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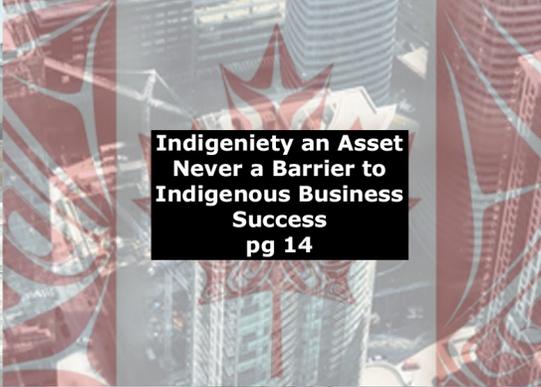
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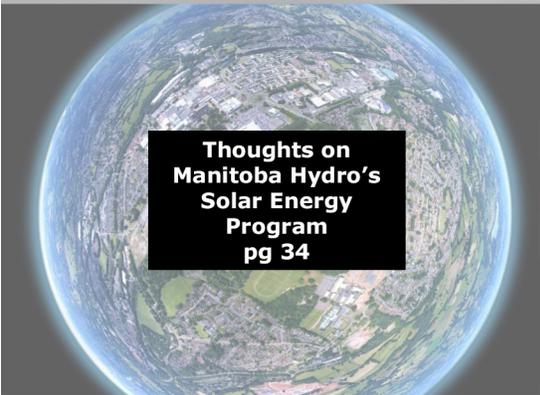
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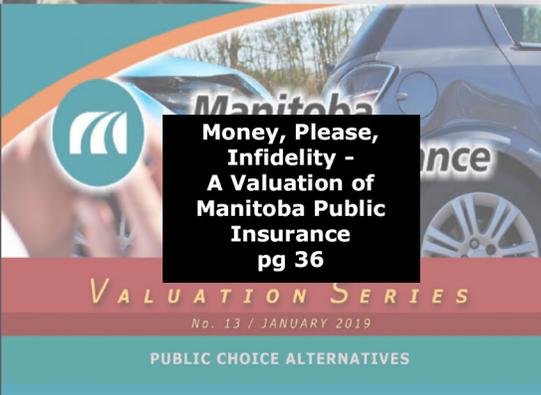
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May 2019, Issue 1



Why Canadians Are Suffering a Bankruptcy Spike

**Fergus Hodgson,
Commentary, Economy
February 1, 2019**

What can't happen won't happen. If incomes are stagnant while taxes, prices, and interest rates rise, people will fail to pay their debts—as is the case for 120,000 Canadians every year. The long-term build up of urban house prices had already made people financially vulnerable, and consumer insolvencies in Canada increased by 9.2 percent annually through October 2018.

Total consumer debt is currently at \$1.834 trillion, and growing. Bankruptcy consultants predict that the number of households struggling to pay debts will increase even more in the coming year and possibly beyond 2020, particularly on account of credit cards and floating-rate mortgages. The household-debt-to-income ratio has climbed to 174 percent, up from 145 percent in 2008.

An Ipsos survey suggests millennials are struggling the worst: 62 percent fear their capacity to repay their debts, versus one third of the general adult population, and 46 percent are “moving closer towards bankruptcy.” Almost half of Canadians acknowledge their difficulties and grade themselves C or below for financial literacy.

Debtors Feel the Rate-Hike Pinch

After seven years, the Bank of Canada (BOC) began raising its key overnight lending rate in July 2017, and it is now at the highest level in a decade. Accustomed to historically low and even negative inflation-adjusted rates, nearly half of Canadians say the hikes have taken a toll on them. On October 24, when the BOC announced the latest rise, the central bank suggested more aggressive future increases.

Analysts with the Canadian Association of Insolvency and Restructuring Professionals (CAIRP) believe this trend will hurt consumers, and we have yet to see the worst. To stave off more insolvencies, they argue that the BOC should wait until May 2019 for the next hike.

A recent CAIRP report explains there can be a two-year lag before consumers feel the impact of interest-rate hikes. CAIRP emphasizes educating Canadians to avoid unhealthy debt levels and deceptively easy credit. Bankruptcy Canada echoes this sentiment, contending “excessive use of credit is the number one cause of bank

ruptcy.” On a proximal basis, unexpected disasters are the most frequent straw that breaks the camel’s back, followed by job losses or reductions.

However, an infatuation with interest rates and personal habits distracts from contributing trends in productivity, purchasing power, and discretionary income.

Housing, Taxes Impact Cost of Living

An overlooked aspect of Canadians’ financial woes is taxes. Including all levels, they account for almost half of a family’s annual budget—over \$50,000 on average and by far the most expensive item. Yet there is little discussion about how taxes contribute to financial distress.

Even as Canadians have become wealthier in gross terms, tax growth has far surpassed inflation and productivity growth. That means household spending has slowly but persistently shifted proportionally more to taxes and away from housing, food, and clothing.

The housing market started to cool off this year, but price indexes in expanding cities such as Toronto remain at 2017 levels. During the previous eight-year boom, home prices rose by almost 80 percent, hitting young buyers the most.

Similarly, measured inflation has declined in recent months, but living in Canada remains relatively expensive. The average household spent \$63,723 on goods and services in 2017, up 2.5 percent from 2016. Housing, transportation, and food accounted for 62.5 percent of consumption expenditures.

Toronto, Vancouver, Montreal, Calgary, and Ottawa are among the world’s 200 most expensive cities. The Ontario capital, along with Vancouver, consistently ranks as one of the least affordable places to live on the planet due to outlandish housing costs.

Wage Stagnation

Despite the official unemployment rate dropping to a 40-year low, and the labor shortage intensifying in some areas, wages in the Canadian economy have failed to keep pace with rising costs. In inflation-adjusted terms, according to StatCan data, Canadians make do with basically the same hourly pay since the 1970s. Exclud-

“Bankruptcy consultants predict that the number of households struggling to pay debts will increase even more in the coming year and possibly beyond 2020, particularly on account of credit cards and floating-rate mortgages.”

ing overtime pay and other incentives, full-time payroll employees received \$27.60 in 2017.

"This trend of wageless growth in the face of a rise in employment highlights the structural changes in our economies that the global crisis has deepened, and it underlines the urgent need for countries to help workers, especially the low-skilled," OECD Secretary-General Ángel Gurría said in July. She put her finger on the problem of an inflexible and insufficiently competitive labor markets for workers to command higher wages when their productivity rises.

Although many ingredients contribute to personal-finance challenges, the first step to solving the problem is recognizing it. Canadians are swimming in debt, with no respite in sight. Rather than throw money at educational programs or cut interest rates—which would encourage people to borrow even more—attention must be paid to why people have less discretionary money to handle their debts. Any policy that raises the cost of living or requires a heightened tax burden squeezes people and should be avoided if at all possible.



Research Associate

Fergus Hodgson is the executive editor of *Antigua Report*, a publication and consultancy devoted to the economics of the Americas. In addition, he is a columnist with the *Epoch Times*, a podcaster and roving editor with *Gold Newsletter*, and an English-language advisor with *Cedice Libertad* of Venezuela. Previously, he was the founding editor in chief of the *PanAm Post* and the director of fiscal policy studies for the John Locke Foundation in North Carolina. He holds a bachelor of arts in economics from Boston University, a graduate diploma in political science from the University of Waikato, and a certificate in Cuban history from the University of Miami. A Canadian, Irish, and New Zealand citizen, he is a digital nomad who has lived in eight countries. Follow @FergHodgson.

An advertisement for the Frontier Centre for Public Policy. It features a large billboard mounted on a brick wall. The billboard displays the organization's logo, which consists of a stylized black and white circular graphic with radiating lines, and the text "FRONTIER CENTRE FOR PUBLIC POLICY" in bold, black, sans-serif font. Below the billboard, a dark blue car is partially visible. At the bottom of the advertisement, there is a dark blue banner with white text that reads: "Fit in more intellectual brain food. Check out our website for our Commentary Series. www.fcpp.org". The background of the advertisement is a brick wall, and there are some faint, light blue geometric patterns in the bottom right corner.



The Social Justice Bus

Brian Giesbrecht,
Commentary, Culture Wars
March 5, 2019

It was December 1, 1955. A tired seamstress was making her way back home on a bus after a long day in Montgomery, Alabama. The bus driver angrily informed the woman that the law required her to sit in the back of the bus. The woman was not just tired from work, she was tired of a law and a system that was just plain wrong. She refused to move to the back of the bus. The name of the woman was Rosa Parks, and she was an African-American.

That iconic incident was one of the seminal moments in the civil rights movement that culminated in Martin Luther King Jr.'s "I have a dream" speech. His dream was of a future where all children could play together without even noticing that they were of different hues.

King's dream was that race would be an irrelevancy.

Pioneering feminists had the same dream. No longer would artificial obstacles prevent girls and women from aspiring to jobs that had been the exclusive domain of men. The very necessary and legitimate goal of those true feminists was to erase the barriers and open up all those jobs and careers to women. Gender would no longer be a barrier – it would be an irrelevancy.

But that is not how things turned out. Because — just like Rosa Parks when she first boarded that segregated bus — we now find ourselves back on a bus where everyone is expected to know their place.

Welcome aboard the social justice bus.

On this bus, race and gender are not the irrelevancy King and the pioneering feminists dreamed about. Instead, on the social justice bus, race and gender are everything. Social justice ideologues will tell you exactly where you are to sit. At the back of the bus they will seat the privileged white man. He is told that his days of oppressing others are over. Ahead of him sits the white woman. Her gender gives her a bit of an advantage, but not that much. Then come the various people with the skin in colours that King hoped would be irrelevant. Blacks and Indigenous people sit in those seats. Ahead of them — as a result of the truly bizarre "intersectionality theory"— sit the stars of the show: people who can

claim both racial, gender and some other perceived "oppressed" status. Those "intersectionals" are moved to the front of the bus.

This, then, is the new social justice bus. Its mantra of "equality, diversity and inclusion" virtually runs today's

universities. Students are selected not because they are the best qualified, but because they sit in a desired section of this bus. Their teachers are hired not because they are the best qualified applicants but because of their place on the bus. The results show that the Canadian universities that have moved the furthest away from merit are now at the bottom of the pack.

"Other institutions, such as the Law Society of Ontario, and indeed many others are showing signs that they too are abandoning merit and get on the social justice bus too."

Corporations and law firms are under pressure to play this same game as well, abandon merit and give in to identity politics. Companies and professional firms that submit and hire by gender, racial preference and quota systems succeed only in achieving mediocrity.

Perhaps the most notorious example of the people seated on the bus was when the Prime Minister was elected to office in 2015. He proudly declared that he was abandoning merit and experience as the criteria for selecting a cabinet and boarded the social justice bus instead. Henceforth, there would be a quota of 50% women in his cabinet regardless of how many women were elected as MPs.

Other institutions, such as the Law Society of Ontario, and indeed many others are showing signs that they too are abandoning merit and get on the social justice bus too. They have decided that instead of common sense, principles like choosing the best and hardest working people, we should now look at where they fit on the intersectionality scale, that is, on the social justice bus.

