector has made investors and oilpatch execs rich, poured billions into provincial coffers and enabled suppliers, rig workers and oilsands crews to pocket fat wage gains, other sectors of the economy are paying a hefty price for it, Hirsch argues.

Example: one recent Friday evening, he took a group of visitors from Ottawa out to dinner at a well-known restaurant on Calgary's Stephen Avenue Walk. "The restaurant was only a third full, but they turned us away," he says. "They couldn't serve us because they had no staff."

Such stories have become almost commonplace in Alberta's foodservice, retail and hotel sectors, of course.

But even higher-paying jobs are going begging, as the oil and gas sector robs other industries of talent.

"Schools like NAIT are losing welding instructors to the machine shops that are fabricating equipment for large oilsands projects, because they can't compete on salaries," says Hirsch.

"Meanwhile there's this big outcry, 'Oh, we need post-secondary training, and more money for NAIT.' Well guess what, they can't hire instructors because of the runaway energy sector."

Art Price, CEO of Axia NetMedia, a successful Calgary-based broadband communications firm, echoes Hirsch's comments.

Alberta is actually comprised of two economies, not one, he says. And while the province's oil and gas economy has grown exponentially -- notwithstanding the slowdown in drilling this year -- the non-energy economy has increasingly found itself fighting an uphill battle.

"Nobody is really talking about the other economy. It's having all kinds of challenges," says Price, a former CEO of Husky Energy.

"It's competing for people the oil and gas guys pay way more money for, and for services the oil and gas guys pay way more money for. For many companies, their whole cost structure has gone way up, but their revenue structure hasn't. So they're under a lot of pressure," he says.

Despite the short-term pain, Price figures the economy will adjust, as it always has, and Alberta will soon resume its rapid upward growth trajectory. Hirsch is equally sanguine about the province's economic growth prospects.

"Compared to any point in Alberta's history, we're probably best able to absorb (higher royalties, and an economic slowdown) now," he says.

"If unemployment was at eight or nine per cent, it would be a really tough blow. But we're still hearing all these reports that the construction sector is going to be short 150,000 (workers) in the next five years. Well, if the energy sector is laying off 30,000, it's all about absorption," he adds.

"Yes, there's going to be layoffs, undeniably. And I wouldn't want to be one of those people in the energy patch who's been laid off. But from a macro economic perspective, the question is, how well can the Alberta economy absorb that?"

According to most indicators, the answer is very well indeed.

You've gotta love analysts. They can spin gold out of clay, and find the silver lining behind every dark cloud. Consider General Motors Corp.'s staggering \$39 billion US third-quarter loss.

Bad news, right? Well, not that bad, according to JP Morgan analyst Himanshu Patel. Despite the "messy" results, he told Reuters, GM's auto business actually performed "better than we expected."

I'm so glad for that, really. Almost as glad that I'm not a GM shareholder.

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**DuPont still 'quite bullish' on Alberta prospects; Enthusiastic Outlook; 'We're still very encouraged about where growth is going'**

National Post

Thu 08 Nov 2007

Page: FP6

Section: Financial Post

Byline: Jon Harding

Dateline: CALGARY

Source: Financial Post

CALGARY - Global chemical powerhouse DuPont still considers Alberta and the province's oilpatch one of its leading growth prospects, even amid claims that higher royalties and taxes could slow development.

William White, president of Mississauga, Ont.-based DuPont Canada Co., said yesterday Alberta's oilsands sector, alone, represents \$3-billion worth of "addressable market" to Wilmington, Del.-based DuPont.

The world's second-largest chemical company by market value has not wavered in its enthusiastic outlook since Alberta became a focal point for growth one year ago, Mr. White said in an interview at the company's new Calgary office.

The Alberta government's recent plan to raise its take from oil, gas and oilsands players by 20% starting in 2009 doesn't override the fundamental fact that oil demand is rising, supplies around the world are falling, oil prices are surging towards US\$100 a barrel and the Alberta oilsands hold 173.8 billion barrels of established reserves, he said.

"The royalties are potentially a big change but it's also a very dynamic market that has successfully dealt with many changes in the last 30 years," Mr. White said.

"The short answer is we're still very encouraged about where growth is going. Clearly, it's a very attractive space for us.

"There's an insatiable demand for the product [oil] and it's our job to try and help these really smart customers figure out how to deal with the dynamics, whether it's royalties, or how do I get my cost of manufacture costs down and increase my return.

"We're still quite bullish on [Alberta]."

DuPont, which once had a large chemicals business in Alberta but sold it 15 years ago to Nova Chemicals Corp., catered in more recent years to the province's agricultural industry.

Much like its huge U.S. counterpart, General Electric Company, did a little more than a year ago, DuPont set sites on the oilsands.

General Electric, which recently signed a memorandum of understanding through GE Canada to work with the Alberta government and invest in research and development on oilsands water issues, said its confidence in Alberta has not wavered.

"GE chairman Jeff Immelt was in Calgary meeting with our customers last month and we're still as bullish as we were a year ago," said Kim Warburton, head of communications for GE Canada.

Mr. White said DuPont is in talks with the "major players" about providing processes to more efficiently upgrade oilsands bitumen into synthetic crude oil, to capture emissions and better recycle water, or the fine tailings produced as a result of mining bitumen from the sand.

"Our strategy is simply, it's go where the growth is," Mr. White said.

"We won't be building the giant trucks that move the earth around the mines, that's not our area of expertise, but we might be making the Kevlar [DuPont's invention in the 1960s] that goes into their tires. That's how we get down to that \$3-billion in opportunity."

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## Health & Wellness

### **Hancock wants drivers to butt out**

The Edmonton Journal

Thu 08 Nov 2007

Page: B5

Section: Cityplus

Byline: Jason Markusoff

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - He's banning smoking in every Alberta tavern and bingo hall this January, and now Health Minister Dave Hancock says he also wants drivers to butt out if a child is riding in their vehicle.

