

---

# THE GOLD BAR NUGGET

---



Summer 2010

## *Hugh MacDonald, MLA*

*Critic for Employment & Immigration;  
Finance & Enterprise; Treasury Board;  
Chair, Standing Committee for Public Accounts;  
Member of five other Legislative Committees;  
Member of the Official Opposition of Alberta.*

*Edmonton - Gold Bar Constituency Office*

*#102, 7024 – 101 Avenue, NW*

*Edmonton, Alberta T6A 0H7*

*Phone: 780- 414-1015*

*Fax: 780- 414-1017*

*E-mail: [hugh.macdonald@assembly.ab.ca](mailto:hugh.macdonald@assembly.ab.ca)*

*Website: [www.albertaliberalcaucus.com](http://www.albertaliberalcaucus.com)*

---



### *Dear Constituent:*

It has been my privilege to continue to serve as your elected member of the Alberta Legislature. The spring session of the Legislature ended on April 21, 2010. The next session is scheduled to start sometime in the Fall, 2010. I have not missed one day of Session since I was elected in 1997.

In the fall session, a number of very important bills will be tabled by the government. I would greatly appreciate your feedback about them. First, the Minister of Education is planning to rewrite the School Act and replace it with a new “Education Act” that will place an emphasis on “new learning skills.”

Second, the government has promised a new Alberta Health Act will be tabled in the Fall. I know many of you have questions about the proposed Seniors Pharmaceutical Strategy which was put on hold in March, in order to “make any necessary legislative and regulatory changes and to ensure the program aligns with other government programs for seniors.” We shall see what changes are made!

Third, Bill 16 – Traffic Safety (Distracted Driving). I believe this legislation will make our roads safer by controlling the use of cell phones when driving. What do you think? Let me know, please.

As always, you are welcome to come into the office to inspect your MLA’s budget and expenditures. I look forward to meeting with you in the near future.

Sincerely,

A handwritten signature in black ink that reads "Hugh MacDonald".

**Hugh MacDonald, MLA, Edmonton-Gold Bar**

## **Kearl Lake Oil Sands Modules**

As part of the Kearl Lake Oil Sands project, Imperial Oil is paying a South Korean company millions of dollars to build 200 large modules, which will be barged up the Snake River to Lewiston, Idaho and then moved by truck through Montana to Fort McMurray. During the spring session of the Legislature, I asked the following questions to the Premier and the Minister of Employment and Immigration:

**“Mr. MacDonald:** Thank you Mr. Speaker. Again to the Premier: given that 200 very large production modules for Imperial Oil’s Kearl oil sands project will be shipped from South Korea to Portland, Oregon, then moved by barge up the Columbia and Snake rivers, that from there they will be trucked slowly through Idaho, Montana, and Alberta to the Kearl oil sands project, how many jobs were created in South Korea as the result of this bad deal for Alberta, and how many jobs were lost here in this province in the construction industry?”

**Mr. Stelmach:** Mr. Speaker, that’s why the competitiveness review is so important, to make sure that we compete with other countries. There has been a huge global economic shift. Countries are competing not only for contracts. They’re competing for investment, and they’re also competing for people. That’s why, I believe, the opposition will support this government in the Competitiveness Act, Bill 1, and get the process moving as quickly as possible.

**Mr. MacDonald:** Again, Mr. Speaker, it’s difficult to compete when this government is selling out the industry.”  
– Alberta Hansard, March 15, 2010.

**“Mr. MacDonald:** Thank you, Mr. Speaker. Two hundred very large production modules for Imperial Oil’s Kearl oil sands project will be built in South Korea. Substantial job losses here in Alberta will result from this deal. My first question is to the Minister of Employment and Immigration. Is exporting construction jobs offshore the cheapest way for Imperial Oil to construct its Kearl oil sands project here in Alberta?”

**Mr. Lukaszuk:** Mr. Speaker, I should start by saying that not only creating jobs but keeping Albertans employed and creating an environment in which businesses can stimulate employment is this ministry’s and this government’s number one priority. However, individual companies within this province make business decisions based on cost models or availability of production skills or other variables that this government does not monitor. One of the differences between this government and perhaps governments in different parts of the world is that we don’t tell people how to run businesses.