But here's the thing:

As our social justice bus bumps along the highway — getting slower by the mile — there is another bus that is catching up to us very quickly. That is the bus on which our competitors are riding. But our competitors are not riding on the social justice bus. They are riding on a bus

that recognizes merit and competition as the sole criteria when deciding which students to enroll in their universities and which people to hire as scientists, lawyers, or professors.

And their bus is passing us by.



Senior Fellow

Brian Dale Giesbrecht received his education at United College and The University of Manitoba, where he obtained his LLB in 1972. Appointed to The Provincial Court (Family Division) in 1976, he heard child welfare cases and general family matters until he transferred to the Criminal Division in 1989. During his career he served on the National Family Court Committee, and various provincial court committees. He was an Associate Chief Judge from 1991 to 2005, and he became Acting Chief Judge in 1993. Mr. Giesbrecht has written extensively for various publications. His main theme has been the need to abolish The Indian Act and the separate systems of government that exist in Canada. For more about Brian Dale Giesbrecht visit www.fcpp.org.

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A stylized logo for 'BACKGROUND' where the letters are white with a red outline and a drop shadow. The letter 'O' is replaced by a graphic of a document with a circular arrow icon. The background of the logo area is blue with abstract geometric shapes and lines.

BACKGROUND



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rofile Series: Steven Satour

“When it gets tough, remember why you do what you do.”

Joseph Quesnel,
Profiles, Aboriginal Futures
February 13, 2019

Steven Satour – a driven Indigenous Australian entrepreneur – is more than happy that he has achieved his childhood dream of working in the tourism sector and sharing his Indigenous culture with the outside world.

“Australia is home to the oldest living culture of the world. Its landscape is so vast and different it provides for so many rich and unique experiences.” said Satour, in an interview, with pride evident in his voice.

Satour is the founder, CEO and managing director of Iwara Travel, an Indigenous Australian-owned and operated business specializing in Indigenous tourism experiences. Satour, is a Yankunytjatjara and Pitjantjatjara from Central Australia. These Indigenous groups are from the desert region of Australia.

According to Satour, Iwara is an Indigenous Australian Anangu word from Uluru that describes the tracks of his ancestors.



He described the Indigenous cultural background of the term this way: “The Uluru-Kata Tjuta landscape was formed by the Tjukuritja ancestral beings as they travelled across the country. The trees, mountains and living creatures were all created by the Tjukuritja, and some of their spirit remains behind at each place where they left their essence. The landscape is integral to the Tjukurpa (Dreamtime) — the body of law, history, knowledge, religion and morality that binds people, landscape, plants and animals. One of the most important aspects of the Tjukurpa is the way that are lands are interconnected spiritually and socially by the Iwara, or tracks, of our ancestors. The significance of our sacred sites lies in the way they are interconnected by these ancestral tracks.” Iwara Travel, he says, provides visitors and tourists with a unique cultural experience. He is also quite pleased

that Indigenous-based tourism in Australia provides jobs for Indigenous people and revenue for the country and also works to protect natural and cultural resources for future generations.

“I think the best way to develop appreciation for our culture is through immersive experiences that have ‘edu-tainment’ value and with so many ways to express our culture we have more opportunities to connect with people’s individual likes etc.,” he said, in a past media interview.

Iwara Travel connects tourists and visitors to Australia with authentic Indigenous cultural providers and operators. They are then able to customize a cultural experience that works for them. For example, some operators have provided traditional dance performance, cleansing smoking ceremonies, traditional food experiences, cultural awareness events, and story telling sessions.

Satour describes his business this way: “Iwara Travel is a one stop shop for the ‘culture experience seeking’ traveller. We offer Aboriginal travel packages; to travellers looking to experience the essence of Australia from the First Australians.”

Satour says his business has been able to monetize these rich cultural experiences for each individual client.

“We are cultural connectors. Working with our clients to embed and deliver customized Indigenous experiences into the workplace through; major events, meetings, functions, host delegation or product launches. We take on the work of sourcing the best Indigenous experience appropriate to your event,” he said in a media interview.

“[They have been] consistently been amazed of the depth of our culture, realizing they can be involved through art, dancing etc. and then asking what we can do in our role to support and promote more.”

Satour has been working in the tourism industry since his teenage years and he is stoked that he has been able to develop an entrepreneurial venture from his passion. A lover of the Australian landscape, he is also the founder of Story Maps Travel Australia. As well as running Iwara Travel, Satour also co-chairs the City of Sydney Aboriginal Advisory Committee and currently sits on the National Aborigines and Islanders Day Observance Committee (NAIDOC) Committee, a body that makes decisions regarding NAIDOC activities.

When asked by reporter Emily Nicol in a previous media interview with NITV (National Indigenous Television in Australia) why he loves what he does, Satour shared a few key reasons. "Getting to learn about other countries and cultures all across Australia, seeing how we are the same, different and connected both traditionally and in today's world. Also seeing visitors' perspectives and understanding of Indigenous Australia shift positively is really rewarding."

Satour brings over a decade of experience in communications, marketing, event and project management across various sectors including: education, Not-for-profits, tourism, employment and small business. In the way of education, Satour completed an Indigenous Master Business Course at the Melbourne School of Business at the University of Melbourne Business School. At the present time, he is working on a Bachelor of Business Administration degree.

He has achieved a track record in working with Indigenous artists and groups to achieve results that impact First Australians social and economic welfare in a very positive way.

Like most Indigenous Australians – indeed all Indigenous peoples around the world studied thus far – he is group oriented and looks towards improving the entire Indigenous community collectively, not just himself personally. He also believes that learning about Indigenous Australian culture will bring all Australians closer together.

In the NITV interview mentioned above, Satour added that he has learned much personally and professionally in starting his own business.

"I've learnt that not everyone will be on board with my vision and that's ok. The journey and emotion of personal and professional life almost become one. Also, to be clear about your intention for whatever it might be - meetings, phone calls, emails etc., if you can't be clear and articulate it, you are wasting time." he said in the interview.



Satour said that mentality and attitude are critical for any entrepreneurial success. He also offered the following advice for any budding Indigenous entrepreneurs.

"When it gets tough, remember why you do what you do. For every setback and for every win, practice an attitude of gratitude because there is always a lesson to be learned. Even on the days when all you can be grateful for is that you woke up."



Research Fellow

Joseph Quesnel is a research fellow with the Frontier Centre for Public Policy. A Northern Ontarian by background, Joseph is a graduate of McGill University, where he majored in political science and history, specializing in constitutional law and process. Joseph's work has been published in newspapers all across Canada, including the *Globe and Mail*, the *National Post*, the *Vancouver Sun*, the *Calgary Herald*, the *Edmonton Journal*, the *Montreal Gazette*, the *Ottawa Citizen*, the *Chronicle-Herald*, the *Telegraph Journal*, as well as many other newspapers. For more about Joseph Quesnel, visit www.fcpp.org.

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anada's Indigenous Policy-The Failing Buffalo Jump Policy Or a New Idea That Could Work Right Now?

Sheilla Jones,
Backgrounder, Aboriginal Futures
January 1, 2019

The Indigenous policy, being advanced by the Canadian government in a suite of legislation in the fall of 2018, is supposed to mark a new turn in the relationship between the Crown and Indigenous people. It appears, however, that the new policy is merely a tweaking of the failed "Buffalo Jump" policy that has been in place since 1985. Buffalo Jump 2.0 has all the same baggage of the old policy and adds significantly more spending on Indigenous issues, with the expectation that somehow, someday, it will eventually improve the lives of Indigenous people.

The Canadian prime minister and cabinet have the authority to alter Indigenous policy right now to achieve immediate, measurable and positive changes in the lives of Indigenous people by empowering them to make choices for themselves. Arguably, the simplest mechanism for empowerment—modernized treaty annuity payments to all Status First Nations people—will directly impact national issues such as the Missing and Murdered Indigenous Women and Girls Inquiry, the Truth and Reconciliation Commission's Calls to Action, and the Canadian Human Rights Tribunal ruling on discriminatory funding for FN children's services. It would have the profound effect of immediately lifting almost all FN families out of poverty and dependency. But most importantly, it would empower ordinary FN people—for the first time since settlement—to finally be able to speak for themselves and to decide how they want to live and the governance structures that best serve themselves, their families and their communities.

"Buffalo Jump 2.0 has all the same baggage of the old policy..."

HISTORICAL OVERVIEW

For more than 30 years, Canada's Indigenous policy has been driven by the "Buffalo Jump" policy. The day after the Conservative government of Prime Minister Brian Mulroney was sworn into office in the fall of 1984,¹ the PM ordered his deputy PM Eric Nielsen to begin a hush-hush task force review of "Indian and native programs".² By 1983-84, the total of all federal spending on native programs was an estimated \$2.4B,³ a significant jump from the roughly \$131.7M⁴ from 1966-67 when Indian Affairs became a stand-alone federal department. The task force considered that "neither the deplorable social and economic circumstances for native people, nor the rapid escalation of costs associated with native programs, are acceptable."⁵ The secretive process excluded First Nations people, just as in 1969 when the Liberal

government of Pierre Trudeau introduced the now-infamous

White Paper,⁶ with its surprise plan to abolish the Indian Act and the Indian Affairs department, devolve responsibilities for services on reserves to band governments and the provinces, convert reserves to private property, and to terminate treaties and Indian status.

The Nielsen task force produced a secret, 61-page memo of the review, mockingly labelled by bureaucrats as "The Buffalo Jump of the 1980s",⁷ which reiterated many of the same goals as the Trudeau White Paper. However, with the recognition of Aboriginal rights in the Canadian Constitution in 1982, it was no longer possible for the federal government to unilaterally nullify Aboriginal rights; band governments needed to be persuaded to surrender them voluntarily. The means of persuasion under the "Buffalo Jump" policy was financial. The Indian Affairs department would use its considerable power over band funding and programs to squeeze First Nations governments financially. Over time, the suffering of their people would drive band governments into

taking the jump and accepting ethnic, municipal-style "self-government", while signing away their peoples' rights—in exchange for five-year block funding and freedom from the Indian Act. The Buffalo Jump memo was leaked to the media, causing a firestorm of criticism. The Mulroney government backed off from eliminating the Indian Affairs department and the Indian Act, but quietly proceeded with the rest of the termination policy.

The results of the Buffalo Jump policy were well-articulated in 2012 by former BC regional chief for the Assembly of First Nations, Jody Wilson-Raybould: "Far too many of our people are poor, dispossessed of their lands, uneducated, dependent upon state services and generally unhealthy... Sadly, for a lot of our citizens there is still a sense of hopelessness. This sense of hopelessness can be overwhelming at times and is evidence of a far greater pathology that many of our citizens need to overcome—namely apathy, alienation, dependency and powerlessness..."⁸

The damage to FN communities did, eventually, drive some band governments to engage in negotiating "self-government" as set out under the Buffalo Jump policy, financed by loans from Indigenous Affairs. By 2013,

however, many found themselves trapped in a termination process they could not escape because of their debt to IA, leading to calls from some Indigenous activists for all FN to suspend negotiations and for the federal government to suspend all First Nations legislation in Parliament.⁹ Those calls were ignored.

