

## OPINION

## Two ideas worth studying

Political parties don't have a monopoly on good public policy. Two cases in point came up this week.

The first was the presentation by University of Calgary political science professor Tom Flanagan, who argued that private property rights are the key to breaking the cycle of poverty for Canada's First Nations.

Flanagan, in case you didn't know, is a charter member of the conservative brain trust — the so-called Calgary School — that helped undermine the old Progressive Conservative Party and tried to make the Reform Party of Canada the country's dominant conservative party.

When that project failed, the Calgary School helped unite the remnants of the Reform Party and disaffected Western PCs into the Canadian Alliance, which ultimately merged with the PC Party under Peter MacKay to form the Conservative Party of Canada under Stephen Harper.

Flanagan was not only a teacher of Harper's at U of C, but also a political adviser and campaign manager for the Conservative Party Leader. So his bona fides as a conservative ideologue are solid.

But Flanagan is also an expert, albeit a controversial one, on the Metis, Metis leader Louis Riel and the North-West Rebellion. He's also considered an expert on the subject of Indian land claims and self-government.

His expertise in the latter brought him to Regina the other day to promote a book he co-authored with Regina-born economist Andre Le Dressay, called *Beyond the Indian Act: Restoring Indian Property Rights*.

Note the wording of the subtitle. It's Flanagan's contention that contrary to popular opinion, most, if not all, indigenous peoples in Canada had well-developed concepts of property ownership. But they were customs, not codified laws, and the Europeans failed to recognize them as such.

In any case, Flanagan believes that only by restoring these rights will First Nations regain economic control of their lives.

The current Indian Act makes it almost impossible for bands to undertake economic development projects on their land, or even buy and sell their own homes.

His solution is to pass legislation allowing First Nations to sell land on their reserves, either to individuals or corporations, if they so choose. With a land base four times the size of P.E.I., the economic impact would be incalculable.

But First Nations governance would continue, as would our obligations under the treaties, Flanagan says. This is not the view that most neo-cons share regarding First Nations.

Nevertheless, it is the only way in which such a radical reform could be embraced by First Nations leadership and First Nations themselves. It is something our political leadership should embrace.

The second example of good public policy coming from outside political parties is the recently announced tax study by the Canada West Foundation commissioned by five groups, led by the Saskatchewan Chamber of Commerce.

More importantly, the study will be headed up by Jack Vicq, the newly appointed Saskatchewan director of CWF, and a veteran of two major tax reform studies in the past 10 years.

Vicq is not only professor emeritus of accounting at the U of S, but a former senior finance department official who knows the tax system, inside and out.

The study will look at all aspects of the tax system, including personal and corporate income taxes, property taxes, sales tax and capital taxes. This is the only logical way to approach this issue because of the interconnectedness of the taxation system.

And, yes, harmonization of the PST and GST will be one of the topics discussed. Vicq, who recommended harmonization in both of his previous studies, is no stranger to the subject.

He certainly won't be dissuaded by the Sask. Party government's pat response that harmonization is not on. But, as a former finance bureaucrat, Vicq is all too aware of the political pitfalls of adopting a harmonized sales tax (HST).

"The biggest question, for me, will be: Can Saskatchewan afford it?"

That's a very good question and one of many that hopefully will be answered by his study.

■ Bruce Johnstone is the Leader-Post's financial editor.

BRUCE  
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## EMPLOYMENT STATISTICS

## Sask. piling up the jobs

### Optimism is prompting the unemployed to find work

By NEIL SCOTT  
Leader-Post

Employment jumped by 9,000 jobs in Saskatchewan last month but the number of unemployed people looking for work also increased.

The latest Statistics Canada data, released Friday, indicates there were 520,000 people employed in the province in March.

In addition to being up by 9,000 jobs compared to March of last year, last month's numbers were up by a seasonally-adjusted 3,300 jobs in a one month comparison between February and March.

The job increases are "pretty substantial, it looks positive," said Doug Elliott, an independent commentator who publishes the *Sask Trends Monitor* newsletter.

Job numbers have been bouncing around in a two steps forward, one step backwards pattern in recent times, Elliott said.

The March results represent the second consecutive month num-

bers have been positive, Elliott said, adding that it's not known whether positive numbers can be sustained for a third consecutive month.

It is encouraging to see an increase in full-time jobs rather than part-time jobs last month, Elliott said.

Job growth in resource industries and construction jobs — that are often well paying — is also encouraging, Elliott said.

There is a paradox in the latest numbers — the unemployment rate increased at the same time as the increase in the number of people with jobs.

Unemployment is increasing because some people who were previously sitting on the sidelines are now searching for work.

The data indicates the unemployment rate in Saskatchewan was a seasonally-adjusted 5.1 per cent in March, which was up from 4.7 per cent in March of last year and up from 4.3 per cent in a one month February-March comparison.

But unemployment in Saskatchewan was still well below the 8.2 per cent national rate.

Saskatoon and Quebec City, which both had unemployment rates of 4.3 per cent, had the lowest unemployment rates in the country. The 5.3 per cent unemployment rate in Regina was the third lowest.

Advanced Education, Employment and Labour Minister Rob Norris said the latest data "provides rock solid evidence that Saskatchewan continues to move forward."

The number of people working "is a record for the month of March," Norris added, in a telephone interview.

The modest increase in the unemployment rate is an indication that more people are moving to the province and more people are candid about seeking work, Norris said.

MLA Cam Broten, the employment critic for the Opposition NDP, said the increase in the number of employed is encouraging

but the increase in the number of unemployed is a concern.

