

Knots of Thoughts

by Dave Bruha

Letter to Prime Minister Stephen Harper

(cc to: Jim Flaherty, George Bush, Barack Obama, the United States Congress and Bill Gates)

Dear Stephen,

I am very glad to see you were able to pull your head from the noose and keep your job for another month or two - it sucks to be fired just before Christmas.

I have been watching with great interest the debates in both the United States and Canada over how much of the common taxpayer's cash is going to be handed out to support banks, mortgage companies and the U.S. auto makers. It sounds like there will be about \$1.5 trillion dollars spent in North America to grease the economic wheels of big business.

The reason for my letter to you is that I could use a little help myself. I am only a small business with less than ten thousand employees (14 to be precise), but I find myself in the exact same position as General Motors - not enough cash to keep operating in the same old manner we have been for the past 75 years.

My company has been manufacturing typewriters since 1928. We operate the only factory in the world that still produces these classic machines, but still have found sales to be slow. In fact, world wide typewriter sales have dropped right off the balance sheet. Don't tell our shareholders, but we haven't been able to sell very many typewriters since about 1990. Manufacturing has continued though, full speed ahead - as I am sure this computer fad will fade away and consumers will flock back to their faithful, built in Canada typing machines. I am certain that a resurgence for the typewriter industry is just around the corner. The tide is already turning as just last year we sold a typewriter to a 106 year old librarian in Idaho and have recently received an order from a museum in Chicago.

Unfortunately we don't have enough cash in the bank (and have pushed our credit to the max) to hold out until the economic crisis abates - global financial chaos always has a negative impact on typewriter sales. We only need about \$12 million to weather the storm, petty cash compared to what the automobile makers are asking for.

I realize that we were given a few billion dollars several years back so that we could retool the factory and train our workers to build products for a computer crazy market, but we used the money to beef up our management team and design a bigger, more powerful new typewriter that would entice computer users to switch back to our sexy machines. The strategy worked for a while and once we offered no interest, no payments and gave away a Toyota with every purchase we were able to sell a whack of the monster typewriters. Most of them were shipped to Newfoundland and are being used to securely anchor fishing boats while their owners are in Ft. McMurray harvesting cash. Surprisingly though, the no payment plan has severely crippled our cash flow and the \$162 Gazillion dollars we earned during the typewriter heyday is gone. (The Jr. executive who came up with the no payments plan has been reprimanded - his bonus was docked 8.3% and he can't use any of the company jets for three weeks!).

I assure you, that on the management side, we have done all we can to trim excesses and keep the business going, even switching to a generic brand of coffee in the employee lunch room and using energy efficient light bulbs in the offices. Our company jets have been converted to run on solar power and all the pilots have been issued green uniforms (I understand that mentioning 'green' and 'power' is essential to obtaining government money). All thirteen of our executives have agreed to a 7.5% cutback to their bonuses this year - they are committed to our long term goal of remaining the number one typewriter manufacturer in the world! We just need a few bucks to get through these 'tough economic times'.

Our employees are great people with families to support and have all been with the company for decades. They earn wages nearly double what other industries can afford to pay so it would be a real hardship to them if they had to find work in other fields - Jack Layton understands this and I am sure he would fully support any bailout package that keeps our typewriter builders employed.

Twelve million may seem like a lot of money for one small company, but our industry supports the economy of the entire planet and if we were to go under, the human race would become extinct within six months. Our employees may even have to layoff their butlers and cancel plans for their 31 weeks of vacation time - we desperately need your help!

I will be on my yacht in the Bahamas until mid March but will have the servants check the mail regularly for your cheque reply.

Merry Christmas to you and your family! May 2009 bring you peace, goodwill and a majority.

Sincerely,
David M. Bruha

Honest Dave's Typewriter Manufacturing and Sales Inc.

"Where the customer is irrelevant"

PS: Twelve million is only a rough estimate, if you feel that more money would be helpful to us our management team will put it good use.

Letters to the Editor

NEWSPAPER POLICY: The Enterprise welcomes letters from readers on topics of general interest. The editor reserves the right to select letters and to edit them as necessary to fit space available. **All letters must be signed and bear the name, address and phone number of the sender.** (Writer's name may be withheld by request.) All letters reflect the personal views of their writers, not necessarily the position or policies of the Consort Enterprise.

Start Saving or Start Paying

While it's been known for many years that the province could not continue to spend royalty revenues to fund their day-to-day operations without eventually having to enforce deep spending cuts or massive tax hikes, we didn't know how much or how soon.

Thanks to a recently released report on provincial savings by a committee led by Dr. Jack Mintz, we now have some numbers.

\$5,800.

That's how much (in today's dollars) the average two-income family in Alberta will have to pay in additional taxes each year by 2030 if the Alberta government does not start saving today.