CURRENT ISSUES

The current Liberal government is proposing a new relationship between the Crown and Canada's Indigenous people. It is, however, looking very much like a continuation of the Buffalo Jump policy, with a few modifications. Buffalo Jump 2.0 has the same objectives as the Mulroney iteration—to persuade First Nations band governments to accept “self-government” in the form of municipal status, but this time, the pot has been sweetened with the promise of ten years of block funding instead of just five. The requirement to sign away Aboriginal rights to escape the Indian Act is, at the time of this writing, still part of the plan.

The speed at which the policy changes and legislative changes are being made is causing alarm among FN leaders.¹⁰ Some Indigenous leaders have boycotted the process,¹¹ and other FN leaders have condemned it as a clear attempt “to suppress Indigenous self-determination within Canadian Confederation.”¹²

Indigenous people and their communities face many of the same troubling challenges as they did thirty years ago. While some issues have improved somewhat (e.g., high school graduation rates,¹³ longevity¹⁴), others have worsened considerably (e.g., number of children in care,¹⁵ rates of youth incarceration¹⁶). This has been the Buffalo Jump policy in action. Buffalo Jump 2.0 is essentially the same failed approach to Indigenous issues, but with billions of dollars of new federal spending¹⁷ and less accountability.¹⁸

What is missing from the discussion are the voices of ordinary First Nations people, the very people who have to live with whatever terms are agreed to at the negotiating tables under changes to federal legislation. What kind of governance structures and policies do ordinary FN people want? There is, at present, no way to find out. The national chief of the Assembly of First Nations is not elected by the people to speak for them. None of the bureaucrats deciding programs and policy for the birth-to-death services for Canada's Indigenous people have been elected to represent their interests, either. Ordinary FN people have no political voice at the federal level; too many suffer from the hopelessness, apathy and despair that is the predictable result of systemic powerlessness.

The means of individual empowerment already exists through the payment of annuities to every man, woman and child in bands that signed onto the historic treaties signed between First Nations and the Crown. It has a precedent. The Parliament of Canada approved the increase in annuities based on increased value of treaty lands in 1878-79, and the land-value basis of treaty payments was affirmed by the Supreme Court of Canada

in 1895. However, because ordinary Indigenous people have been systemically silenced, the sole individual right in the treaties—the annuity that was supposed to be a means of economic independence for individuals and families—remains at \$4.00 or \$5.00 per year, per person. The Crown failed to live up to the intent of the annuity as a means of sharing the prosperity of the land as the country grew.

What would happen if the annuity were to be modernized to better reflect the link to land values? The Treaty Annuity Working Group (TAWG), following a national workshop on modernizing annuities in 2003,¹⁹ reported on the implications and consequences of a modernized treaty annuity, if it were to be increased to \$5,000 per person, extended to all Status FN people (Registered Indians), and payable on a monthly basis directly to individuals and/or their guardians outside the control of Indigenous Affairs and band governments. Former members of TAWG met again informally in the summer of 2018²⁰ to discuss the implications in the context of Indigenous issues today. They concluded, as in 2003, that the impact of such a move would be immediate, measurable and profound.

Poverty, dependency and powerlessness

The largest immediate impact for Indigenous individuals, families and communities would be the escape of almost all First Nations people living on reserves from welfare dependency. While a payment of \$420 per month (\$5,000 divided by 12) may not seem like much money, it is similar to amounts paid in pilot programs for a guaranteed annual income in California and Illinois; \$250 CDN a month in Scotland and \$227 CDN a month in Holland.²¹

“...with the recognition of Aboriginal rights in the Canadian Constitution in 1982, it was no longer possible for the federal government to unilaterally nullify Aboriginal rights...”

A guaranteed annual income is intended to replace welfare programs. While a modernized annuity would do that as well, that is not its purpose. The annuity was historically intended to provide livelihood support for families by linking its value to the land ceded in treaties and is a mechanism for sharing the prosperity of the country with First Nations people.

Empowerment of individuals, families and communities

Families in First Nations communities are often entirely dependent on the band government for social assistance, housing, employment, etc. A modernized annuity provides a degree of economic independence for individuals and families that acts to rebalance the power dynamic between the collective and the individual.

With the stable support of a modernized annuity, families will have:

- Resources to choose for themselves how and where to live that are in the best interests of their families and their communities.
- Resources to “vote with their feet” by moving to a community with better leadership and opportunities, as their ancestors did in pre-settlement times.
- Sufficient economic independence to be able to chal-

lenge the dominance of band governments and demand accountability from them.

- The ability of First Nations people to form political organizations at the community and national level that are legitimate voices for the people and are accountable to them rather than to Indigenous Affairs bureaucrats.
- Families become a positive economic asset in FN communities, and bring that with them if they choose to move to a different community.
- Financial equity that helps make Indigenous families into attractive clients for mortgages, business start-up loans, etc.
- Building stronger families through eliminating social assistance dependency and its accompanying destructive effects in First Nations communities. (The proposed monthly payment is considerably more than what is currently paid for on-reserve welfare.) In urban centres, especially on the Prairies, nearly half of Indigenous children would be promptly lifted out of poverty.²²

National implications

A modernized treaty annuity would have immediate implications for a wide range of economic and social issues currently facing Canadian society:

- Addressing the mandate of the Missing and Murdered Indigenous Women (MMIW) inquiry “to report on the systemic causes of all forms of violence against Indigenous women and girls”,²³ and to see them “restored to their rightful power and place”.²⁴ Because their annuity payments go with them, wherever they go, women and girls are empowered to escape abusive and exploitative relationships and have the resources to do so.²⁵
- Responding to two Calls to Action from the Truth and Reconciliation Report.²⁶
- Addressing the issue of inequitable support for First Nations children as identified by the Canadian Human Rights Tribunal in 2016²⁷ by providing the necessary economic support through annuities to allow more children to remain in the care of their families. A family of five, for instance, would have an annual annuity income of about \$25,000 to support the needs and wishes of the family, outside the direct control of the band government.
- Providing a tangible link between the benefits of resource development and the well-being and prosperity of First Nations people and their communities.
- Addressing the criticism of the federal government by two-thirds of Canadians who feel that the amount of attention and funding for Canada’s Indigenous peoples has mostly been ineffective,²⁸ by acting on a simple but effective policy change that can produce immediate and measurable positive results for Indigenous people.
- Taking action on a long-standing political embarrassment for Canada over international accusations of persistent violations of the rights of Indigenous people²⁹ by honouring treaty rights, respectfully sharing the land and resources, and empowering people to speak for themselves and to decide for themselves how they want to live.

From the time of Prime Minister John A. Macdonald, the federal government has treated First Nations people as wards of the state deemed incapable of making informed choices for themselves. Policy has been imposed, from the top down. It is possible, albeit highly unlikely, that ordinary First Nations people would support the Buffalo Jump 2.0 policy, if given the opportunity to make

informed political choices for themselves. The fact that ordinary FN people in Canada continue to be politically voiceless and powerless should once again raise calls for the suspension of “selfgovernment” negotiations and a pause in federal legislation affecting Indigenous rights until the people can speak for themselves. More of the same imposed colonial policy is not the answer.

ENDNOTES

1. Jack Stillborn, 1986, *Government Restraint: An Issue of the Eighties*, Parliamentary Research Branch, Library of Parliament, published April 17, 1986, revised April 20, 1990, p 5.
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3. *Ibid.*, p 14.
4. Indian Affairs and Northern Development Annual Report, Fiscal Year 1966-67, Government of Canada, p 113. Spending on Indigenous programs included the Indian Affairs Branch budget of \$104.7M plus an additional \$27M from co-delivery partners Health and Welfare Canada and CMHC.
5. Nielsen, 1985, p 11.
6. Statement of the Government of Canada on Indian Policy, 1969, Government of Canada, presented in the First Session of the 28th Parliament by the Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development.
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9. Russell Diabo, Prime Minister Harper Launches First Nations “Termination Plan”, Global Research, January 10, 2013, <https://www.globalresearch.ca/canada-prime-minister-harper-launches-first-nations-terminationplan/5318362>.
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Senior Fellow

Sheilla Jones, MSc, is an author and an award-winning Canadian journalist who has spent more than 25 years observing and writing about Indigenous political issues. She served as facilitator for the Treaty Annuity Working Group (TAWG), a special committee of the Social Planning Council of Winnipeg formed in 2002 to examine modernizing treaty annuities as a mechanism for empowering First Nations individuals and families. Sheilla authored the 2004 TAWG report on the results of the national conference hosted by TAWG in 2003, "Modernizing Treaty Annuities: Implications and Consequences". Sheilla got a lively introduction to Indigenous politics while writing Canada's first book on Métis politics, *Rotten to the Core: The politics of the Manitoba Métis Federation (101060, an imprint of J. Gordon Shillingford Publishing, Winnipeg, 1995)*. In 1998-2000, Sheilla served as researcher for Jean Allard's "Big Bear's Treaty: The Road to Freedom", published in 2002 in the policy journal *Inroads*. Sheilla is a former CBC-Radio Winnipeg reporter, news editor and news presenter who has garnered numerous journalism awards. She has been a senior television researcher for the CBC, and served as a political commentator on a variety of CBC national television and radio programs. Sheilla pursued a graduate degree in theoretical physics (University of Alberta, 2004). She is the author of *The Quantum Ten: A story of passion, tragedy, ambition and science* (Thomas Allen Publishers, Toronto; Oxford University Press, New York, 2008) and co-author of *Bankrupting Physics: How today's top scientists are gambling away their credibility* (Palgrave Macmillan, New York, 2013). For more about Sheilla Jones, visit www.fcpp.org.