That increase in unemployment raises question about the wisdom of cutbacks in youth, adult skills programs and aboriginal employment developments programs in the recent provincial budget, Broten said.

But Norris said the government has actually spending on job training and related programs. The NDP "hasn't done its homework" when it suggests otherwise, Norris said.

Sylvain Charlebois, the associate director of the Johnson-Shoyama Graduate School of Public Policy in Saskatchewan, said the job statistics Friday provides good news for students who will soon be graduating from school and looking for work;

"The job market will likely welcome them with open arms," Charlebois said, in a written commentary.

Saskatchewan's economy "is robust and remains strong," Charlebois said.

## CROP PROCESSOR AND EXPORTER

## Alliance's billion-dollar target

By BRUCE JOHNSTONE  
Leader-Post

Alliance Grain Traders is on a roll — and it's rolling towards becoming a \$1-billion company, according to its founder and chief executive officer.

In 2009, Alliance posted a 35-per-cent increase in profits to \$29.9 million and an 18-per-cent increase in sales to \$387.9 million, compared with 2008.

Last year, the Regina-based pulse crop processor and exporter successfully engineered a reverse takeover of its parent company, Arbel Group of Mersin, Turkey, for \$104 million. The company, which was founded in 2001, also converted from an income trust to a publicly traded company listed on the TSX.

This week, the company announced it had raised \$80 million on equity markets that will help Alliance sustain that growth into the future, says Murad Al-Katib, president and CEO of Alliance Grain, formerly known as Saskan Pulse Trading.

"We had a good year," said Al-Katib in an interview Friday. "It was one that the markets were waiting to see. The fourth quarter was the first quarter after our transformational acquisition of the Arbel Group in Turkey."

In the fourth quarter, Alliance posted a 235-per-cent increase in profit to \$15.2 million, while sales increased 111 per cent to \$154.8 million, over the same period last year.

"Alliance was a little Canadian company before. With this acquisition, we became much bigger."

Just how big Alliance has become can be seen in the company's skyrocketing share price and market capitalization.

"We were at \$85 million market cap in June and, by year-end, we were at around \$550 million. When we announced the Arbel deal, we



ROY ANTAL/Leader-Post

Murad Al-Katib of Alliance Grain Traders Inc. was the winner of the Export Achievement Award at the Regina & District Chamber of Commerce 2010 Paragon Business Excellence Awards.

were trading at \$12. We closed the deal at \$16.25 and today we are trading at \$33.60," Al-Katib said.

"My next target is to reach a \$1-billion market cap."

The markets are also expecting Alliance to continue growing. "As we were successful, people were expecting us to raise capital. So we announced a bought deal (financing) of \$56 million. But the market reacted so well that the original deal was oversubscribed and we upsized the (share offering) to \$71.6 million," Al-Katib said.

"Then there was an over-allotment, which raised it to \$80 million. So I'm pleased that the market reacted with a vigour to say Alliance Grain is a growth story."

In addition to the Arbel deal

last year, Al-Katib also closed deals to acquire the operations of Finora Canada, which has facilities in Wilkie, Assiniboia and Gibbons, Alta., and Parent Seeds of St. Joseph, Man. "So we added five plants in four locations in Western Canada."

The Arbel acquisition also gave Alliance access to the growing market for rice and pasta products in European and Middle Eastern countries.

"The main product that we've focused on is lentils. We account for about 40 per cent of the world trade in lentils. We're now looking at dry edible beans, chickpeas and pasta. We're now selling pasta in 46 countries around the world.

"Here you've got a Regina-

based company that's a global leader in pasta manufacturing over in Turkey," he said, adding that Turkey is the world's leading exporter of pasta behind Italy.

But Al-Katib, who was born to Turkish parents in Davidson, has no plans to move Alliance Grain Traders out of Regina. In fact, Al-Katib addressed the issue at the recent Paragon Business Excellence Awards, where Alliance Grain Traders won the Export Achievement Award.

"The questions keep coming, 'When are you moving the head office to Toronto or to Turkey?' The answer is: Never. We're a Saskatchewan-based company. We're successful. We're building our company here."

## PS PRODUCTION SERVICES

## Film industry dealt second blow

By NEIL SCOTT  
Leader-Post

The end of the TV series *Cornet Gas* has contributed to the slump in the production industry.

Yet another film and television production-equipment company in Regina will soon be gone with the wind.

Douglas Barrett, president and CEO of PS Production Services Ltd., said a lack of work made it financially unfeasible for the company to operate its Regina office.

The closure of the Regina office will be effective at the end of this month and the three employees will be laid off, Barrett said.

The bad news comes only a few weeks after it was announced William F. White was closing its Regina office and laying-off five people.

"We just didn't have enough business volume," Barrett said Friday.

"We're very disappointed. The market has been very good for many years."

PS Production Services might continue to do business in Regina, but from its Winnipeg office, said Barrett. It also has offices

in Halifax, Toronto and Vancouver.

The company provides lighting and other equipment to film and television productions.

The company did work for *Cornet Gas*, which is no longer in production.

Barrett said the end of *Cornet Gas* wasn't the only reason to close up shop in Regina, but it was a contributing factor.

The recession that hit most of the world last year has had a negative impact on the film and television business, Barrett said.

Aggressive competition from many Canadian provinces and U.S. states seeking to lure film makers, was another factor that hurt business in Saskatchewan, Barrett said.

The high value of the Canadian dollar was another factor that made it more expensive to make productions in Canada and thus more difficult to find business, Barrett said.

"It's not good news for the film industry in Saskatchewan," he said.

"This is a setback."