

If Truth Be Told

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Just a few years ago I decided to write my autobiography as a way of telling my wife and daughters where I had come from, where I had been, who my mentors were, and what I had learned along my way. It was an exhilarating experience and one I would encourage everyone to do before their memories fade or life passes them by. The process teaches one to tell the truth and nothing but, for if you fail to do so your story will never hold together. The same principles obviously apply in day-to-day life, whether you are involved in business, politics, or sports. Why is it then that so many of us want to shade the truth or, worse still, tell out-and-out lies because we think it is to our advantage, when in the end it never is!

WHERE DO YOU COME FROM?

At some point, we are all asked where we came from. Some of us have, by choice or circumstance, stayed close to home. Others, like myself, have had the opportunity to move about. Since graduating from university I have twice been domiciled in Montreal, Toronto, and Calgary. Each city is different; they all have their pluses and minuses. In my opinion, you never get to know the true character of a province until you have lived there. Dropping by on a business trip or a vacation is rarely enough time to get to know what really makes a town tick. As a consequence, few of us ever takes a profound interest in Canada as a whole. Until we do, to say that you are a Canadian seems to me to be more of an exaggeration than the truth.

THE HAVES AND THE HAVE-NOTS

Every society is made up of people from different backgrounds, different cultures, different walks of life. Some are well off, many are not. Most are willing to do their part to improve their lot and that of others. When we come across an up-and-comer we want to get involved in whatever the endeavour may be. We will willingly spend the time it takes to make certain success is assured. Why, we sometimes even get carried away by a pied-piper politician!

We know that nothing worthwhile comes about without hard work. Being unemployed will never get us to where we truthfully aspire to go. Why is it then that governments persist in trying to divvy up the wealth rather than take the appropriate steps to encourage our entrepreneurs to be ever more successful and, in the process, provide additional and better paying jobs to those amongst us willing to give success a go? How can those in power possibly think that the bureaucrats have the wherewithal to do the job and with dispatch? They never have and, practically speaking, there is little chance they ever will. They are a drag on Canada's productivity, many as much on the dole as those drawing pogeys. As The

Gomery Commission has shown, the same holds true for many of the government's advisors on the take. Entrepreneurs should be the haves, and they the have-nots, if we ever hope to get and stay in step with our American neighbours.

COMMON SENSE IS HARD TO COME BY

If you have ever wrestled with a problem only to wake up in the middle of the night with the answer in hand, you must wonder why so many politicians can be so inept when it comes to dealing with the issues that bother Canadians most. Would you not think that at least a few of them might come up with the right solution from time to time? Are we really asking too much of them? I for one do not think so.

Unfortunately something awful seems to happen to people when they are elected to Parliament and move to Ottawa. Common sense goes up in smoke, or should I say a party-time haze. They become but a bunch of bozos in blunderland!

If there are three major political parties, why is it that the respective leaders all sound about the same in addressing almost every issue? How is it that one does not stand head and shoulders above the others? Is mediocrity all they care to offer? If so, why does the governor general not dissolve Parliament and call for a national election, and keep doing so until the deadwood has gone, and nothing but bright-eyed and bushy-tailed members are elected. Doing so would cost a whole lot less than the host of useless programmes the taxpayers are having to pay for these days. As it now stands, the country is going nowhere but sideways, and the current crop of politicians is primarily to blame for Canada's sad state of affairs. Common sense in the House of Commons is truly hard to come by.

PRICE-TAKERS VERSUS PRICE-MAKERS

Canada has always been known for its vast reserves of natural resources: minerals, coal, crude oil and natural gas; and the wealth of its forests and plains, mighty rivers and great lakes. Try as we may, our manufacturing sector has never been a world beater. With China and India's recent emergence, it is highly unlikely that we will ever be able to compete toe to toe. We are destined to remain price-takers and not price-makers. By which I mean we will seldom be in a position to command a premium for the goods we have for sale. Our best bet is to become a well-financed and proficient producer of high quality raw materials. Even so, such will require massive capital investment and constant upgrading of our skills and infrastructure. It will not happen by chance. If the rank and file wish to share in the spoils they will have to become very proficient, to the benefit of all the participants, including the investors.