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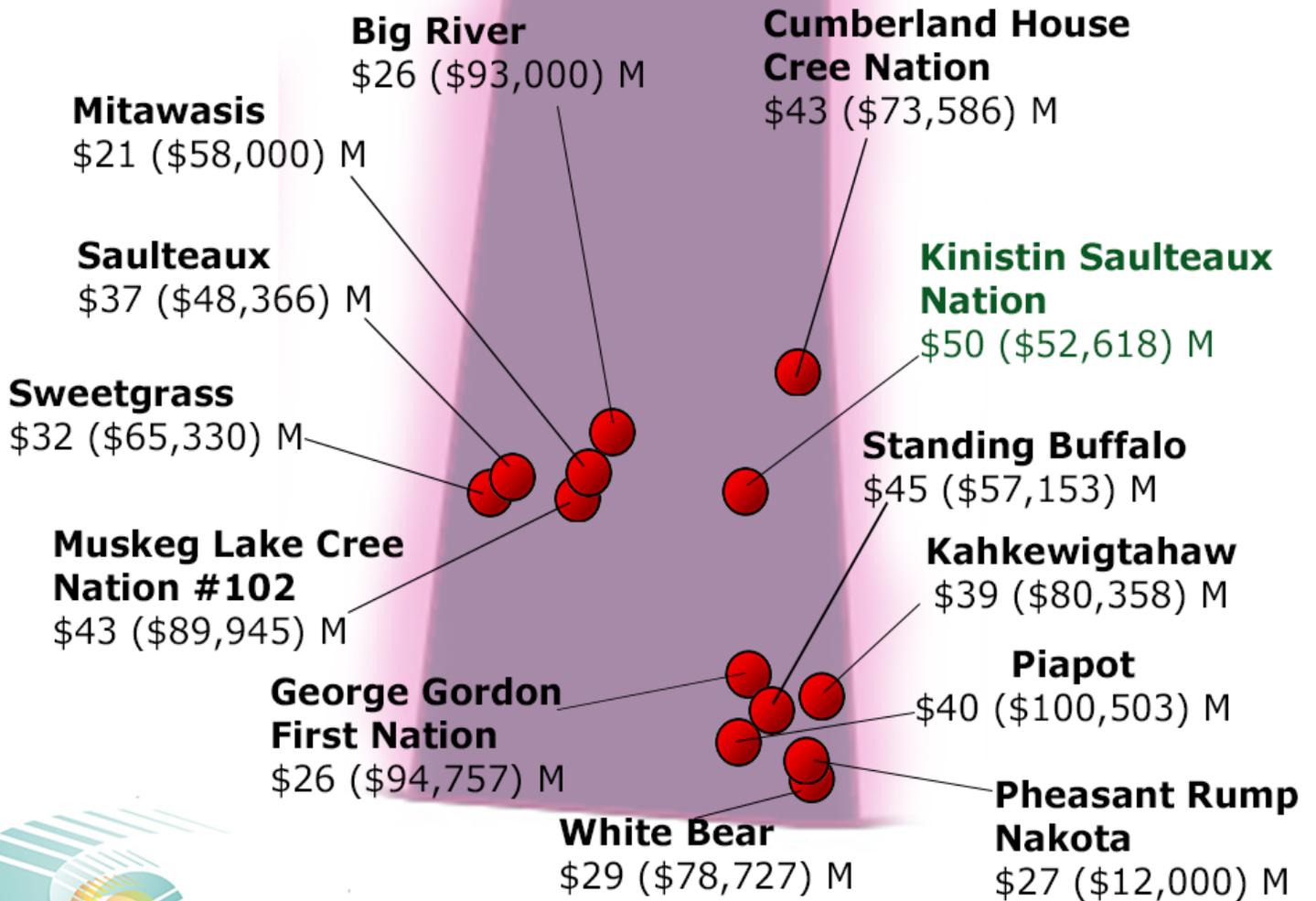


CHARTICLE

FC088

First Nations Chiefs' Wage Disparity Saskatchewan

Per Capita (Annual Salary) Sex*



* 2014 Statistics from the Government of Canada

**Ever Wonder Why ...
Saskatchewan First Nations Chiefs'
per capita salaries are so different?**



I

ndigeneity an Asset Never a Barrier to Indigenous Business Success

Joseph Quesnel,
Research Paper, *Aboriginal Futures*
March 18, 2019

INTRODUCTION

Without a doubt, Indigenous entrepreneurs and business leaders in all the four Anglosphere countries looked at in this study all face challenges and obstacles. To begin with, they come from the most marginalized and disadvantaged populations in their respective nation-states. Unfortunately, they have the highest rates of poverty, exposure and involvement in criminality, addiction, and domestic violence than other demographics. But, if anything, this study shows that Indigenous entrepreneurs and/or business leaders are rising above these obstacles and finding purpose and meaning in their life to overcome all this. In that important respect, this profile series is a testament to Indigenous resilience and hats off go to these 24 individuals who participated in this study.

So, in terms of the main socio-economic indicators, including educational achievement, they are behind other groups. That seems to be a universal Indigenous experience. That comes from an accumulated historic disadvantage, but it is also largely attributable to the political and policy environment that Indigenous communities find themselves in now. If anything, this series has demonstrated that Indigenous entrepreneurs and/or business leaders in Canada, the United States, New Zealand, and Australia are capable of great success just like any ethnic group or community. They also respond to opportunities like any other group. They see an opportunity to meet an unfulfilled need in the marketplace or they add value to the economy through ingenuity, adaptability, and determination. There is certainly something universal in the entrepreneurial mindset and experience. Indigenous entrepreneurs and business leaders just adapt those values to their own experience. For example, many of the Indigenous entrepreneurs profiled tap into their own cultural experience to the economy. They either focus on a product or service that is already common in the Indigenous experience and expand it to the wider marketplace, or they showcase what Indigenous people are already all about to their benefit (e.g. cultural tourism in New Zealand and Australia). This means that culture, values, and identity are not impediments to business success, but often happen because of it.

This study has looked at 24 individual entrepreneurs and business leaders from four separate countries. Therefore, there are obvious differences, but also many commonalities. Throughout this final paper, these differences and similarities will be discussed and explored. Although all the Indigenous communities studied here have indicators below the mainstream population, it seems that

some countries have better records of business success than others. As an aside, there is strong evidence that the Sami Indigenous communities of the Nordic states have the highest socio-economic indicators of any Indigenous community in the world. This is largely due to a high rate of welfare state integration of Sami communities. However, these groups are outside the scope of this profile series.

There is evidence that the Aboriginal and Torres Strait Islander people of Australia have some of the worst indicators—including life expectancy for both sexes—than other groups. All the groups studied in this project have treaty or paternalistic relationships with the states they live in and most have land ownership restrictions. However, New Zealand Māori have these land restrictions to an extent, but most Māori do not inhabit these traditional homelands, although they benefit from large land ownership due to land settlements. From a business and entrepreneurial perspective, the New Zealand Māori are best poised for business success.

URBANIZED ENTREPRENEURS

Indigenous entrepreneurs and/or business leaders tend to do better when they originate or live in an urban environment. They are better able to take advantage of mainstream economic and educational opportunities. Many Indigenous entrepreneurs/business leaders studied here originated in rural environments, but eventually relocated to urban centres to take advantage of the wider market or higher education opportunities. Many entrepreneurs profiled also spoke about living in two different worlds—the rural Indigenous and the urban mainstream. Clearly, these entrepreneurs were able to maintain their Indigenous identity and attachment and succeed in the mainstream world at the same time. This was true of entrepreneurs and/or business leaders from all four countries studied, but especially New Zealand and Australia. Thus, this study looks favourably upon Indigenous urbanization or “co-mingling” in both worlds as a better predictor of success. Indigenous businesspeople do not need to fear the cities or the mainstream world. They must work within it and adapt to it to a certain extent to tap into wider business markets and success. This also means urban educational institutions need to work with Indigenous communities to help Indigenous entrepreneurs succeed.

EDUCATED WORKFORCE AND EXPOSURE TO BUSINESS OPPORTUNITIES AND TRAINING

Like many entrepreneurs from other communities, Indigenous ones can also succeed in spite of educational

achievement. In fact, it seems that the entrepreneurial mindset and temperament is unsuited to certain inflexible and structured aspects of post-secondary education. Many entrepreneurs are not suited for structured programs in many fields. They tend to be trailblazers in whatever area they gravitate to. In the entrepreneurs profiled here, there are many examples of individuals who struggled in the structured and formal education environment or tended towards practical subject areas. However, it would almost go without saying that future entrepreneurs would benefit from essential numeracy and literacy skills. These skills help entrepreneurs and/or business leaders to understand and appreciate emerging business trends and opportunities. It is no secret that Indigenous communities around the world lag behind in educational achievement. High dropout rates plague many communities. Indigenous peoples also are not well represented in various educational areas.

It would seem that a good use of public policy pressure and resources would be the expansion of Indigenous educational achievement. Education systems in all four countries profiled here need to be better resourced and expanded. In some countries, educational standards and resources spent per pupil in Indigenous educational systems lag behind the mainstream. It is worth noting that New Zealand has prioritized and expanded Māori education. New Zealand has helped increase Māori educational achievement while also focusing on Māori language proficiency at the same time. There is no necessary contradiction.

Thus, any country that wants Indigenous people to be more entrepreneurial should focus on producing the best primary and secondary school system for Indigenous

people, either on their rural homelands or in the urban centres. These schools should be relevant for Indigenous people but should also avoid any type of lowered standards. Indigenous people in schools need to be exposed to high standards and to financial literacy. Indigenous people also must have targeted exposure to the business world to see what opportunities it could offer them. As stated in a previous country report, often Indigenous entrepreneurs are the first in their family to start a business. A business culture—or even a strong private sector itself—is new to many Indigenous communities. They need to be exposed to role models of Indigenous businesspeople to see that they can aspire to that kind of achievement. Governments must also ensure that Indigenous people in the homelands or in the cities have exposure to training programs that can provide them with technical skills if they wish to become entrepreneurial.

PROCUREMENT AND LAY ASIDES?

It is unavoidable to notice that Indigenous business success in some countries with large Indigenous minorities is helped and accelerated by preferential procurement policies and Indigenous business “lay aside” programs that help Indigenous entrepreneurs and/or business leaders find markets and contract opportunities. In the United States, for example, there is an extensive network of Native American businesses that owe their business survival and success to Indigenous preferential programs, mostly with the federal government itself. Australia also owes its explosion in Indigenous Australian business growth to a federal procurement policy. There is similar pressure for Canada to adopt stronger and more widespread federal procurement policies favourable to Canada’s First Nations population.



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This study appreciates this reality and adds a cautionary note: Indigenous communities should not become completely dependent on procurement policies. Procurement policies are very helpful in allowing Indigenous communities that are disadvantaged to access markets and opportunities. However, they should be abandoned once Indigenous communities reach closer parity to the mainstream. One reason is that preferential policies, like all discriminatory policies, breed resentment and conflict. They are also on their face contrary to the goal of an equal playing field for all businesses. Therefore, any policy regime should use preferential policies sparingly and with a definite sunset clause. At some point, the aspiration is to abandon all preference in favour of simple equal access. In terms of Indigenous sense of dignity, Indigenous entrepreneurs want to feel like they earned their market share and success due to their talent and perseverance, not their ethnic identification. In other words, Indigenous businesspeople don't want to feel the sting of tokenism.

ACCESS TO CAPITAL AND LAND OWNERSHIP

By far, access to capital is the most important obstacle to Indigenous business success, just as it is for other entrepreneurs and/or business leaders. However, this obstacle is much worse for Indigenous communities. As stated, Indigenous peoples in all four countries studied here are the worst off in terms of socio-economic indicators. They already lack financial resources and assets. And yet Indigenous entrepreneurs and/or business leaders are the most dependent on personal savings for their business. Many of the entrepreneurs profiled here had to seek funding from family members to finance their businesses, thus leading to the higher number of businesses run along the "social enterprise" model. Many entrepreneurs also were financed by targeted loans and grants for Indigenous peoples. Obviously, these programs are important and should continue to allow Indigenous people to continue to enter into the business world, but government needs to better allow Indigenous people to leverage their own resources and assets.