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the Minister of Unemployment: what is the total value of the work being done in South Korea, and how many person-hours of work have been lost here in Alberta in the construction and steel-fabricating industries?” – *Alberta Hansard*, March 16, 2010.

## **Electricity Deregulation**

Many constituents have contacted our office to express their concerns about electricity deregulation. As many of you know, for decades Albertans enjoyed stable, reliable delivery of electricity through three major publicly-owned utilities, under the control of the Alberta Energy and Utilities Board. In 1995, the Government of Alberta enacted a deregulation scheme that effectively gave private suppliers free reign to charge consumers whatever they wanted, without government price controls or provincial oversight.

The process toward deregulation has been a lengthy one, but the final deregulation process comes into effect July 1, 2010. What will this mean for you, the consumer? The immediate result will be increased volatility in cost of electricity from month-to-month, as the cost of electricity is passed directly onto the consumer, with no oversight from the Utilities Board. This could mean that a household bill that is \$100 in July may increase to \$300 in August with little or no warning given. Since 1995, Albertans have gone from paying some of the lowest electricity rates in Canada to among the highest. How has deregulation benefitted the people of Alberta? Please do your research carefully before signing a long term energy contract. **Remember you have ten days to change your mind and cancel after signing a contract for natural gas and electricity.**

## Alberta Heritage Savings Trust Fund Update – It’s Your Money!

The Government of Alberta recently released a Summary of Operations of the Alberta Heritage Savings Trust Fund (AHSTF). As you can see from the chart below, this fund was created in 1976 with a \$2 billion investment and has a current value of \$13.8 billion. By way of comparison, the Petroleum Fund of Norway was created in 1990 and is now worth \$443 billion. Norway’s population is 4.8 million, while Alberta’s population is 3.6 million. In 2008 – 09 the AHSTF lost approximately \$2.5 billion or 15% of the fund’s value. Since then, the AHSTF has bounced back a little, but we are still \$568 million behind where we were in 2008. The AHSTF’s stated long term investment return is 7.2% per annum, yet the 10 year annualized rate of return is only 4.3%.

### Historical Summary of Operations May 19, 1976 to March 31, 2010

(in millions)

Fiscal Year	NET INCOME (LOSS) (a)	TRANSFERS TO THE FUND			TRANSFERS (FROM) THE FUND		
		Resource Revenue Allocation	Advanced Education New Deposits	Advanced Education Endowment (b)	Section 8 (2) Income Transfers (c)	Capital Project Expenditures	Fund Equity, at cost
1976-77	\$88	\$2,120	-	-	-	(\$36)	\$2,172
1977-78	194	931	-	-	-	(87)	3,210
1978-79	294	1,059	-	-	-	(132)	4,431
1979-80	343	1,332	-	-	-	(478)	5,628
1980-81	724	1,445	-	-	-	(227)	7,570
1981-82	1,007	1,434	-	-	-	(349)	9,662
1982-83	1,482	1,370	-	-	(867)	(296)	11,351
1983-84	1,467	720	-	-	(1,469)	(330)	11,739
1984-85	1,575	736	-	-	(1,575)	(228)	12,247
1985-86	1,667	685	-	-	(1,667)	(240)	12,692
1986-87	1,445	217	-	-	(1,445)	(227)	12,682
1987-88	1,353	-	-	-	(1,353)	(129)	12,553
1988-89	1,252	-	-	-	(1,252)	(155)	12,398
1989-90	1,244	-	-	-	(1,244)	(134)	12,264
1990-91	1,337	-	-	-	(1,337)	(150)	12,114
1991-92	1,382	-	-	-	(1,382)	(84)	12,030
1992-93	785	-	-	-	(785)	(84)	11,946
1993-94	1,103	-	-	-	(1,103)	(71)	11,875
1994-95	914	-	-	-	(914)	(49)	11,826
1995-96 (e)	1,046	-	-	-	(1,046)	-	11,826
1996-97	932	-	-	-	(756)	(d)	12,002
1997-98	947	-	-	-	(922)	(d)	12,027
1998-99	932	-	-	-	(932)	-	12,027
1999-00	1,169	-	-	-	(939)	(d)	12,257
2000-01	706	-	-	-	(706)	-	12,257
2001-02	206	-	-	-	(206)	-	12,257
2002-03	(894)	-	-	-	-	-	11,363
2003-04	1,133	-	-	-	(1,133)	-	11,363
2004-05	1,092	-	-	-	(1,092)	-	11,363
2005-06	1,397	-	1,000	750	(1,015)	(d)	13,495
2006-07	1,648	-	1,000	250	(1,365)	(d)	15,028
2007-08	824	-	918	-	(358)	(d)	16,412
2008-09	(2,574)	-	-	-	-	-	13,838
2009-10	2,006	-	-	-	(2,006)	-	13,838
<b>TOTAL</b>	<b>\$30,226</b>	<b>\$12,049</b>	<b>\$2,918</b>	<b>\$1,000</b>	<b>(\$28,869)</b>	<b>(\$3,486)</b>	<b>\$13,838</b>