After it took years of debate and many rejections within the Conservative government to finally approve a province-wide smoking ban in workplaces, Hancock admitted the province probably isn't ready to clamp down on cars just yet.

California approved a state bill last month that will levy fines up to \$100 on motorists who subject passengers under 18 to secondhand smoke. Louisiana and Arkansas have similar laws, and more than a dozen other U.S. states are considering them.

Alberta would become the first province to do so.

Hancock, however, is happy for now with his anti-smoking strategy that includes a provincewide workplace ban and prohibitions on in-store tobacco displays and cigarette sales in pharmacies.

"In my personal world, it would be against the law to smoke in a vehicle which has children present," he said in the legislature, during debate on his current tobacco control bill.

"Again, there may be a time when we can actually do that, when we've moved the public to the point where that's an acceptable thing to do, but I think the legislative process is ... one where we shouldn't be commanding all the time."

Alberta Alliance Leader Paul Hinman urged Hancock to push forward with the measure right away, but the minister instead urged MLAs to help kick-start public debate on the issue.

Last year, a study from the Harvard School of Public Health said one smoker can make an automobile more polluted than a smoke-filled bar.

Under former premier Ralph Klein, the government repeatedly ditched proposals to ban smoking in all bars, casinos and bingo halls, and Hancock noted that it's taken a while to change minds in Alberta.

Les Hagen of Action and Smoking and Health said the initiative may not be as far from reality as Hancock suggested.

"Perhaps Alberta is ready to be the first province to do this, because Albertans feel very strong about child protection," Hagen said.

"It would be no different from enforcing a cellphone ban."

Under California's legislation, drivers can be fined for smoking only if police have stopped them for another offence, such as speeding.

Liberal MLA **Laurie Blakeman** said she was intrigued by the idea, but warned that people will think the government has crossed the line if it extends smoking bans into private vehicles.

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### **Telehealth links Stollery to remote areas**

The Edmonton Journal

Thu 08 Nov 2007

Page: B4

Section: Cityplus

Byline: Jamie Hall

Dateline: EDMONTON

Source: The Edmonton Journal

EDMONTON - The Stollery Children's Hospital will now be able to offer real-time pediatric cardiac diagnostic care to remote Alberta communities, saving patients and their families the burden of travelling to Edmonton.

A \$500,000 donation by Bell announced Wednesday will fund the hospital's new Fetal and Pediatric Echocardiography Telehealth Outreach Program to help in the diagnosis of heart conditions in fetuses, newborns, children and adolescents.

The program is part of Capital Health's expanding telehealth system, which uses communications and information technology to deliver care to smaller communities outside the region.

Currently, patients and their families from remote northern and central Alberta communities have to be transferred to Edmonton for further assessment of suspected heart conditions that may not require immediate treatment or may not be as serious as first thought.

"It can be stressful for families and it can be costly for the health-care system," said Dr. Jeffrey Smallhorn, the medical director of pediatric echocardiography. Smallhorn is a top pediatric cardiologist recruited by the Stollery two years ago for his expertise in using echocardiographic technology in diagnosing heart disease.

The new program will use technology delivered over Alberta SuperNet, an existing broadband network that currently links government, health, library and learning facilities in 429 communities in the province. SuperNet will allow huge files containing crucial data from echocardiograms to be transmitted to Edmonton in real time over a secure line for analysis by the Stollery's world-class pediatric cardiac team.

"With this program in place, there will be enhanced access to this important diagnostic tool for health-care professionals and patients, translating into better outcomes for children suffering from heart conditions," said Smallhorn.

The Stollery gets about 150,000 patient visits every year.

More than half the patients come from outside the capital region, including smaller communities in Alberta and parts of Manitoba, Saskatchewan, B.C., the Northwest Territories and Nunavut.

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## **International, Intergovernmental & Aboriginal Affairs**

### **Saskatchewan Party triumphs over NDP**

National Post

Thu 08 Nov 2007

Page: A10

Section: Canada

Byline: James Wood

Dateline: SWIFT CURRENT, Sask.

Source: CanWest News Service

SWIFT CURRENT, Sask. - The Saskatchewan Party wave that began a decade ago in rural Saskatchewan swept into the cities in yesterday's provincial election and pushed the New Democratic Party out of power after 16 years.

The Brad Wall-led party is now in charge.

In a time of economic boom for the province, the centre-right Saskatchewan Party portrayed itself as best able to continue the good times as a business-friendly, more fiscally responsible alternative to the NDP.

In a skillfully run campaign, Mr. Wall -- who handily took his own seat in Swift Current, 247 kilometres west of Regina -- also pledged to make big improvements to such areas as health care waiting lists, crime rates, highways and population retention.

Meanwhile, the man Mr. Wall will replace as premier, NDP leader Lorne Calvert, appeared to lose favour with the public after six years leading Saskatchewan. A New Democratic campaign built around him with the slogan "Calvert cares, Calvert delivers," could not deliver a fifth term.

"The people of our province have spoken. They have said it's time for a change," said Mr.

Calvert, speaking at a party gathering in a Saskatoon hotel after conceding defeat.

"We ran a good campaign. We campaigned on our principles and our values.

"We leave government, but we leave with heads held high. Our province we love is stronger, more optimistic, more hopeful than before."

Despite Saskatchewan's prosperity, the NDP could not overcome the mood for change that gripped the province even as Mr. Calvert pitched ambitious plans for a universal drug coverage program and a \$1,000 cut to tuition.

And the NDP's attempt to raise concerns that the Saskatchewan Party would privatize the province's Crown corporations -- a tactic that helped Mr. Calvert lead the NDP to an upset of the Saskatchewan Party in 2003 -- failed to resonate with voters.

That, in part, was due to efforts by Mr. Wall -- once he assumed the party's leadership by acclamation in 2004 -- to moderate the rural, right-wing image of the party. Founded by Progressive Conservative and Liberal MLAs in 1997, it embraced the Crown sector and dropped such policies as boot camps for young offenders.