In all of the Indigenous examples, there are restrictions on land ownership in their respective countries. Often, land cannot be sold or transferred, preventing it from being used as an economic asset to use as collateral for loans. In most cases, entrepreneurs of all backgrounds must rely on home ownership as a collateral. However, Indigenous people living on Indigenous lands are not able to access this. A difference in the countries studied, however, is that some of the Indigenous peoples live outside their traditional homelands in mainstream urban centres. Thus, they are able to obtain mortgages and leverage property assets.

In some of these countries, such as in Canada and the United States, policy makers and politicians do not actually deal with the problem of lack of land ownership among Indigenous people, but adopt stop-gap measures that attempt to bypass the symptoms of lack of property tenure. Some countries lend money but have the government guarantee the loan, thereby undercutting

personal responsibility and putting the government on the hook in case of foreclosure. Legislation should aim to provide Indigenous entrepreneurs and/or business leaders with their own assets that they can take personal responsibility for.

INDIGENOUS SENSE OF COMMUNITY AND SOLIDARITY AS POSITIVES

In the vast majority of profile subjects, there is a strong sense of Indigenous identity and connection to a community, whether to one's own individual community or the wider Indigenous identity. Most display both sense of connections. In many profile case studies, there is a desire to not just advance the entrepreneur, but also the community one hails from. Indigenous entrepreneurs help their families and their communities, and many belong to wider Indigenous associations that seek to advance Indigenous peoples. There is a sense of solidarity and community that most Indigenous entrepreneurs and/or business leaders bring to their venture. This also explains why for many Indigenous entrepreneurs social enterprises are part and parcel of the Indigenous experience. This experience transcended all four countries studied here.

This sense of solidarity is positive when it means that Indigenous entrepreneurs and businesspeople help their community and expand the benefits of their business to their community. There is also a multiplier effect when Indigenous entrepreneurs and/or business leaders hire other Indigenous people, which is shown clearly in multiple countries studied here. Indigenous communities are improved, and the quality of life increases.

"Indigenous communities should not become completely dependent on procurement policies."

This solidarity has negative effects if it makes Indigenous entrepreneurs ashamed of their individual success. Indigenous societies have cultivated a strong sense of egalitarianism that can act to hinder individual success when it is perceived by individual Indigenous people as acting against the group. Indigenous entrepreneurs need to be proud of their success and not feel any guilt about going out on their own in search of opportunity and profit. Indigenous communities, after all, succeed as a whole when more individual entrepreneurs are created and nurtured. Ultimately, most Indigenous entrepreneurs and/or business leaders end up giving back to their own communities as private individuals. They want their success to help others.

RACISM?

Contrary to some assumptions, this profile series has shown that many of the entrepreneurs and/or business leaders did not experience racism or discrimination in their struggle to be successful businesspeople. Some did experience racism of sorts related to lowered expectations. Many did not experience complete acceptance that Indigenous people could enter into and succeed in the business area they sought to enter. If anything, their experience proved that Indigenous people could enter fields that they were not deemed to be strong in, such as the STEM fields.

Indigenous entrepreneurs and/or business leaders are fighting racism and discrimination by succeeding in their fields. They are fighting it in the most important way and not by lowered expectations. They are fighting it by proving to both Indigenous peoples themselves and the non-Indigenous world that they can succeed in any field and be as affluent as other communities.

This is why it is important to not allow procurement and other ethnic preferential policies to come to define Indigenous success in the long term. They raise some justifiable concerns that some Indigenous success is not achieved fairly, but through preference. This is why preference must be targeted and short term.

VALUES AND ROLE MODELS

In many of the profile subjects, there is an experience of being taught good values, such as the value of hard work and being educated. Sometimes these values skip a generation as they are taught from grandparents, but they tend to be present in the backgrounds of Indigenous entrepreneurs.

It is important that young Indigenous people have positive role models in their lives. Unfortunately, many have negative role models in their lives. Some of the entrepreneurs profiled here had criminal role models in their lives or had family and friends who struggled with addiction and violence. Of course, this is not to recommend that people face these obstacles in their lives, but it is undeniable that these tough circumstances, for many people, serve to build character and act as a motivating force to overcome adverse conditions and to make something of one's life.

Some of the role models found meaning in spirituality and faith, while others adopted a strong personal philosophy. This study is neutral on some of these aspects, but does believe that ensuring that Indigenous people have strong families and are taught strong values is important for success. In practical terms, this means that policies help not hinder families, and perhaps organizations that help to teach positive values and role models to Indigenous peoples will help them in their adverse circumstances.

CONCLUSIONS

This profile series has shown that Indigenous people can be just as entrepreneurial, innovative, adaptable, and productive as any other group in society. Like any group, they take a catalogue of their skills, assets, and knowledge to add value to the economy in the best way they can.

The good news is that the desire and the drive to succeed is in plentiful supply among Indigenous communities. Indigenous people are succeeding at business and are increasingly doing so in all the countries studied in this series. The bad news is that Indigenous people still face ongoing obstacles that act to keep down business success. Indigenous people continue to lack financial

resources or assets to build businesses or to achieve their dreams. They are more reliant on personal and family savings than others. If they live on Indigenous lands, they cannot use these lands as assets. Indigenous people are also educated at a lower level than other communities and are not exposed to business success. Thus, for some of these recommendations, the emphasis is n building up Indigenous people themselves.

Laws should not act to deter Indigenous people from achieving their entrepreneurial dreams. Indigenous people should also be as educated and informed about business as other communities. We all deserve to exist on a level playing field. There is limited room for targeted preferential programs to help Indigenous people in isolated regions find markets that might not exist in their communities.

Indigenous people are becoming more urbanized than ever. Younger Indigenous people are not satisfied living in isolated areas and in poorer circumstances. Younger Indigenous people are also just as tech savvy and eager to discover the wider world. Most importantly, Indigenous people want to maintain their cultural identity and values while living in these mainstream environments.

For Indigenous entrepreneurs, tapping into these Indigenous values and experiences is actually quite a draw and can be turned into commodities and services that the wider world wants. While Indigenous people should not feel that they have to focus on or commodify their cultures to be successful, there is nothing wrong with monetizing their experiences. There is a clear demand for it all over the world.

“...policy makers and politicians do not actually deal with the problem of lack of land ownership among Indigenous people, but adopt stop-gap measures that attempt to bypass the symptoms of lack of property tenure.”

This profile series has also made it very clear that Indigenous entrepreneurs and/or business leaders need to tap into urban environments to better succeed. Urban centres are better in terms of economic and educational/training opportunities for Indigenous businesspeople. Many successful Indigenous entrepreneurs already live in the cities or at least have office presences in these major cities. Government policies should help Indigenous people live and succeed in the towns and cities, or at least maintain some presence there to tap into opportunities. Also, Indigenous governments and communities should not fear Indigenous businesspeople being exposed to or moving to or maintaining some form of presence in the urban centres. This is one major reason why the New Zealand Māori model of strong urbanization is the best for transferring Indigenous entrepreneurial success to all countries studied in here.

POLICY RECOMMENDATIONS

1. Policy makers and politicians should ensure that Indigenous peoples are able to live and succeed in urban areas, or at least maintain some sort of presence in these environments for their business to succeed. Policies should encourage Indigenous urbanization in a major way.
2. Governments must immediately move to allow Indigenous people access to their own lands by removing most restrictions on land, especially the economic ones that prevent Indigenous businesspeople from using lands as collateral for business loans.
3. Governments in all countries with Indigenous peoples should invest immediately in ensuring that Indigenous people have equal primary and secondary schooling, as well as post-secondary skills and entrepreneurial training.

4. Federal governments with Indigenous peoples should adopt targeted and short-term preferential procurement policies that encourage the national government to contract with Indigenous firms. These policies should be encouraged until Indigenous firms reach a degree of parity with other firms in terms of their proportional access to the economy.
5. Governments—both mainstream and Indigenous ones—should adopt policies that act to build Indigenous families and communities and encourage community and faith-based or Indigenous spirituality-based groups that teach positive values to work with Indigenous communities. Exposing young Indigenous people to successful entrepreneurial role models should also be encouraged.



Research Fellow

Joseph Quesnel is a former research fellow with the Frontier Centre for Public Policy. A Northern Ontarian by background, Joseph is a graduate of McGill University, where he majored in political science and history, specializing in constitutional law and process. Joseph's work has been published in newspapers all across Canada, including the *Globe and Mail*, the *National Post*, the *Vancouver Sun*, the *Calgary Herald*, the *Edmonton Journal*, the *Montreal Gazette*, the *Ottawa Citizen*, the *Chronicle-Herald*, the *Telegraph Journal*, as well as many other newspapers. For more about Joseph Quesnel, visit www.fcpp.org.

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C

limate Hysterics Skyrocket

Paul Driessen,
Commentary, Climate
February 11, 2019

Call it climate one-upmanship. It seems everyone has to outdo previous climate chaos rhetoric.

The “climate crisis” is the “existential threat of our time,” Speaker Nancy Pelosi told her House colleagues. We must “end the inaction and denial of science that threaten the planet and the future.”

Former California Governor Jerry Brown solemnly intoned that America has “an enemy, though different, but perhaps very much devastating in a similar way” as the Nazis in World War II.

Not to be outdone, two PhDs writing in *Psychology Today* declared that “the human race faces extinction” if we don’t stop burning fossil fuels. And yet “even people who experience extreme weather events often still refuse to report the experiences as a manifestation of climate change.” Psychologists, they lament, “have never had to face denial on this scale before.”

Then there’s Oxford University doctoral candidate Samuel Miller-McDonald. He’s convinced the only thing that could save people and planet from cataclysmic climate change is cataclysmic nuclear war that “shuts down the global economy but stops short of human extinction.”

All this headline-grabbing gloom and doom, however, is backed up by little more than computer models, obstinate assertions that the science is settled, and a steady litany of claims that temperatures, tornadoes, hurricanes, droughts et cetera are unprecedented, worse than ever before, and due to fossil fuels. And on the basis of these hysterics, we are supposed to give up the carbon-based fuels that provide over 80% of US and global energy, gladly reduce our living standards – and put our jobs and economy at the mercy of expensive, unreliable, weather dependent, pseudo-renewable wind, solar and biofuel energy.

As in any civil or criminal trial, the burden of proof is on the accusers and prosecutors who want to sentence fossil fuels to oblivion. They need to provide more than blood-curdling charges, opening statements and summations. They need to provide convincing real-world evidence to prove their case.

They have refused to do so. They ignore the way rising atmospheric carbon-dioxide is spurring plant growth and greening the planet. They blame every extreme weather event on fossil fuel emissions, but cannot explain the Medieval Warm Period, Little Ice Age or extreme weather events decades or centuries ago – or why we have had fewer extreme weather events in recent decades. They simply resort to trial in media and other forums where they can exclude exculpatory evidence, bar any case for the fossil fuel defense, and prevent any cross-examination of their witnesses, assertions and make-believe evidence.

Climate models are not evidence. At best, they offer scenarios of what might happen if the assumptions on which they are based turn out to be correct. However, the average prediction by 102 models is now a full degree F (0.55 C) above what satellites are actually measuring. Models that cannot be confirmed by actual observations are of little value and certainly should not be a basis for vital energy policy making. The alarmist mantra seems to be: If models and reality don’t agree, reality must be wrong.