CHANGE MUST BE FOR THE BETTER

Whereas our universities may be chockablock with dreamers, Canada's entrepreneurs must be innovative and accountable to investors. Bureaucrats are a different lot. As someone once said, it does not matter who you vote for, the "swivel" servants always stay put. There is little chance many will ever lose their jobs in these times of seemingly unlimited budgets and perpetual surpluses. Rather, things stand to get even worse as new hirings by the federal government exceed that of both universities and business combined!

Then there is the case of the prime minister and many of the provincial premiers. No group of individuals, to my knowledge, has ever changed their minds as frequently. Why even the direction of thought can be reversed at a moment's notice, the collective position

on health care a perfect example. Why is it that they cannot admit the present system does not work, and that the challenge is to put forward one that will? It is not a matter of copying the hated “for profit” U.S. example. It is about doing things more efficiently and effectively, as has been achieved elsewhere about the globe. In the end, it will be necessary to do away with the notion that it is “free.” It is not, and never has been. So the first step in dealing with the endless waiting lines is to charge for every visit to a hospital or doctor’s office. Without a doubt, private clinics are needed to help address the increasing demand for MRIs, CT scans and the like.

Whatever, a winning attitude is important if we are ever to get on with our lives. Red tape is but a deterrent. Computerization is an absolute necessity, and every doctor, hospital and clinic must be on-line. None of these professionals should have trouble gaining access to your medical history, particularly if the taxpayers are footing the bills!

PEACE, ORDER AND GOOD GOVERNMENT

As has been suggested, Paul Martin’s contrivance to survive a non-confidence vote in the House of Commons was not constitutional. He avoided an election by overtly purchasing the support of such low-lives as Jack Layton and Belinda Stronach with the full resources of the state. That said, the western independence movement has a new face. Once restricted to what central Canadians might call the redneck fringe, it has managed to spread to those who are more urbane. Support for separation is growing. In Alberta it is at the highest level ever recorded in any province, including Quebec!

As The Centre for Research and Information on Canada has recently reported, fully 49 percent of Quebecers are likely to vote yes for sovereignty-association if another referendum is called. If asked whether they want Quebec to become a completely independent country or not, only 34 percent would answer in the affirmative. Alberta’s position is quite different. If push were to come to shove, the number willing to go it alone is far greater than 50 percent. While this is not their first choice, I have little doubt they would pack up and go their own way if ever an attempt is made to introduce any legislation that might remind them of the perils of the Nation Energy Programme of twenty-five years ago. Easily able to afford its proportionate share of the national debt, which Quebec has not a prayer of doing, Alberta’s threat is for real. Quebec’s is not! So rather than kowtow to the demands of Quebec politicians, the prime minister would be better advised to listen and learn from what Albertans have to say. At the moment he has his head in the sand and Canada’s future is at risk because of his steadfast disregard for the West.

Meanwhile, Albertans would be well advised to do something about their own government’s lack of accountability. There are still no fixed dates for elections. There are no laws to allow citizens to initiate referendums, and no rights to recall MLAs who fail to fulfill their promises. The premier does not allow his caucus free votes to reflect the views of their constituents any more than the prime minister does. As with the federal government, the most important decisions are made behind closed doors. If the people think it unfair that Paul Martin’s Liberals were able to form a minority government with less than 40 percent of the popular vote, why are they not perturbed that Ralph Klein’s Conservatives won 75 percent of the seats with just 47 percent of the public’s support?

When it comes to spending the taxpayer’s dollars, Alberta has doubled its expenditures in the past decade, far outpacing population growth and inflation. Taxpayer protection legislation is unheard of. Until Albertans actually demonstrate a willingness to take steps

to get a handle on reckless government spending and democratic injustices, it is hard to see how the rest of Canada will take their bitching and complaining seriously. With ample opportunity to be progressive about health care and to experiment with market-based initiatives, all Klein has ever done is talk about it. The only province to take radical measures in this regard has been Quebec.