In turn, that helped the party make a major breakthrough into urban Saskatchewan beyond the three MLAs elected in Saskatoon in 2003.

Mr. Wall said this week that he was leaning heavily toward calling a fall session of the legislature for December if his party won the vote.

Among the likely priorities for the Saskatchewan Party government is health care, where Mr. Wall has promised to introduce a "patient-first value-for-money audit," 800 new nurses and 100 new training spaces for doctors, and to change the NDP's senior's drug program by introducing means-testing and expanding it to include children under the age of 15.

Mr. Wall's agenda likely also extends to implementing fixed election dates and cutting property taxes.

The new government is likely to run into controversy early on with its plan to overhaul the province's labour laws to make them more business-friendly, and to create Enterprise Saskatchewan, a public-private board of stakeholders that will take over economic development policy from the Industry and Resources Department.

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#### THE NEWEST PREMIER

The new premier-elect of Saskatchewan, based on early poll results

BRAD WALL - 41-year-old businessman was born in Swift Current, graduated from University of Saskatchewan with degree in public administration. As a teenager got a job on local radio station, calling himself "The Wall of Rock." - Served as director of business development for city of Swift Current; also managed Canadian Country Music Hall of Fame museum before it went broke. Still lives a short distance from home he grew up in. - Served as assistant to Progressive Conservative cabinet members during government of Premier Grant Devine. - Jumped to Saskatchewan Party, created in 1997 by eight PC and Liberal members of the legislature. Elected in 1999, was named party leader by acclamation in 2004. - Has emphasized "mainstream" nature of party, down-playing right-of-centre roots. Despite strong economy and low unemployment, Wall successfully portrayed 16-year-old NDP government as tired and out of ideas for dealing with a long list of issues.

#### BRAD WALL WINS

City voters embrace centre-right party

## Municipal Affairs & Housing

### Fraud charges laid over rent aid

The Calgary Herald

Thu 08 Nov 2007

Page: A1 / FRONT

Section: News

Byline: Joel Kom, with files from Jason Markusoff, Edmonton Journal  
Source: Calgary Herald

The Alberta government has laid fraud charges against 13 Calgarians who are accused of taking money from a government fund meant to stave off homelessness.

The news comes a little more than a month after an internal audit found flaws, but no fraud, in the ballooning fund, prompting the minister in charge to say the possibility of fraud "simply didn't exist."

The charges, laid in September and October, cover close to \$24,000 in cash that was allegedly taken by people who falsely claimed they would use it to pay rent or put down a deposit, the Herald has learned.

"It's been badly handled right from the start," NDP MLA and housing critic Ray Martin said of the Homelessness and Eviction Prevention Fund. "I doubt this is the end of the fraud charges."

Instead of setting the same standards among all the fund's offices, the province let staff use varying degrees of scrutiny to grant cash, Martin said. That opened the door for fraud, he charged.

"The minister bragged about this, saying this was excellent because (staff) were being flexible," he said. "Flexibility when you're dealing with government money is not a virtue."

Employment, Immigration and Industry Minister Iris Evans said Wednesday that fraud is an inevitable part of any program that offers income support. But she added that some staff weren't as stringent as they should have been when it came to asking for documents backing up people's applications for cash, though that has changed.

"I acknowledge that there may have been some that did not see the documentation as important or examine it as thoroughly," she said.

The number of people charged with fraud is minute considering how many people have accessed the fund, she added. The fund has handed out \$17.6 million to more than 21,000 people from its launch in May through the end of October. It's projected to hit \$21 million by year-end, triple the \$7 million that was originally predicted.

Most of the people now charged with fraud and uttering forged documents, however, applied for cash in July. Around 5,000 people had accessed the fund back then.

It was also in July that Evans ordered an internal audit after the Herald reported some people used phoney documents and made false claims to gain cash from the fund. The Herald obtained several letters, some written haphazardly by hand, used to successfully get money from the fund.

Two government employees also said they had been advised by their superiors not to reject anyone who asked for money, even if applicants didn't have all the necessary documents.

The audit found that three in 10 claims put under the microscope were improperly approved, but none of them warranted fraud charges. The auditor general's office will start reviewing the audit this month and decide by January whether a separate audit is needed.

The 13 fraud charges that were recently laid cover amounts ranging from as little as \$300 to as much as \$3,200, department spokesman Bart Johnson said. They generally stemmed from either suspicions being raised by front-line staff or random reviews.

Both Martin and Calgary-Currie MLA and Liberal housing critic **Dave Taylor** said the fund's overwhelming use could have been avoided if the government had implemented all the recommendations from its housing task force, particularly rent controls and action on condo conversions.

**Taylor** said he was glad the government is pursuing charges, but said there still could be more to uncover.

"I think it's good to see they haven't just blown this off," he said.

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## Service Alberta

### 'Honour' system needed for lobby registry law; Flawed bill better than nothing: politician

The Edmonton Sun

Thu 08 Nov 2007

Page: 24

Section: News

Byline: BY JEREMY LOOME

Alberta's proposed new lobby registry law is riddled with loopholes and will only work if the people it governs behave honestly, a politician on the committee amending it admitted yesterday.

But **Mo Elsalhy**, the Liberal MLA for Edmonton-McClung and deputy chair of the Standing Committee on Government Services, said all three parties supported the latest round of amendments to the bill because even an ineffective bill is better than none at all and "a starting point."

"There has to be some honour expectation and some honour system in place. If people want to breach the act by actively pursuing these loopholes and intentionally sidestepping the act, there's nothing to stop people from reporting them to the ethics commissioner."

But **Elsalhy** admitted for people to report it, they'd have to know about such unethical behaviour in the first place, which is unlikely given that that's what the registry was supposed to uncover.

He also conceded that even if they were caught, it might be impossible to punish them because the loopholes would mean they hadn't actually broken the law.

**Elsalhy** said opposition politicians on the committee tried to get the government to force all lobbying to be reported without exception. But the idea was rejected by the Tories-dominated panel.