As ably described in the Mintz report: "If current rates of spending on public services are maintained... and if additional public savings are not put aside, Albertans could face an approximate 40 percent increase in the average provincial tax rate by 2030."

That's right, a 40 percent tax hike. Certainly not chump change for most families.

And while the Mintz report was held for nearly ten months after receipt by the government, the timing of the release was very apt.

Only 21 hours prior, Finance Minister Iris Evans announced the expected surplus for the province had dropped from \$8.5-billion to \$2-billion in just three months. The current downturn heightens the importance of Mintz's conclusions for the short-term, as well as future decades.

This past August, when the province released its first quarter budget update, resource prices were flying high, and threatened to soar to new heights. Oil prices hit their peak in July at \$147US per barrel. At that time, the Alberta government projected revenues for the year would be a whopping 21 percent higher than expected - an \$8.5-billion surplus.

Three months later the province looked like it hit the wrong square in Snakes and Ladders. Alberta was almost back where it started as resource prices plummeted and oil hit its lowest price of the year at \$50US per barrel. Current government projections place revenues to be just three percent higher than bud-

get (and 14 percent below first quarter estimates). This leaves a surplus of \$2-billion.

Just like that, more than \$6-billion in expected revenues vanished. Foolishly, the government is maintaining its commitment to spend \$3.8-billion of that \$2-billion surplus on carbon capture and green transit. Since that math obviously doesn't work, the remaining \$1.8 billion will apparently be funded from the 2009-10 surplus. Unfortunately, taxpayers may not know the size or even the existence of the next surplus until the summer of 2010.

Clearly this government has a spending problem, and this problem is being compounded by wild swings in royalty revenues. This problem has become so bad that the only solutions are to start cutting spending or start saving.

In the past, the pitch for increased savings has been framed around the idea that we need to "save for a rainy day."

Building up a savings account today so that we can draw it down in the future when oil and gas revenues evaporate, is a stupid idea. A real savings plan wouldn't withdraw money ever. Albertans need to look at savings like an income generating investment, not a nest egg. The goal should be to replace oil and gas royalties as a source of revenues to fund spending, with a stable, steady stream of revenues from a long-term investment fund.

And this is precisely what Dr. Mintz's commission suggests. While not as aggressive as the Canadian Taxpayers Federation's recommendations, the Mintz commission suggests the Heritage Fund needs to reach a balance of \$100-billion by 2030. The report demonstrates this modest target can be reached without cutting spending or hiking taxes.

If Albertans aren't enticed by the positive prospect of sustainable future revenues, the negative alternatives are bad enough on their own. A \$5,800 annual tax hike is one; drastic program slashing is the other.

The choice is ours: start saving today or start paying tomorrow.

Scott Hennig

Dear Editor,

Early in the new year, each Canadian federal political party should present their suggestions for solving the current Canadian economic crisis.

This would allow Canadians to judge the quality and effectiveness of the parties' thinking.

The suggestions should include three things.

Firstly, a description of what the parties think the current crisis consists of. It will be instructive to read these no doubt widely differing descriptions.

Secondly, the reasons why they think the crisis is occurring. This, too, will be instructive.

Thirdly, their proposed solutions.

Each party should clearly state their descriptions, reasons, and solutions for the benefit of all Canadians, in French and English.

Each of these three things should be presented in three versions.

First, a one or two page summary of their descriptions, reasons, and solutions.

Second, five page (maximum) explanations of each of the three things.

Third, whatever background materials the parties wish to include.

All of this should be presented on one easily accessible Government of Canada website.

I suspect none of the parties will be willing to participate, as they know that, if written clearly for all to read, their thinking would be revealed to be inadequate and unhelpful.

Nevertheless, for the good

of the country, they should try their best.

Clair Culliford

Dear Editor,

The results of the recent Canadian Wheat Board (CWB) Director elections have been made public. Single desk supporters took four out of five Director seats.

For myself and thousands of other western grain producers, this is very welcome news.

Obviously, farmers have not allowed themselves to be intimidated by the heavy-handed methods and dishonesty employed by the Harper Government in its effort to discredit and destroy the Canadian Wheat Board.

The CWB is a grain producers' business organization. Only grain producers have the right to make major decisions regarding the operations of the CWB, and this is through the democratic process of one person - one vote. In other words, the federal government does not have the legal right to interfere. But interfere they did. Farmers took them to court several times. The courts ruled in favour of the farmers every time. It is indeed a sad state of affairs when farmers must challenge the federal government through court actions to protect themselves and their marketing agency.

The present Harper Government seems to have little respect for democratic rights, fair play and honesty.

This should serve as a wake-up call to all Canadians. Can the Harper Government be trusted to govern Canada in the future?

George Hickie

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