In fact, even as atmospheric carbon dioxide levels climbed to 405 parts per million (0.0405% of Earth’s atmosphere), except for short-term temperature spikes during El Niño ocean warming events, there has been very little planetary warming since 1998; nothing to suggest chaos or runaway temperatures.

Claims that tornadoes have gotten more frequent and intense are obliterated by actual evidence. NOAA records show that from 1954 to 1985 an average of 56 F3 to F5 tornadoes struck the USA each year – but from 1985 to 2017 there were only 34 per year on average. And in 2018, for the first time in modern history, not a single “violent” twister touched down in the United States.

Harvey was the first major (category 3-5) hurricane to make US landfall in a record twelve years. The previous record was nine years, set in the 1860s. (If rising CO2 levels are to blame for Harvey, Irma and other extreme weather events, shouldn’t they also be credited for this hurricane drought?)

“Climate models are not evidence. At best, they offer scenarios of what might happen if the assumptions on which they are based turn out to be correct.”

Droughts differ little from historic trends and cycles – and the Dust Bowl, Anasazi and Mayan droughts, and other ancient dry spells were long and destructive. Moreover, modern agricultural and drip irrigation technologies enable farmers to deal with droughts far better than they ever could in the past.

Forest fires are fewer than in the recent past – and largely due to failure to remove hundreds of millions of dead and diseased trees that provide ready tinder for massive conflagrations.

Arctic and Antarctic ice are largely within “normal” or “cyclical” levels for the past several centuries – and snow surface temperatures in the East Antarctic Plateau regularly reach -90 °C (-130 F) or lower. Average Antarctic temperatures would have to rise some 20-85 degrees F year-round for all its land ice to melt and cause oceans to rise at faster than their current 7-12 inches per century pace.

In fact, the world’s oceans have risen over 400 feet since the last Pleistocene glaciers melted. (That’s how much water those mile-high Ice Age glaciers took out of the oceans!) Sea level rise paused during the Little Ice Age but kicked in again the past century or so. Meanwhile, retreating glaciers reveal long-lost forests, coins, corpses and other artifacts – proving those glaciers have come and gone many times.

Pacific islands will not be covered by rising seas anytime soon, at 7-12 inches per century, and because corals and atolls grow as seas rise. Land subsidence also plays a big role in perceived sea level rise – and US naval bases are safe from sea level rise, though maybe not from local land subsidence.

The Washington Post did report that “the Arctic Ocean is warming up, icebergs are growing scarcer, and in some places the seals are finding the water too hot.” But that was in 1922.

Moreover, explorers wrote about the cyclical absence of Arctic ice long before that. “We were astonished by the total absence of ice in Barrow Strait,” Sir Francis McClintock wrote in 1860. “I was here at this time in [mid] 1854 – still frozen up – and doubts were entertained as to the possibility of escape.”

Coral bleaching? That too has many causes – few having anything to do with manmade global warming – and the reefs generally return quickly to their former glory as corals adopt new zooxanthellae.

On and on it goes – with more scare stories daily, more attempts to blame humans and fossil fuels for nearly every interesting or as-yet-unexplained natural phenomenon, weather event or climate fluctuation. And yet countering the manmade climate apocalypse narrative is increasingly difficult – in large part because the \$2-trillion-per-year climate “science” and “renewable” energy industry works vigorously to suppress such evidence and discussion ... and is aided and abetted by its media and political allies.

Thus we have Chuck Todd, who brought an entire panel of alarmist climate “experts” to a recent episode of Meet the Press. He helped them expound ad nauseam on the alleged “existential threat of our time” – but made it clear that he was not going to give even one minute to experts on the other side.

“We’re not going to debate climate change, the existence of it,” Todd proclaimed. “The Earth is getting hotter. And human activity is a major cause, period. We’re not going to give time to climate deniers. The science is settled, even if political opinion is not.” The only thing left to discuss, from their perspective was “solutions” – most of which would hugely benefit them and their cohorts, politically and financially.

Regular folks in developed and developing countries alike see this politicized, money-driven kangaroo court process for what it is. They also know that unproven, exaggerated and fabricated climate scares must be balanced against their having to give up (or never having) reliable, affordable fossil fuel energy. That is why we have “dangerous manmade climate change” denial on this scale.

That is why we must get the facts out by other means. It is why we must confront Congress, media people and the Trump Administration, and demand that they address these realities, hold debates, revisit the CO2 Endangerment Finding – and stop calling for an end to fossil fuels and modern living standards before we actually have an honest, robust assessment of supposedly “settled” climate science.



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Think you've heard it all about climate change?

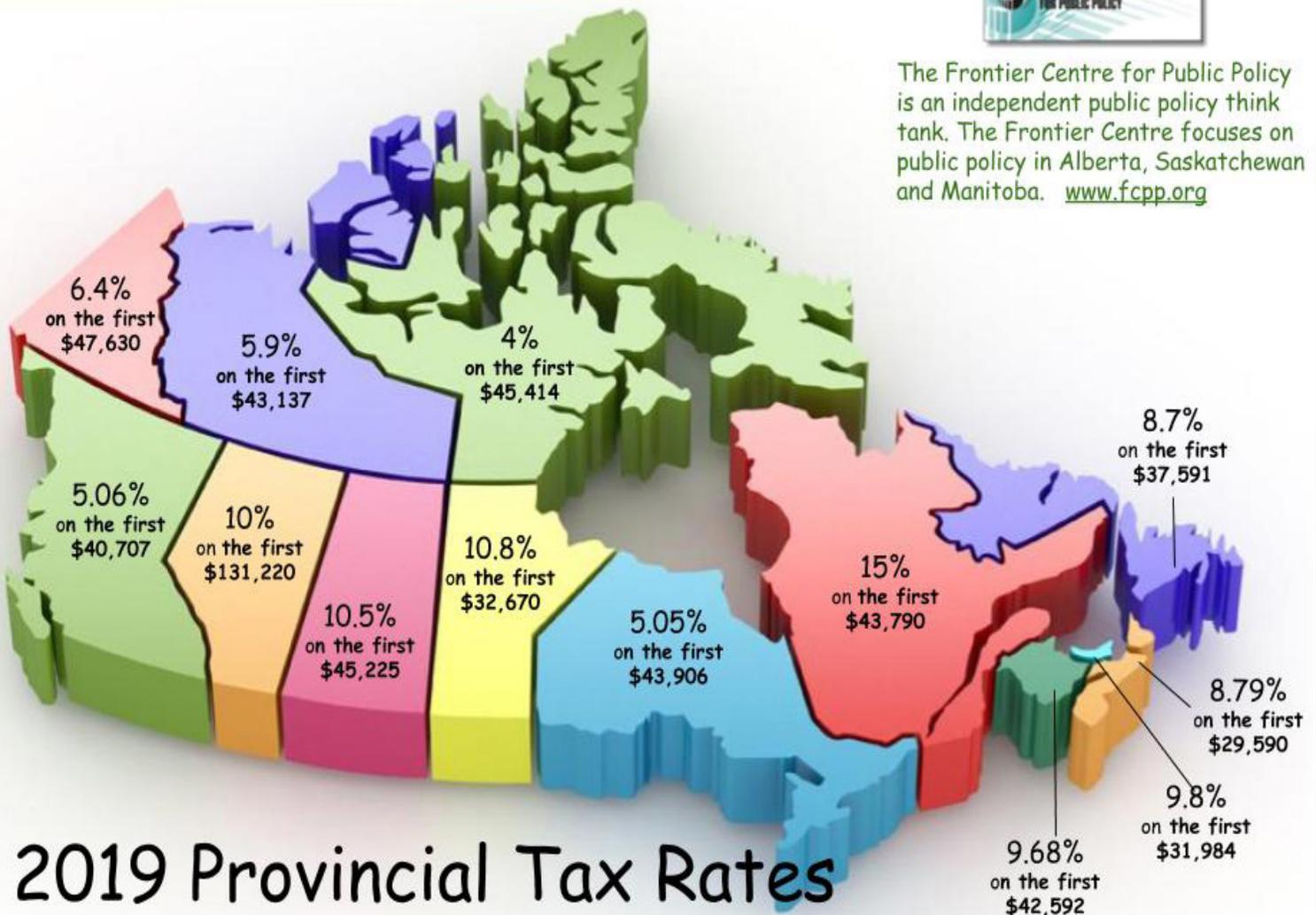
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2019 Provincial Tax Rates

How much provincial tax will you pay?

COMING SOON

Let the People Speak: Oppression in a Time of Reconciliation

By Sheilla Jones
Foreword by Sheila North

Since Indigenous Affairs (IA) became a stand-alone Canadian government department in 1966, it has mushroomed into a federal department unlike any other. IA has jurisdictional reach over 90 percent of Canada's land mass, authorities that reach into every single federal government department and agency, with an annual budget (including its 33 federal co-delivery partners) of some \$20 billion annually. Indigenous Affairs Plus (IA+) is effectively a "super-province." Yet not a single person overseeing this new super- power within Confederation has been elected by Indigenous people to represent their interests. Not only do ordinary Indigenous people have no voice in federal policy decisions that can affect nearly every aspect of their lives, they have no power to hold IA+ accountable to them. Ordinary Indigenous people are among the most politically voiceless and powerless people in Canada. In *Let the People Speak: Oppression in a time of reconciliation*, award-winning Canadian journalist Sheilla Jones poses a crucial question: are the well-documented social inequities in Indigenous communities—high levels of poverty, suicide, incarceration, children in care, family violence—the symptoms of this institutionalized powerlessness? The solution to powerlessness is empowerment, and the means for that empowerment already exists—treaty annuities linked to the increasing value of ceded lands and paid directly to every First Nations Treaty man, woman and child. Modernizing annuities was validated by Parliament in 1879 and affirmed by the Supreme Court of Canada in 1895. It is a telling measure of the powerlessness of ordinary First Nations people that annuities have remained unchanged for 150 years. Only when ordinary Indigenous people are empowered to speak for themselves can all Canadians—Indigenous and non- Indigenous—begin a meaningful conversation about reconciliation.

Contact: www.sheillajones.com/contact
 Publisher: J. Gordon Shillingford Publishing Inc., Winnipeg
 Release schedule: July 2019
 ISBN 9781927922569



Sheilla Jones is a Senior Fellow with the Frontier Centre for Public Policy, leading the Treaty Annuity/Individual Empowerment Initiative. She is an award-winning Canadian journalist, former CBC news editor, and author of several books on cosmology and quantum physics.

Sheila North from the Bunibonibee Cree Nation is the former Grand Chief of the Manitoba Keewatinowi Okimakanak (MKO), and former Chief Communications Officer for the Assembly of Manitoba Chiefs. She is a former Gemini-nominated CBC journalist, former CTV journalist and documentarist.