"They said they felt it might restrict the public's perception of access to government."

The Tory chair of the committee, former solicitor general Harvey Cenaiko, did not return calls for comment on the issue yesterday.

The Lobbyists Act was supposed to be a flagship of Premier Ed Stelmach's regime and was supposed to fulfil his commitment to more openness and accountability in government.

But the governance watchdog group Democracy Watch ripped the proposed law yesterday, saying amendments to it developed over the summer did nothing but weaken already loophole-ridden legislation.

The law will allow fake grassroots organizations, also known as "astroturfs," to get around a 100-hour organizational lobby limit before registration is required.

## **Solicitor General & Public Security**

### **Implementation key to crime report**

The Edmonton Journal

Thu 08 Nov 2007

Page: A18

Section: Opinion

Source: The Edmonton Journal

From the outset, chairman Heather Forsyth was adamant the province's task force on crime reduction would go beyond predictable demands for more police.

"We need to probe deeper than that," the Calgary MLA and former solicitor general told the committee last spring as it geared up for public hearings.

This week, Forsyth presented an intriguing report that lives up to her commitment in substantial measure with its call for crime prevention steps, along with some tougher law enforcement.

Important recommendations, including more treatment beds for drug addicts, more services for the mentally ill and improvements to aboriginal education (as set out in the Learning Commission report) will help prevent crime.

The report also gives a refreshingly candid assessment of how the fast-living, get-rich-quick culture of this boom contributes to some of criminal activity in the province.

"Drug and alcohol abuse take a terrible toll and directly or indirectly it is at the heart of many crimes," says the report. "The 'work hard, play hard' culture that has developed in Alberta is a dangerous one."

Two controversial recommendations, however, deserve further discussion. The first is that repeat offenders should be routinely denied bail. This step would signal a hard line, keeping career criminals off the street while awaiting trial.

On a practical level, the province would have to find room in already overcrowded remand centres for more prisoners.

The report advocates a longer mandatory treatment time (beyond the current five days) for children ordered into it by the courts. That should be approached cautiously. Using the coercive powers of the state over minors, when no crime is committed, must be done with great care.

The provincial government accepted much of the report and announced it will add 40 residential addiction-treatment beds, 41 more beds at hospitals for the mentally ill and by 2010 will add another 50 detox beds for young people. That's a good start.

More police officers and Crown prosecutors will also be hired, though the timetable is vague -- as is the price tag.

One government estimate put the cost of implementing many recommendations at \$470 million over three years. Taxpayers need a better breakdown of that large sum.

Some of these measures will repair the social safety net that was weakened under Klein-era cutbacks. The lack of services for mentally ill is a major problem.

(Unfortunately, the committee gives almost no detail of what's needed to improve those services.)

Communities will also be pleased that the task force recommends tougher enforcement of the Liquor Control Act. That should help cities trying to reduce violence associated with bars.

The limits of Forsyth's report are also clear, however.

Tackling the causes of crime also means dealing with poverty, providing decent housing for low income families, good child care for those struggling on low-wage jobs in a high cost economy and making sure there's all-day kindergarten for families in need.

Crime in Alberta is not on the rise, according to recent statistics, but it remains a serious problem and higher than the national average.

Premier Ed Stelmach will be on the mark if he tackles the problem with a judicious combination of prevention and enforcement measures.

Communities will be watching his government for a commitment to a meaningful timetable for implementing the report. Already Stelmach delayed until April setting up a provincial secretariat to assist towns and cities in developing a safer communities strategy. That's too bad. Many communities are ahead of the government on this and are waiting for provincial support.

### **Alberta's crime crackdown**

The Edmonton Sun

Thu 08 Nov 2007

Page: 11

Section: Editorial/Opinion

Byline: BY ROY CLANCY

Column: Justice

A report issued yesterday by a nine-member task force examining ways to keep our communities safer doesn't pull any punches when it comes to tougher justice for the 15% of hard-core criminals who commit 60% of the crime.

Nor does the 80-page report indulge in hang-'em-high, lock-'em-up and throw-away-the-key theatrics.

Contrary to the critics who expressed fears in advance of the report's release that it would be heavy on punitive measures and gloss over the root causes of criminal behaviour, this is a well-balanced effort.

Along with tougher laws and enforcement, the study group led by MLA Heather Forsyth urges measures designed to prevent crime before it happens.

The report, *Keeping Communities Safer*, also offers a revealing look at our attitudes toward crime.

Even though 56% of those who responded to the task force's online survey indicated crime is a high-priority concern, 93% feel safe or reasonably safe in their homes after dark and 75% feel reasonably safe walking alone after dark.

At the same time, 44% believed crime in their neighbourhoods is a serious problem and 41% said crime had increased in the last three years.

The reality, according to Statistics Canada, is that Canada's overall crime rate has dropped to its lowest level in more than 25 years and one of the largest decreases was in Alberta. Sadly though, the violent crime rate here has remained lamentably static.

Of course, statistics only record crimes that are reported to police and Statistics Canada itself suggests as many as two-thirds of crimes go unreported.

Even so, Alberta recorded the highest rate of violent victimization in the country in 2004. One in four Albertans said they were the victim of some type of crime in the last year.

Alberta might not be the Wild West when it comes to lawlessness, but we have a problem - and it's growing.

Albertans don't need to pore over reams of statistical data to understand that. They see it with their own eyes when they venture out in public and hear about it from their friends and neighbours.

Unfortunately, the perception criminals are getting off easier these days is an accurate one, says the study.

The good news is sentences have increased for homicides, sexual offences and drug trafficking. The grimmer reality is sentences have gone down for other crimes that have a bigger impact on our everyday lives, such as common assault (down 35%) and theft (down 56%).

The task force report says the first priority is to "get tough with those who commit the crimes, especially those who commit the crimes over and over again."

But it also acknowledges that "second, and just as important, we need to get tough on the factors we know contribute directly to crime."

