

Stop paying the pilferers!

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Though *O Canada* is our national anthem, our national obsession is spending other people's money. Canadians have a seemingly insatiable desire to do so no matter what the cost may be, no matter how fruitless the pursuit. Politicians and bureaucrats do it, as do corporate CEOs, do-gooders and our beloveds. Furthermore, few amongst us ever want to be truly accountable for having done so. Some observers would go so far as to suggest that it is a plague for which there appears to be no known cure. I would beg to differ. It is time to stop paying the pilferers!

LEARNING THE VALUE OF MONEY

Our parents try to teach us about the value of money at a very early age. Piggy banks are very common depositories. Whether we are offered an allowance and/or made to earn our way by doing household chores, we soon learn to save up our money in order to buy whatever it is that strikes our fancy. The closer we get to doing so, the harder we work.

The next step along our way is to earn money outside the home. In my case I had a paper route, cleaned and serviced bicycles and caddied at the golf course. If I did a good job of it, I could also earn a tip! I was in command of my own money, so to speak. I can remember saving up to buy a pair of Tackleberry skates made by CCM, the very best that money could buy!

It soon became necessary to open my own bank account. This proved to be a mark of credibility and creditworthiness. For example, Granny MacDougall's offerings increased from a two- to a five-dollar bill on occasions like my birthday and Christmas. I was rolling in dough!

EARNING YOUR WAY THROUGH UNIVERSITY

As those of us who have gone to university know, many of us had to earn our own way and money was tight even at the best of times. Fortunately, in my day, there were no such things as credit cards and cell phones. But there were other temptations like fraternities and seemingly endless parties. All the while we had to keep a tight handle on our money. Summer employment was a must and many amongst us had part-time jobs in order to get by. I worked in a mine and as a road builder and was, relatively speaking, quite well paid.

STARTING OUT IN THE REAL WORLD

Whatever jobs you get offered on leaving the cosy confines of university for the rough and tumble world of business or government, the chances are that you will be starting off on the lowest rung of the ladder and made to work endless hours in order to prove yourself to your superiors. Whether you like it or not, all successful people go through this process on their way to making their fortune, be it an honest one or not!

Temptations abound in the way of all-too-easy-to-get credit cards and the ability to buy goods and services on the never-never plan. Before they know it many supposedly well-educated twenty- and thirty-somethings wake up to the fact that they are up their ears in debt. Rather than mend their spending ways, many go looking for a better paying job and job-hopping soon consumes their way of thinking.

While they may go from pillar to post, it is very difficult to outrun the bill collector. One day they will inevitably have to pay up or declare personal bankruptcy and few amongst us find that option to be very appealing. Nor do our creditors!

SPENDING OTHER PEOPLE'S MONEY

Unfortunately, many who want to appear successful but are unable or unwilling to cut the mustard, turn instead to spending other people's money. They do so without any sense of remorse! This is a disease that affects wannabes from all walks of life. The very first sign tends to be the falsification of expense reports, some taken to amounts that boggle a sane person's imagination.

Take for example the case of former privacy commissioner George Radwanski. Not only did he gain bankruptcy protection, he was allowed to settle a federal tax debt of \$557,436 for just \$62,726, the very day before he signed on for a government job paying \$210,000 per annum. Having spent upwards of \$500,000 on what appears to be questionable entertainment and travel expenses over the past two years, the federal government proposes to pay him a \$79,000 severance, to forego \$30,000 in cash advances and to allow him to go scot-free. If any of this makes sense to you, it does not to me!

That said, the Radwanski affair is about more than one man's ethical failings. Rather, it is an indictment of the whole morally corrupt system of patronage on which he fed, a corruption born of decades of Liberal machine politics that runs throughout the federal government, infecting senators, politicians and bureaucrats alike. Chris Stockwell, the province of Ontario's Progressive Conservative environment minister, was also deposed because of excessive expense account spending, proof that the problem is not restricted just to Ottawa mandarins.

Jean Charest's recently announced plan to probe the questionable comings and goings of the massive Caisse de dépôt would imply that all is not well in la belle province du Québec either. Now comes word from the federal government that 3,890 of Canada's 4,039 highest-paid public servants shared \$39 million in bonuses and could soon earn upwards of \$500,000 per year, representing a boost of nearly 40 percent over the past three years, the announcement made in the House of Commons without debate after Parliament had recessed for the summer. As they say, "Naked ambition has no shame!"

Is it any wonder that many Canadians want there to be Senate reform when the likes of

Leo Kolber, a leading Liberal fundraiser, purposely retires a year early so that Jean Chrétien can keep to the time-honoured tradition for outgoing prime ministers of rewarding loyalists with Senate seats. Instead of offsetting the regional imbalances in the population-weighted House of Commons and increasing provincial influence in Ottawa, minimizing the centralization of power in the prime minister's office or consistently offering a sober second thought on controversial legislation, the crimson chamber continues to serve as a dumping ground for political hacks and other elites owed favours by the party in power. For my money and yours, we should expect and demand something better. Is it not time the prime minister stopped trying to rewrite the truth?

Though the implementation of a Triple-E Senate – equal, elected and effective – would not be easy and our political leaders are wary of the inherent risks of opening the entire constitution up for debate, change is needed if we ever hope to get Canada up and running full speed ahead. At the moment the Senate is like an anchor tying the country to the past, and that is simply not good enough in this day and age.

Turning to the corporate side of the expense account coin, few CEOs are seen to have a clean slate. What with private jets flying hither and thither, luxury Skyboxes, private golf club memberships, and management and directors' meetings held in faraway places, even the average shareholder is beginning to question why these practices should be allowed to continue, even if the corporation pays a respectable cash dividend. After all, we all know that money does not grow on trees and that the investors must ultimately foot these bills.

Corporate loans to executives should not be allowed and stock option gains should be tied to real earnings performance and not just the whims of the directors and the stock market. All direct and indirect senior executive compensation amounts should be spelled out in their entirety in the annual information circular and ultimately be subject to shareholder approval at the annual meeting. In so doing, it is hoped that CEOs and their confrères will begin to think more about the owners, as opposed to thinking only about themselves.

Further down the easy-money food chain, the man on the street finds it hard to believe governments should subsidize expense account living by way of tax breaks. Every time someone takes a tax deduction for supporting a charitable cause or for a political donation, they are essentially doing the same thing. Whether the purpose is noble or not, it still amounts to spending other people's money. If a CEO chooses to shower gifts on worthy causes, they are in fact spending the money twice: once on behalf of the shareholders, the second time in lieu of the taxpayers. But only the company executive gets to go to the fancy dress ball!

Every time "angry" farmers or "enraged" fishermen appear on the evening news, it is practiced stagecraft rather than genuine emotion, having learned from experience that such demonstrations usually bring results. Whether these are proper uses of public funds is not the issue. It is a sense of entitlement, the notion that we have the right to reach into our neighbour's pocket, with no justification other than we want to!

As I see it, and I hope you do too, we should all be wary of our "entitlement" ways. We must overcome our propensity to spend other people's money. In the end, bad money is no replacement for good money. Lest we forget, good money is good for productivity and good for our standard of living. It is high time the federal and provincial leaders got on with what truly needs to be done, and it is high time corporate CEOs and do-gooders stayed out of the public money trough. It is time we stopped paying the pilferers!