Recommended Reading



The Hidden Cost of a Money-Laundering Crackdown (Commentary, Economy)

We Must Hope Dr. Soon is Right ... (Commentary, Environment)

The Little Potato Grows Eyes (Commentary, Culture Wars)

Recommended Listening & Viewing



Cost of Indigenous Affairs (Video, Aboriginal Futures)

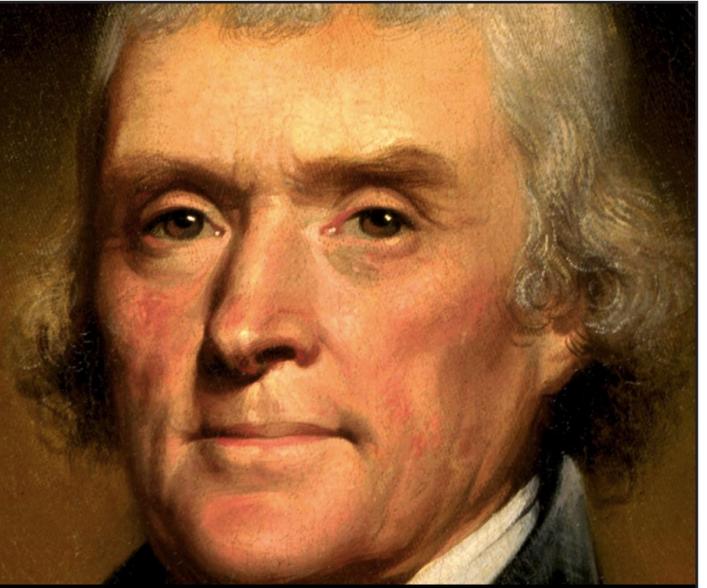
Oil Is Good, Pipelines Even Better (Audio, Energy)

Are We Ready for Driverless Cars? (Radio, Disruption)

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"A wise and frugal Government shall not take from the mouth of labor the bread it has earned"

- Thomas Jefferson



Public Policy Knowledge Quiz

What are three responsibilities of Canadian Citizenship?

- a) Being loyal to Canada, recycling waste, and serving in the Canadian Forces.
- b) Obeying the law, taking responsibility for oneself and one's family, and serving on a jury.
- c) Learning both official languages, voting in elections, and belonging to a union.
- d) Buying Canadian products, owning your own house, and using less water.

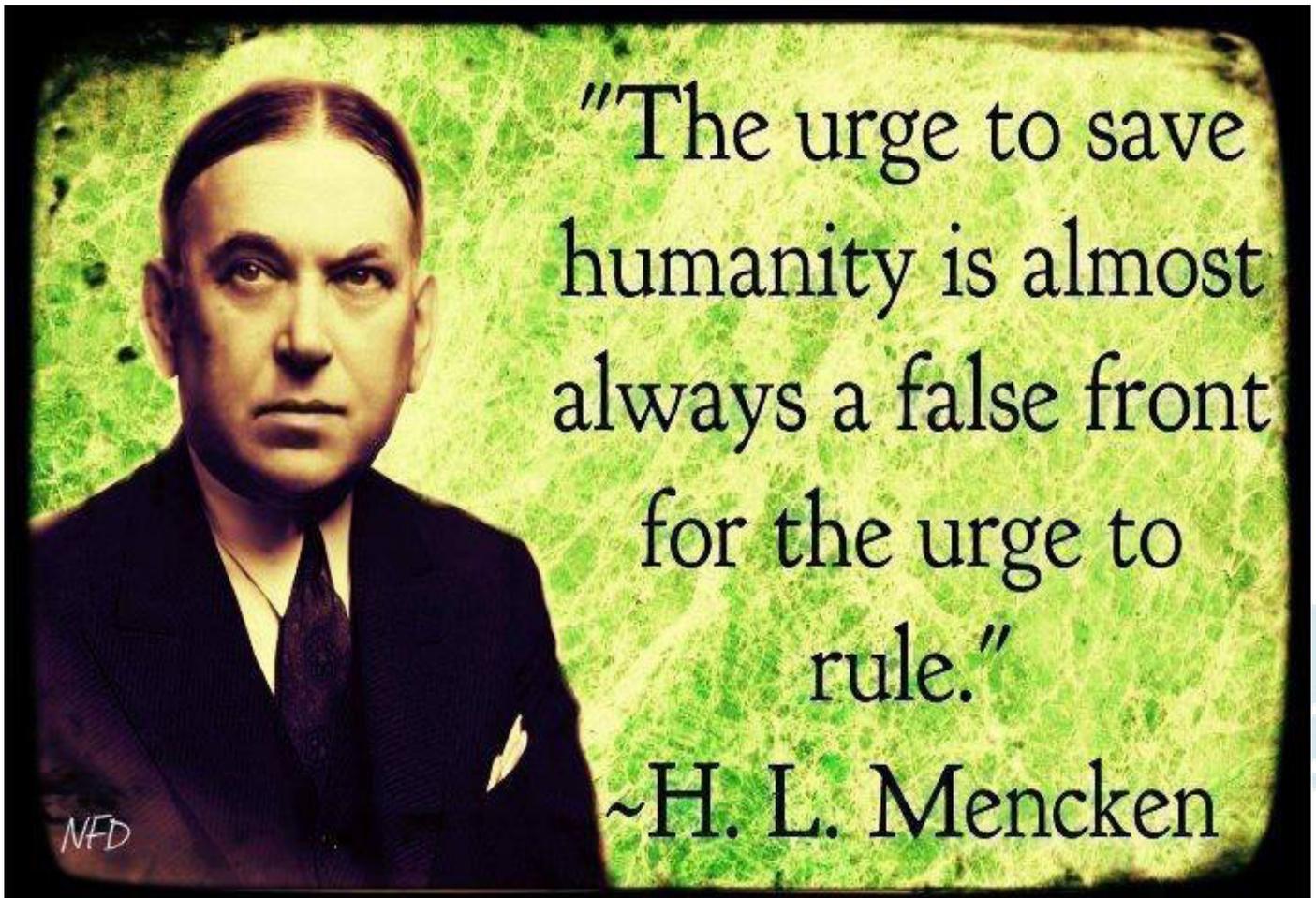
Answer: b

Crown Corporation Knowledge Quiz

What is the total book value of all Crown Corporations in Canada, federal, provincial, and territorial (all the money invested and reinvested by taxpayers)?

- a) \$74 billion
- b) \$97 billion
- c) \$132 billion
- d) \$191 billion
- e) \$232 billion

Answer: \$74 billion





Airbus A380: Death of the "Plane Born to Die"

Wendell Cox,
 Commentary, Transportation
 March 20, 2019

Airbus' cancellation (February 14) of the four engine, wide-body A380 jumbo jet ends the troubled life of a plane that always was too big and out of sync with changing market realities. Little more than 11 years after its October 2007 maiden commercial flight by Singapore Airlines, Airbus could no longer justify proceeding with the unprofitable program, as orders were drying up and other, smaller jets were meeting current demand much less expensively. Already, two A380s operated by Singapore Airlines are in the process of being scrapped for parts.

Initial Optimism

This is an ignominious end for a plane some considered to be the future of international passenger transport. According to the Airbus website, the "A380 offers solutions to overcrowding; needing fewer journeys to carry 60% more passengers, making it the perfect solution to airport congestion, fleet plan optimization and traffic growth." According to BBC, "When Airbus' A380 first took off it was hailed as a technological marvel that would meet airlines' needs for a new large aircraft to connect the world's crowded airport hubs - London, New York, Dubai, Tokyo. Airbus said the market for the giant planes would be 1,500."

"Last year, the company considered and rejected a proposal to discontinue the A380."

Reality Dawns

In the end, the A380 program was to cost Airbus \$25 billion, paid by the customers of airlines and potentially by European taxpayers, whose governments are owed €1 billion for the project. Costs escalated wildly from the 2000 estimate of less than \$11 billion, rivaling (after inflation) the cost blowouts of the HS2 London-Birmingham-Manchester-Lees high speed rail line and the now emasculated California high speed rail line.

Last year, the company considered and rejected a proposal to discontinue the A380. But Dubai based Emirates decision to cancel 35 of their on-order 55 planes may have precipitated the final decision. Just a week before, Qantas had cancelled an order for eight A380s. This was devastating because A380 seemed "tailor made" for the Australian market, so far removed from much of the world, with flights from such destinations as Los Angeles, Dallas-Fort Worth, Hong Kong and London (one-stop

through Singapore).

One winner from the A380 program has been Emirates, with its world-wide hub in Dubai. Emirates operates more than 40 percent of the current A380 inventory, which has relied on the plane to nearly triple both its capacity and patronage over the past decade. Yet, as it was cancelling much of its outstanding A380 order, Emirates decided to purchase smaller jets, especially the Boeing 777-9X, a two engine jet better equipped to handle the increasingly dispersed international airline origins and destinations.

For other airlines, the A380 was deemed to just not fit. Hong Kong's five-star (highest rating by Skytrax) Cathay Pacific preferred to rely on smaller (but still large) 777s, partly because they could offer more frequent service, running five services per day to London, instead of the three A380s trips to serve the same traffic. Further, Cathay Pacific uses the smaller jets due to their higher relative cargo capacity, an important consideration in the Hong Kong market.

No American, Canadian or Latin American airline flies A380, while demand from China and Japan has been miniscule.

Forecasting Demand 500 Percent High

Given the marketplace reaction, production fell precipitously from optimistic models. The company's projection of 1,500 A380s was 500 percent above the actual total of approximately 250 that will be produced. This shortfall did not come as a surprise to many in the industry. According to Don Reed in Forbes, "many aircraft manufacturing experts, airline executives, industry consultants, airport planners, travel marketing and planning executives, tourism promoters and chamber of commerce-type officials around the globe" advised Airbus not to go forward with the jet, which was considered to be too large, while the future of the market was in smaller jets. Boeing had at one point discussed the possibility of joint production of a new larger jet with Airbus, but backed out. Boeing's own 747, was the original jumbo-jet. Part of the problem, according to Reed may have been that the company was "... laboring under pressure from their political masters in France and Germany..." to go ahead despite these factors.

Two Engine Jets Displace 747s Even Before, even Before A380 Planned

The “writing was on the wall” for four engine jets, as early as Boeing’s 767 made the first two-engine commercial jet crossing of the Atlantic in 1985. The measures that made these flights sufficiently safe played a major role in displacing not only four engine planes, like the 747, but also three engine planes, such as the Lockheed 1011 and the DC-10. It is ironic that the 767, which reduced the demand for 747s and contributed so importantly to the pre-production obsolescence of the A380, was last produced in 2014, only seven years after the first A380 commercial flight. Meanwhile, Airbus is profiting from the smaller wide-body jets, with nearly 900 firm orders for the Airbus A350-XWB, which entered commercial service in 2015.

Indeed, two engine narrow-body jets are increasingly being used in transatlantic service. This allows service between smaller markets, such as Air Canada’s new seasonal 737 service between Montréal and Bordeaux. Much of discount carrier Norwegian’s traffic is on 737s, which will be augmented by narrow body Airbus A321-Neos on order.