To that end, among its top priorities are proposals to increase the number of treatment beds for alcoholism and drug addiction, along with taking action to streamline the criminal justice system and tackle the problem of repeat offenders.

There are recommendations to hire more Crown prosecutors, support staff and police to handle the growing caseload and also to set up programs to reduce the risk of youths getting involved with drug use and gangs.

Of course, mere words alone won't make Albertans sleep safer at night, or prevent our young citizens from becoming victims of drug addiction or gang violence.

But to suggest, as the opposition has done, that this is mere tough talk to improve the Conservatives' standings in the next election is the height of cynicism.

The task force suggests all Albertans have to work together to make Alberta a safer place to live - a piece of advice opposition politicians should heed.

This complex problem didn't materialize overnight and won't be solved tomorrow.

## **Sustainable Resource Development**

### **Animal welfare groups pan two Alberta zoos; Wildlife officials reviewing reports of rule violations**

The Calgary Herald

Thu 08 Nov 2007

Page: B3

Section: City & Region

Byline: Deborah Tetley

Source: Calgary Herald

The province is reviewing scathing reports by animal welfare groups that call two central Alberta roadside attractions the "bottom of the barrel" for zoos in the country.

Fish and Wildlife officers are looking into allegations of filthy drinking water, rotting carcasses in cages and animals going "insane" from boredom, levelled at Discovery Wildlife Park near Innisfail, and at Guzoo Animal Farm near Three Hills.

"The reports are already being sent out to our field staff, who will go through the allegations and respond where needed," said Darcy Whiteside, a spokesman for Alberta Sustainable Resources.

"Our staff can't be out there every day, so we take responses from the public, or reports like this one, very seriously."

But representatives with Zoocheck Canada and the World Society for the Protection of Animals said Wednesday the province is to blame for the deplorable conditions and public safety issues at the attractions.

They blame the government for failing to enforce zoo regulations.

"Each day, the government dwindles on enforcing its own rules," said Melissa Tkachyk, a spokeswoman for the World Society for the Protection of Animals. "Alberta needs to clean up or close down these roadside zoos."

Following visits to both facilities, the groups tallied 150 violations of provincial standards, said Zoocheck's Julie Woodyer, who called Alberta's regulations some of the best in Canada.

The province's updated zoo regulations were set out in October 2005 and came into effect six months later.

The welfare groups' investigations were completed over the past year, Woodyer said.

"We were assured that every facility in the province would come into compliance by March," she said.

"But Guzoo really is the bottom of the barrel in this province, maybe in Canada."

The zoos' owners defended their attractions Wednesday and said they were tired of responding to "self-proclaimed animal activists out of Ontario."

"We are licensed by the government according to development plans approved by the province," said Lynne Gustafson, who has operated Guzoo for 18 years.

"We can't get a permit if we don't pass inspections."

Gustafson, who has come under fire for several years by welfare groups and members of the public, has 400 animals on the property, including bears, tigers and lions.

Officers last visited his zoo three weeks ago, Whiteside said, adding no violations were recorded. They last visited Discovery Wildlife Park in the summer.

"These zoos are meeting the goals of the regulations," he said.

The welfare groups said there were more than 100 violations at Guzoo, including shoddy fencing, dirty cages and a monkey that self-mutilates from boredom. They made their most recent visit on Sunday, Tkachyk said.

Meanwhile, there were 50 violations at Discovery Wildlife Park, she said.

But Doug Bos, who owns the facility -- widely known as the place visitors can pay to kiss a bear -- said inspections have become more frequent.

"Things are a lot tighter than they were before," said Bos, who has roughly 100 animals and has been operating for 20 years.

"The new criteria has made it better for the animals, the public and the zoo operators."

Permits for both facilities were renewed in April.

Both zoos report having about 30,000 visitors a year.

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### **Report claims local zoos not clean, safe; But province gave facilities OK after recent inspections**

The Calgary Sun

Thu 08 Nov 2007

Page: 32

Section: News

Byline: BY KATIE SCHNEIDER AND MICHELLE CREIGHTON, SUN MEDIA

Animal welfare groups are crying foul, claiming they've found more than 170 instances of poor conditions and safety hazards at two roadside zoos.

And they are demanding the provincial government clean them up -- or shut them down.

But provincial officials said both zoos have passed recent inspections.

Officials with Zoocheck Canada and the World Society for the Protection of Animals (WSPA) said they found 126 health and safety violations this summer at the Guzoo Animal Farm in Three Hills, 130 km northeast of Calgary -- and 50 were found at the Discovery Wildlife Park in Innisfail, 120 km north of Calgary, more than a year after the province implemented new zoo standards.

Melissa Tkachyk of the WSPA said the violations, cited in reports released yesterday, range from dirty water and inadequate fencing, to a lack of enrichment for animals.

Zoocheck Canada campaign director Julie Woodyer said provincial standards aren't being enforced to their fullest and wants the zoos' licences revoked.

"We're here today to tell this government to take some responsibility for these animals in these facilities and visitors to the facilities," she said.

Alberta Sustainable Resource Development spokesman Darcy Whiteside said officials will review the two reports even though they visit the zoos regularly and found no violations when they inspected Guzoo three weeks ago and last visited Discovery Wildlife Park in July.

"On the day we went out there, they were complying with the zoo standards," Whiteside said.

Guzoo owner Lynn Gustafson and Discovery Wildlife Park owner Doug Bos both denied the violations outlined in the reports.

"We've been inspected less than a month ago ... and I had no indication there was any problem," Gustafson said. "Certainly it's safe, you're in more danger driving here than you are when you get here."

## **\*Miscellaneous Government**

### **Alberta's shortest election campaign; For an hour or so, candidates were off and running -- according to a mysterious website message**

The Edmonton Journal

Thu 08 Nov 2007

Page: A1 / FRONT

Section: News

Byline: Jason Markusoff

Dateline: EDMONTON

Source: The Edmonton Journal

Premier Ed Stelmach called a snap election Wednesday evening -- or at least it looked that way for about an hour.