Despite Alberta's booming economy and significant economic growth, its quality of life still has challenges to address. Along with a 483 percent increase in GDP between 1960 and 2003, individual debt has grown by 300 percent, commuting costs by 600 percent, the level of poverty by one third, the ecological footprint by two-thirds, and the crime rate has tripled. To suggest the lot of every citizen has improved by leaps and bounds is incorrect. More social capital is needed to level the playing field. Though hundreds of millions of dollars have been invested by the petroleum industry in the hope of squeezing every last possible ounce of energy out of the ground, steps must be taken to diversify the province's economy, protect its environment, provide for people on the margin, and ensure its future will be bright. Albertans know who to blame for the gaps in planning. As noted earlier, most voted against the government in the last provincial election, so it is not surprising they are aghast when politicians from outside its boundaries attempt to lay claim to its mounting surplus!

SHARING THE WEALTH

Equalization was introduced in 1957 to deal with disparities between provinces and ensure Canadians would receive comparable levels of public services no matter where they lived. To this very day, nobody knows for sure whether or not the programme really works. Every province but Ontario has been on the have-not side of the fence at one point or another. It may also be by 2010, householders now hit with the triple whammy of property tax hikes, greater health premiums, and soaring power bills – in part because successive governments have botched the province's hydro system, the single worst public policy fiasco in postwar Canadian history.

Now comes word that a net of \$23 billion is leaving Ontario each year in equalization and to pay for other federal programmes. While the figure is a handy one to flog, it is incomplete. Though the province may not have Alberta's munificent energy revenues, money flows into Ontario from the other parts of Canada when people from elsewhere buy Ontario-made products such as cars, or steel, or financial services provided by the big banks. On the other side of the coin, thanks to record crude oil and natural gas prices, Alberta's snowballing surplus is expected to reach \$8.8 billion, its equalization payments \$12 billion. Notwithstanding, rabble-rousers should be reminded that its fortunes are due in large part to others outside the province paying for its energy and mineral resources, beef and lumber. As is the case with the federal government, rather than have the premier waste anymore of the citizens' money on frivolous pursuits, it should be returned to them by way of tax cuts. Such is the best method to encourage capital investment, productivity and job creation.

As I see it, the premier has his fingers crossed, hoping to buy forgetfulness and obscure the province's growing economic vulnerability, to say nothing of the grotesque trail of land abuse, which includes unplanned urban sprawl and over-allocation of water from every major river in southern Alberta. In addition, according to the Pembina Institute's Genuine Progress Indicator, the province has Canada's highest rate of car crashes and fatalities, a

divorce rate that has grown by 357 percent in the past forty years, and the highest gambling record anywhere. As noted in an earlier paper, *Sheer Nonsense*, its citizens now spend more money in casinos than the province earns from crude oil and natural gas revenues. It is really not all a bed of wild roses as those from outside Alberta seem to think.

GETTING BACK TO EVEN

Though there is no way to accurately measure the full impact of the 1980 to 1985 National Energy Programme, the people of Alberta are left with the impression that the tally was somewhere between \$50 and \$100 billion dollars. What is known for sure is that the crude oil and natural gas sub-index fell from 23 to less than 8 percent of the S&P/TSX composite index. Thanks to massive ongoing investment and surging commodity prices, it is now back up and running at about 26 percent. In other words, it has taken fully twenty years to make up for the injustices of the past. Therefore, it is little wonder Albertans are likely to forego Confederation if ever so challenged again by the federal government. May I also suggest that if the less well off provinces were as successful in attracting investor capital as Alberta is with lower tax rates and less red tape, they would not be singing the blues. Unfortunately, all too many of the premiers and their predecessors have squandered their own province's inheritance, and Alberta is not prepared to pay for their many mistakes of the past. It is up to them to right their own ship. It is not up to Alberta to protect anyone or everyone against a surging tide of red ink. Nor should the federal government be expected to do so!