- a) The net income of the Fund and its assets and liabilities, net of consolidation adjustments, is included in the consolidated financial statements of the Ministry of Finance and Enterprise and the Government of Alberta.
- b) The Access to the Future Act allows for a maximum of \$3 billion to be transferred into the Fund to support the advanced education endowment.
- c) In accordance with section 8(2) of the *Alberta Heritage Savings Trust Fund Act*, the net income of the Fund, less any amount retained in the Fund to maintain its value from inflation, shall be transferred to the GRF, annually in a manner determined by the Minister of Finance and Enterprise.
- d) Includes amount retained in the Fund for inflation-proofing represented by the difference between net income and amount transferred to GRF. At March 31, 2010, the accumulated amount retained in the Fund for inflation-proofing was \$1,562 million (2009: \$1,562 million).
- e) March 31, 1996 marked the end of the old structure of the Heritage Fund. In 1996-97, the Fund commenced a structuring process under a new framework. The new framework provided for a transition into more market based investments, inflation proofing the Fund and a long-term investment horizon providing for the greatest financial returns on investments.



Hugh MacDonald, MLA for Edmonton-Gold Bar, drops off a donation for the Edmonton Food Bank. Please continue to support the Food Bank!

## **Congratulations!**

-Congratulations to Cindy Kwok, winner of the Gold Bar MLA Youth Leadership Award, presented at the McNally High School Awards June 15, 2010.

-Congratulations and thanks to the volunteers of the Ottewell Community League on their new playground and park, that opened June 26, 2010.

-Congratulations to the South East Edmonton Seniors Association on their 30<sup>th</sup> Anniversary and on receiving a \$1 million grant from the Federal Government for upgrades to their facility.

## **Farewell!**

-After 30 years teaching Drama and English at McNally Senior High School, Mr. Duane Mills is retiring. Good luck and good health in the future!

## **Thank You!**

Thank you to all those who took the time to express your concerns to the Edmonton Public School Board regarding public school closures in our constituency. The decision to close Capilano, Fulton Place and McCauley Schools was very disappointing.

## **Neighbourhoods in the Constituency of Edmonton-Gold Bar**

<b>Capilano</b>	<b>Cloverdale</b>
<b>Commonwealth</b>	<b>Forest Heights</b>
<b>Fulton Place</b>	<b>Gold Bar</b>
<b>Holyrood</b>	<b>McCauley</b>
<b>Ottewell</b>	<b>Riverdale</b>
<b>Strathearn</b>	<b>Terrace Heights</b>

## ***How can I assist you?***

- Your MLA is a notary public and a commissioner for oaths and is available to commission legal documents at no charge to constituents. Please call for an appointment.
- If you have senior family members who are celebrating a wedding anniversary or birthday, my office can arrange for a certificate to commemorate the occasion.
- I am available to meet with your co-workers, club or organization to listen to your ideas or concerns. Just call me at 780-414-1015.
- If you are having difficulty finding answers to your concerns, this office may be able to assist you by advocating on your behalf.

Hugh MacDonald, MLA  
 Edmonton-Gold Bar  
 Constituency Office  
 #102, 7024 – 101 Avenue, NW  
 Edmonton, AB T6A 0H7  
 Phone: 780-414-1015 Fax: 780-414-1017

Email: [hugh.macdonald@assembly.ab.ca](mailto:hugh.macdonald@assembly.ab.ca)

Website: [www.albertaliberalcaucus.com](http://www.albertaliberalcaucus.com)

Constituency Office Hours:  
 Monday to Friday  
 9:00 a.m. to 4:30 p.m.  
 Closed noon till 1:00 p.m.

**Printed on Recycled Paper**