Several MLAs and political organizers were in a brief panic as the normally colourful "Who is my MLA?" page on the Alberta legislature's website was mostly blank, and read, "Writ has been dropped." That's parliamentary lingo for "an election is underway."

MLAs' BlackBerries buzzed frantically as word spread about the sudden election hype, injecting some spice into otherwise mundane legislature proceedings.

"I said to myself, it's either fake, or I'm not as much in the loop as I thought I was," Deputy Premier Ron Stevens said.

Veteran Conservative MLA Carol Haley spotted the glitch while browsing online, and promptly started cleaning out her desk in jest, a Tory source said.

Speaker Ken Kowalski declared a false alarm and his staff fixed the error by 5:55 p.m. Wednesday, at least an hour after officials noticed it.

Many politicians left the assembly chamber laughing about the mistake, but a perturbed Kowalski promised an investigation to find out what happened.

A "renegade employee," he fears.

"There's three options -- somebody who did it deliberately, somebody who hacked into the system, or we have a technical glitch," said the Speaker, who oversees the website.

"I will find out the best we can, and we will take a serious response to this. Because this is no laughing matter."

Despite speculation the premier may call a snap election for December on the strength of his decision on oil and gas royalties, the panic didn't have anything to do with the premier, said his spokesman, Tom Olsen. A "sneak" election wouldn't be Stelmach's style, he said.

"When the premier drops the writ, he'll do it proudly and publicly," Olsen said.

Government sources say the premier is more likely to call an election in the spring, after accomplishing several more of his priorities, such as a 20-year infrastructure plan. And the window of time is fast closing to begin a 28-day campaign without brushing close to Christmas. If Stelmach dropped the writ this Monday, Albertans would vote Dec. 10.

The mistake has baffled government staff.

"Nobody who would normally be responsible for updating that website was on the website today," government spokesman David Heyman said.

Opposition parties, which have been bracing for a sudden election for weeks, were startled but still light-hearted about the situation.

"He might call an election Thursday. I think this raises us to Def-Con 1," said NDP Leader Brian Mason, referring to the U.S. military's highest state of battle readiness.

Shocked faces filled the assembly as they learned a website had declared an election, Liberal MLA **Rick Miller** said.

"I've got money in the bank, and we've got 1,000 (campaign) signs in storage," **Miller** said. "If it were to have been true, I'd be out there tonight working, because I wouldn't have to go to the committee meeting I'm now on my way to."

By early evening, the legislature's main page -- [www.assembly.ab.ca](http://www.assembly.ab.ca) -- had a news release titled, Website glitch causes some public confusion.

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### **Election announcement false alarm**

The Calgary Herald

Thu 08 Nov 2007

Page: A4

Section: News

Byline: Jason Markusoff

Dateline: EDMONTON

Source: For The Calgary Herald

Premier Ed Stelmach called an election Wednesday evening -- or at least it looked that way for about 30 minutes.

Many MLAs and political organizers were in a confused panic as the MLA contacts page on the Alberta legislature's website briefly read, "Writ has been dropped." That's parliamentary lingo for "an election is underway."

Speaker Ken Kowalski declared a false alarm and his staff fixed the error by 5:55 p.m. Wednesday, about a half-hour after officials noticed it. Many politicians left the assembly chamber laughing about the mistake, but a perturbed Kowalski promised an investigation to find out what happened.

A "renegade employee" did it, he fears.

"There's three options -- somebody who did it deliberately, somebody who hacked into the system, or we have a technical glitch," said the speaker, who oversees the website.

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Opposition parties, who have been bracing for a sudden election for weeks, were left startled but still light-hearted.

"I think this raises us to Defcon 1," said NDP Leader Brian Mason, referring to the U.S. military's highest state of battle readiness.

### **Alberta drops the ball but not the writ**

The Globe and Mail

Thu 08 Nov 2007

Page: A6

Section: National News

Source: Staff

As election speculation runs rampant in Alberta, voters were rightly taken by surprise when a government website featured a page indicating that the election writ had been dropped.

"This is not true and the error has been fixed," the Legislative Assembly of Alberta said in a press release issued last night, adding that office staff were looking into the cause of the glitch.

The assembly admitted that the false alarm had led to some public confusion, but it was unclear how long the page was up before it was pulled.