As those elsewhere must come to realize, many of today's oilpatch stars pulled up stakes and moved to Alberta to seek their fortune. Once they had set down roots, quite a number mortgaged their homes and took the plunge to become an entrepreneur. They and the directors typically own 10 to 40 percent of their companies, and are willing to work day and night to make their dreams come true. Despite what the critics may say, success only comes at the end of a very long road. It is never assured and cannot be achieved overnight. Those who wish to be part of the equation are encouraged to get to where the money is being made. Alberta has a great need for people prepared to do an honest day's work!

For the record, Alberta's unemployment rate is around 3.5 to 4 percent, well below the national average of 6 percent or so. The participation rate, the percentage of adults either working or actively looking for work, was 73.6 percent in 2004, compared to the Canadian average of 67.8, and only 65.5 percent in British Columbia. So if you are willing to roll up your sleeves and bust you buttocks, you too can become a multimillionaire.

ASSUMING THE LEADERSHIP ROLE

Although the new governor general may have declared the end of the two solitudes, the English- and French-speaking parts of Canada know almost nothing about each other. Their one connection is the federal government. Saskatchewan was the incubator for federal policies in the 1950s and 1960s, as Quebec was in the 1990s and the first half of this decade. It is now Alberta's turn to rise to the occasion by setting an enviable example for the other provinces to emulate.

Canada is crying out for visionary change, and Alberta has the people, resources and power to provide it. The province's public and private training systems can become the best anywhere, upgrading skills ahead of demand. Its universities can be ranked in the top fifty by 2020. It can become a centre for world class medical research, one of the top five in

North America. It can become the leader in health care experimentation, and help Canadians break free from the existing model that is devouring budgets everywhere, depriving governments of the ability to make more productive investments in the future. It can become the fairest place by shrinking poverty, as out-of-whack societies are less well-to-do than more equal ones. It must become the most outward-looking society Canada has ever known.

Given its superb private sector, a competent civil service, creative people, an excellent work ethic, a can-do spirit, and natural resources in high demand, it can become hugely influential in shaping how Canadians think about public issues. That is why its future political decisions are so important to people elsewhere in Canada. If truth be told, may its next premier embrace all of these ideas in allowing Alberta to assume the leadership role for the whole country. Come what may, it must stop calling on the federal government to help pay any of its bills if it ever hopes to gain the upper hand. With its burgeoning surplus it can well afford to strike out on its own, rather than have to wait for approvals and money from Ottawa. By doing so, the other provinces and the territories will soon learn of the benefits of being self-sufficient, and maybe they too will get their accounts in order.

Yes, rising energy prices have played a part in Alberta's good fortune, but make no mistake, the economic miracle is the result of sound government policies and the entrepreneurialism of its people. Facing a \$3-billion deficit and \$23 billion in debt in 1993, Alberta and Ontario were virtually neck and neck in terms of GDP per capita. Though crude oil was never more than U.S.\$22 per barrel, by 2001 Wild Rose Country's GDP was 30 percent higher than Ontario's, 38 percent better than the national average. In other words Alberta was getting richer despite modest crude oil prices. While Ralph Klein's challenge was to do battle with the public sector unions, his successor will likely have to do so with the federal government over its misdirected desire to narrow the growing wealth gap.

Instead of penalizing Alberta for managing its affairs in an expeditious way, those in Ottawa and the other provinces must strive to follow its lead if they ever hope to enjoy the same success. The first step is to accept that the main causes of Albertan wealth creation are less government intervention and red tap, lower taxes, a substantial increase in private investment capital, and a good measure of hard work which has resulted in enviable gains in productivity. If truth be told, Quebec's elite political masters are coming to this same conclusion, and just in the nick of time. *Vive l'Alberta libre!*