**Time to get this party started; Alberta Alliance calls Wildrose Party signature drive 'deceptive'**

Fast Forward Weekly

Thu 08 Nov 2007

Page: 6

Section: News

Byline: Jeremy Klaszus

Source: Fast Forward

A new provincial political party that needs signatures to become registered is encouraging its members to collect them by consciously avoiding any mention of the party's name or what the party stands for, and a rival party is calling the signature drive "deceptive." The Wildrose Party, a small-c conservative party launched in June, needs over 6,000 signatures to be officially registered with the government. "The Wildrose Party is really made up of a bunch of disenfranchised former (Progressive Conservatives)," says president Rob James, who calls the Conservatives "significantly left (of centre)." Currently, the Wildrose Party has about 4,000 signatures. In a video on the party's website, staff advise party members against talking about or even mentioning the party when collecting signatures. "It's extremely weird," says Paul Hinman, leader of the rival Alberta Alliance party. "I'm just flabbergasted at the way they're doing it." On the Wildrose video, vice-president of membership Sharon Maclise instructs members on how to collect signatures using a method with "an 80 to 90 per cent effective rate." To demonstrate, she does a mock cold-call at the door of party vice-president of communications Link Byfield. She begins by telling Byfield that she's "registering a new political party here in Alberta." When Byfield asks Maclise what the party stands for, she replies: "I can stand here at the door and tell you all about what the party stands for, and it really doesn't do us -- you and I -- any good at this point. We're just still trying to get the party registered." The video reminds members they're not selling memberships -- "you certainly won't be able to do that," says Byfield -- and instructs members to focus on apartment buildings instead of residential streets, because apartments generally have younger residents. "Younger people are more open to things," says Maclise on the video. "They're more inviting. Sometimes as we get older we get a little more crotchety and difficult." She then gives suggestions on how to get access to locked apartment buildings. Hinman says that when his party collected its registration signatures in 2002, members informed signatories of the party's political position before they signed. "That's what we promoted ourselves on," he says. "It was, 'Hey, I'm Paul Hinman. We're trying to start a new party here in the province.... We think that we need an alternative on the right. Would you mind signing so we can start our party?'" The Wildrose approach is "underhanded" and "deceptive," he says. "I don't think you should be able to gather signatures if people don't know." However, Ried Zittlau, director of elections finance for Elections Alberta, says that while the Wildrose Party's strategy of avoiding mention of the party's political position is "unusual," it's not breaking any rules. "They don't have to discuss their values, beliefs, mission, vision and things like that (at the door)," says Zittlau. "The petition basically says, 'Are you in agreement with us becoming a registered political party? Whether they concur with their beliefs or not is secondary.'" James says the video was made several months before the party's first annual general meeting in late October, where policies were approved by party members. "We're in a founding state, and the reality is until the policies are adopted, there are no policies," says James. "So it's very difficult for somebody to start talking about what the party is when they don't know." It's also too time consuming to talk politics when collecting signatures, James says. "If you're out looking for signatures and you start talking about the policies of the party and what the party stands for, it becomes a five- or 10-minute conversation as opposed to a 30-second conversation," he says.

The policies approved by the party call for the federal government to "stop spending money in provincial areas of jurisdiction," including health care, education and social services. It also wants

Alberta to withdraw from the Canada Pension Plan and create its own plan. "It was really an outstanding group that got together (at the AGM)," says James. "What really impressed me was the moderate nature of the folks in the room. These are everyday Albertans." The party decided against pushing for a ban on abortion and gay marriage, which were two of the policy options up for debate. "An awful lot of what someone might characterize as extreme views were clearly not adopted by the party." However, not everyone believes the party is as moderate as it claims. "They're people so far to the right they wouldn't eat leftovers," says Bruce Foster, chair of policy studies at Mount Royal College. "Basically, it's Cletus and the slack-jawed yokels coming for a party." Foster calls the Wildrose Party a "fringe" party that will likely "go nowhere," like the Separation Party of Alberta and the Alberta Alliance. "(These parties) pop up like dandelions," says Foster. "It's the usual gang of suspects, and it's usually got a Byfield in there somewhere."

## **\*New Premier (Stelmach)**

### **Stelmach uses quote out of context**

The Edmonton Sun

Thu 08 Nov 2007

Page: 24

Section: News

Byline: BY JEREMY LOOME, LEGISLATURE BUREAU

Premier Ed Stelmach's decision to use a newspaper quote out of context to attack his opponents in the legislature yesterday was "disgraceful and desperate," according to the official opposition.

And a senior Alberta cabinet minister, meanwhile, suggested recent federal tax cuts by Stephen Harper's government were somehow due to the province's decision not to collect billions in additional oil revenue over the past seven years.

In refusing to answer requests that he table information supporting that decision, Stelmach suggested Liberal Leader **Kevin Taft** had flip-flopped on royalties, quoting a Calgary news story from February. "Maybe the honourable leader can help me understand, because Feb. 17 in the Calgary Herald, the honourable leader of the opposition says, 'The appetite for royalty change is not significant.'"

Stelmach then noted that **Taft** said in October that royalties should rise by at least 20%, seemingly in contradiction to his own February statement.

But Stelmach's use of the quote was out of context.

"The actual quote was, 'We have a tone being set by the premier that suggests to me that the appetite for royalty change is not significant,'" said Liberal MLA **Rick Miller**.

"For the premier to use only half of the quote is totally, once again, offside."

It reeked of desperation from a government trying to regain lost support by selling the message that the auditor general, a provincial review panel and department of energy experts were all wrong when they identified the potential billions, said **Taft**.

Taft again spent the day asking Stelmach to produce any of thousands of pages of royalty advice and studies that were severed from the government's response to a Liberal Freedom of Information request. But Stelmach suggested the Liberals do their own research, noting nine different studies on royalties from the past seven years have already been publicly released.

Stelmach has throughout the week suggested any money the province didn't collect was reintroduced to the economy by oil companies.

Treasury board president Lloyd Snelgrove, meanwhile, suggested recent federal tax cuts were related.

"What happened to these dollars, Mr. Speaker, is that they were reinvested in Alberta and multiplied across Canada, and they resulted in a conservative federal government that's allowed to give approximately \$60 billion in tax cuts, because they worked with the province and responsibly managed their money."

NDP Leader Brian Mason, meanwhile, pointed out that even under the province's new royalty regime, which takes effect in 2009-2010, the province will still receive less for the public's oil than any other jurisdiction or nation.

## Columnists

### Graham Thomson, The Edmonton Journal

#### **Election call almost believable; In wake of drubbing they're taking over royalties, a vote may look good to some Tories**

The Edmonton Journal

Thu 08 Nov 2007

Page: A18

Section: Opinion

Byline: Graham Thomson

Column: Graham Thomson

Source: The Edmonton Journal

Government MLAs were baffled, opposition MLAs were startled and members of the press gallery were, for a moment, speechless.

For a few brief, panic-filled minutes Wednesday afternoon, a provincial election had been called.

Or so it appeared to the media and MLAs who had innocently logged on to the web site of the Legislative Assembly.

"Writ has been dropped," declared the site.

There was a collective shriek from journalists in the press gallery who had been convinced the election wouldn't be held until March. You could almost hear NDP Leader Brian Mason saying, "I told you so."

Turned out it was a false alarm. Unconfirmed sources said someone on the assembly's web page had made a technical mistake. Speaker Ken Kowalski promised an investigation.

For reporters and opposition MLAs, though, the "error" reaffirmed speculation the government is still toying with the idea of a snap fall election. Government officials have been strongly hinting there won't be a fall election but reporters, being skeptical souls, keep smelling something fishy.

Then again, it might be the odour from question period this week.

Government MLAs are looking remarkably like fish in a barrel these days. During last spring's sitting, they often resembled baby seals for all the clubbing they suffered from opposition parties. Now, opposition MLAs have traded in their clubs for guns.

Premier Ed Stelmach and Energy Minister Mel Knight do little but swim in circles as the opposition MLAs open fire. It'd be cruel if it weren't so interesting to watch. Or perhaps it's interesting because it is so cruel.

You have to feel a little bit of sympathy for Stelmach and Knight. Or maybe you don't. The government got itself into this predicament by not heeding warnings from its own bureaucrats it had not been meeting its own royalty targets for years.

The opposition has a bountiful supply of ammunition to blast away at the government thanks to this year's two damning reports on energy royalties, one from the government's own royalty review panel, the other from the province's auditor general.

Every day this week, as expected, the opposition has blasted away, asking the same question countless different ways.

"Is it the premier's position that the auditor general was wrong when he stated that this government could have been collecting, at a minimum, an additional \$1-2 billion annually in royalties without hurting industries?" asked Liberal Leader **Kevin Taft**. "Was the auditor general wrong, Mr. Premier?"

As predictable as **Taft's** questions are Stelmach's evasive responses.

"The billions are there," said Stelmach. "It's invested everywhere from corner to corner in this province, in good health facilities, new schools, and the best programs in the country of Canada right here in the province of Alberta."

Whenever Stelmach gets up to speak his colleagues are like anxious parents watching their child perform in the Christmas pageant, silently willing him along, almost mouthing the words.

There are cabinet ministers who wish they were premier, who think they could do a better job. But there is one job nobody wants. You can almost see government members cringe when the opposition calls Mel Knight back to his feet, almost hear their collective thought: "Thank goodness I'm not the minister of energy."

Knight did catch a big break on Wednesday thanks to Speaker Ken Kowalski who ruled that Knight had not misled the assembly last April with this comment: "There is nothing in any of those documents that would indicate to anybody that we have not collected a fair share of royalties for Albertans."

Knight's assurances last spring seemed to fly in the face of the auditor general's report in October that concluded: "Beginning at least three years ago, the Department demonstrated that Alberta's share had fallen below its target range. The Department estimates that it could collect an additional \$1 billion or more per year without stifling industry profitability."

After hearing the Liberals complain Knight had misled the assembly, Kowalski concluded the government determines policy, not the auditor general, and, besides, "fair share" is a subjective term.

Kowalski is now back under the spotlight to explain how the legislative assembly's web page declared an election had been called.

Government officials quietly insist there won't be a fall election.

But skeptical journalists keep smelling something fishy in the air.

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### **Don Braid, Calgary Herald**

#### **Frenetic Ed tries to fix all problems at once**

The Calgary Herald

Thu 08 Nov 2007

Page: A4

Section: News

Byline: Don Braid

Column: Don Braid

Source: Calgary Herald

Premier Ed Stelmach and his pals are governing at a furious pace. It makes you wonder, is there anything they won't govern?

This premier probably walks around farms on the weekend, trying to figure out how to bring transparent government to pigs and chickens.

It's easy. First you appoint a task force. Then you invite all the pigs and chickens to tell you what they think. You respect what they say, even when it's chicken poo.

Eventually the task force produces a report. You accept most of it, and tell your officials to get busy making laws.

You create a new Pig and Chicken Secretariat to ensure results. You go to Treasury Board for \$500 million over 10 years to create a Province of Perfect Pigness (the oink initiative) as well as Creative Chicken Coops (the cluck consensus).

But what of the pigs and chickens? They were never that unhappy in the first place -- there's plenty of feed and slop around, after all.

They were doing pretty well despite some annoyances, including too many barnyard visits from the farmer.

But now they expect big changes that will make them much happier. All sorts of problems have been carefully defined, including some they weren't even aware of, and they demand solutions.

Here we bend to the old journalism rule that a pig and chicken metaphor should never cover more than one-third of a column.

But this is what Stelmach is doing -- shaking problems so hard that they begin to seem more critical than many thought they were.

Then the government builds up government structures, and spending, to fix them.

Without ever getting elected as premier, Stelmach is proving to be the most activist premier of the Tory era.

Former premier Peter Lougheed, a progressive to his boots, enraged the right when he bought Pacific Western Airlines and aimed some money at key businesses. But he never tackled so many sectors at once.

The best strategy, and Lougheed knew it, is always to fix one or two pressing problems at a time, and then move on to the next job.

Stelmach's activity level is almost unbelievable. This is the Frenetic Conservative government of Alberta.

We have the upheaval of a royalty review -- a worthy enterprise, but emotional and divisive, tumultuous enough to last the province for a couple of years all by itself.

The Alberta Energy and Utilities Board is being torn apart -- literally -- by legislation that will split it into separate electricity and petroleum regulators.

Meanwhile, the EUB has sharply changed its focus to favour landowners over energy applicants. This is a good idea, within reason, but it's causing more uncertainty in an industry also facing royalty changes and tougher environmental regulation.

The new Lobbyists Bill is also creating an uproar because of bad drafting and unintended consequences.

This law means that charitable agencies must register as a lobbyist any employee who spends more than 100 hours a year trying to pry money out of government.

Are they kidding? It can take 100 hours to get somebody on the phone.

Now we have the war on crime, which will spend \$470 million over three years, and have its own secretariat, as it attempts to stamp out a drug and crime wave that was allowed to roll for too long.

The inevitable reaction from the right side of the conservative spectrum began with Preston Manning's broadsides at the royalty regime, and his questions about government competence. Expect much more of this.

On a practical level, Albertans might wonder if Stelmach's people are good enough to make all the studies and secretariats and policies actually work.

Already, the politicians and officials are spread so thin you can see right through them.

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