Too Little Seat Density, Too Much Frivolity

The A380 may have had respectable load factors, but these were misleading, because the seat density of the

planes was so low. According to the South China Morning Post, “The A380 is capable of carrying more than 800 passengers, but most airlines choose to transport no more than about 500 people, instead decking out the cabin with fancy features from in-flight bars to showers and multi-room suites that come with flourishes like butlers and sofas. Such fripperies were a hit with passengers, who often went out of their way to book a flight on the A380, which promised a more spacious, quieter, more luxurious flight experience than older long-distance models.”

However, as runwaygirlnetwork.com explained, “... these features were not the objective; they were usually the clever solution to utilizing cabin dead space.”

Too Much, Too Late

Airbus President Tom Enders said that the A380 may have “come 10 years too late.” Given the rise of two-engine transatlantic service less than 15 years after the launch of the 747 and 32 years before the A-380, 30 years too late seems a better assessment. According to airline analyst Richard Aboulafia, Vice President of the Teal Group, the A380 “was born to die. Simply the dumbest program of modern times.”



Senior Fellow

Wendell Cox is a Senior Fellow with the Frontier Centre for Public Policy with expertise in housing affordability and municipal policy. In addition, Wendell is Principal of Demographia, an international consultancy based in St. Louis, Missouri specializing in regional and municipal housing policy and related planning issues. The leading global authority on housing affordability and municipal policy, Wendell is co-author of the annual Demographia International Housing Affordability Index, which receives more than 1.3 million unique downloads each year. A former member of the Los Angeles Transportation Commission and Amtrak Reform Council, Wendell has consulted extensively on urban planning and transportation issues. He is the author of *Toward More Prosperous Cities*, a framing essay on the fundamental objectives of cities.

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contrasted with
educated taste, mind
education, n. [L. *edūcāshō*
Lat. *edūcāshō*-(em), ‘bring
education’, See *educat*
discipline, development, and
character, and
and train



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H

ow 'Social Justice' Warriors Kill Free Thought

Philip Carl Salzman,
 Essay, Culture Wars
 January 16, 2019

Sixty years ago, higher education had an open culture where students and professors could explore many different social and political perspectives, views, values, and theories. Together, they would consider different approaches, argue about them, and draw what conclusions they could.

But for the last half-century, universities have transitioned from an open to a closed culture, in which an official ideology was merged with an official morality, which led to the exclusion of all other views. I have seen this development first hand as a professor for fifty years at McGill University, but have read news and organizational reports that verify that this is as close to a universal change in North American colleges and universities.

In closed cultures, the official ideology is the only theory, set of beliefs, and values that are permitted. There are no procedures to challenge or correct that ideology. Decisions are made solely by the holders of the official ideology. Alternatives theories, arguments, evidence, and conclusion are suppressed.

One type of example is theocracies. The official ideology of a theocracy is that the universe requires one set of beliefs only, and any other is heresy. Iran is an example of such a theocracy; dissidents are imprisoned, tortured, and or executed. In Islam, criticism of Allah, the Koran, Islam, or Mohammed is to be punished by summary execution. Another type of closed culture is that of communist states, such as the USSR, China under Mao, and Cambodia under the Khmer Rouge. In the USSR, dissidents, if not executed in the cellars of the secret police or sent to a gulag for forced labor and death, were sent to mental institutions to be drugged on the grounds that communism was in everyone's interest, and anyone opposing communism was opposing his own interest, and was therefore crazy. During the cleansing of the Chinese Cultural Revolution, school children and university students harassed, attacked, crippled, or assassinated anyone who was not sufficiently "woke" to egalitarian communism's virtues. The Khmer Rouge, self-appointed champions of the workers, just murdered the entire Cambodian middle class and anyone who looked middle class.

"This new official ideology is 'social justice', a neo-Marxist framework that divides the world, not into the proletariat and bourgeois of orthodox Marxism, but into more general categories of oppressors and victims..."

Goodness, you may say; we have nothing like that in Canada or the United States. But if you say that, you have not spent much time recently in institutions of "higher learning." Whereas in the past, colleges and universities emphasized the processes of teaching and learning, scholarship and collecting evidence, debating various views and understandings, and trying out new and original conclusions, today colleges and universities have discovered The Truth and its associated Good, and made it into their official ideology, held uniformly by administrations and professors, and taught to students as the only understanding that they need to have.

This new official ideology is "social justice," a neo-Marxist framework that divides the world, not into the proletariat and bourgeois of orthodox Marxism, but into more general categories of oppressors and victims: whites are oppressors and people of color victims; men are oppressors and females are victims; heterosexuals are oppressors and gays, lesbians, transsexuals, etc. the victims; and Christians and Jews are oppressors and Muslims are victims. But "social justice" is not just a theory and classification; it is a practical program for attacking oppressors and raising up victims. Morality is defined as siding with all members of the victim categories, and opposing members of the oppressor categories. The new, official purpose

of "higher education" is to advance "social justice."

Professors in the social sciences, humanities, education, social work, and law, almost all of whom self-identify as "progressives," socialists, or communists, are almost without exception strong advocates of "social justice." That is what they teach, and that is the point of their "research" and "scholarship." "Social justice" is thus regarded as an established Truth, and supporting it is the only morality. Dissidents and contrary views are by definition "unjust," and their holders immoral.

Universities enforce "social justice" by means of its "social justice" police: the ever-growing bureaucracy of "equity, inclusion, and diversity" officers whose job it is to suppress alternative views. And why not? Alternative views are regarded as contradicting an established truth and preferring evil to "social justice" morality. Criticism, contrary arguments or evidence, different conclusions

are regarded as an attack on non-whites, females, gays, etc., and Muslims. This is seen as a violation of the minority rights and human rights of everyone who falls into victim categories. Any complaints by individual student "victims" can bring down the hammer of the inclusiveness bureaucracy, and lead to censoring publications, banning professors from teaching certain courses or any courses, obliging professors to attend re-education diversity courses, or outright expulsion, firing even of tenured professors.

Don't take my word on this. Here are recent cases of censorship and attacks on views not entirely in accord with "social justice" ideology:

Do not dare to say anything good about members of oppressor categories

Rachel Fulton Brown, Associate Professor of History at the University of Chicago, had the temerity to publish some good words about white men in her blog, "Three Cheers for White Men." For this she was attacked as a "racist" and "white supremacist" by Dorothy Kim, then an Assistant Professor of English at Vassar, currently holding the same rank at Brandeis. Some 1400 mediaevalists and historians sent an open letter to the University of Chicago denouncing Brown's views that "betray her fundamental lack of knowledge concerning the discourses of structural racism and white supremacy," and claiming that she violates norms of professional behavior. An extra-university organization, the National Association of Scholars, has defended Brown. Its letter has been signed by hundreds of academics. Up to the present, she has not yet been disciplined or fired by the University of Chicago.

Do not question the victimhood of members of victim categories

Mostly my publications have been about non-controversial subjects, mainly nomads and pastoralists. But twice I crossed the "social justice" line and was censored.

One of my most original and politically relevant articles is entitled "The Iron Law of Politics," the central theme of which is that all values are not compatible, and, more specifically, that equality and freedom are incompatible. I submitted it initially to a distinguished anthropology journal that turned it down with the editor's remark that it was not credible. As the article was a cross-cultural study full of evidence, I concluded that the article was rejected on the political grounds that equality was an absolute value and no constraints on it were acceptable.

I was disappointed with this response and submitted the article to a journal closer to STEM disciplines, Politics and the Life Sciences. The paper was accepted and published.

My second experience was in writing a response to an article published by an anthropologist in an anthropology journal. The author, a Marxist feminist, presented quantitative data about work in an East African pastoral society and concluded that women did most of the labor. I reclassified and reanalyzed the data and found that young men who lived in the cattle camps 24/7 did the most physical work, but that in any case it was unfair to

define work solely as muscular and exclude the management work of the male elders.

Because the subject was women's labor, among other things, my submitted response was sent to female "peer" assessors, who rejected it. Most female anthropologists are ardent feminists, and the readers clearly did not like my challenge to the argument that females did more work than men. So, my response was rejected outright, not on theoretical or evidentiary grounds, but on feminist, "social justice" grounds.

Do not dare question the biological basis of gender dysphoria or transgenderism

Lisa Littman, an Assistant Professor of Behavioral and Social Sciences at Brown University, published a peer-reviewed study of "gender dysphoria" and the opting for transgender medical procedures. She did a survey from which she received 150 responses from parents about the "rapid onset gender dysphoria" of their children.

Her findings included these:

- 3% of children had been part of a group where one or more friends had come out as transgender when they did.
- 7% of children found their popularity increased within their group after declaring their transgender preference.
- 9% of children had high expectations that transitioning would solve their problems in social, academic, occupational or mental health areas.

These figures suggest that social influence through peer groups could lead to gender dysphoria and transgenderism.

There was an explosion of indignation with objections pouring into the Brown University administration. Feminists who had vehemently argued for fifty years that all gender was socially constructed, were now arguing that gender dysphoria, like homosexuality, was entirely biological. Anyone, such as Professor Littman, who said anything different, was said to be victimizing potential or completed transgender individuals.

Brown University pulled its press release about Professor Littman's article. "A letter from Bess Marcus, the Dean of the School of Public Health, claimed that she has 'heard from the Brown community members expressing concerns that the conclusions of the study could be used to discredit efforts to support transgender youth and invalidate the perspectives of members of the transgender community.'"

Do not dare suggest that the success of members of oppressor categories is biological

Theodore P. Hill, Professor Emeritus of Mathematics at Georgia Tech, and currently a research scholar in residence at the California Polytechnic State University in San Luis Obispo, describes in the following passage the topic of his recent paper: "In the highly controversial area of human intelligence,

the 'Greater Male Variability Hypothesis' (GMVH) asserts that there are more idiots and more geniuses among men than among women. Darwin's research on evolution in the nineteenth century found that, although there are many exceptions for specific traits and species, there is generally more variability in males than in females of the same species throughout the animal kingdom.

"Evidence for this hypothesis is fairly robust and has been reported in species ranging from adders and sockeye salmon to wasps and orangutans, as well as humans. Multiple studies have found that boys and men are over-represented at both the high and low ends of the distribution in categories ranging from birth weight and brain structures and 60-meter dash times to reading and mathematics test scores. There are significantly more men than women, for example, among Nobel laureates, music composers, and chess champions—and also among homeless people, suicide victims, and federal prison inmates."

Hill wrote a paper with another specialist on this topic and submitted it to "the Mathematical Intelligencer, the 'Viewpoint' section of which specifically welcomes articles on contentious topics." It was welcomed and accepted with some edits. After Hill's coauthor posted the article on his website, "a representative of the Women In Mathematics (WIM) chapter in his department at Penn State contacted him to warn that the paper might be damaging to the aspirations of impressionable young women." And, further, that some readers "will just see someone wielding the authority of mathematics to support a very controversial, and potentially sexist, set of ideas..."

Hill's coauthor came under attack at his home institution: "At a faculty meeting the week before, the Department Head had explained that sometimes values such as academic freedom and free speech come into conflict with other values to which Penn State was committed. A female colleague had then instructed Sergei that he needed to admit and fight bias, adding that the belief that "women have a lesser chance to succeed in mathematics at the very top end is bias." "Faced with career-threatening reprisals from their own departmental colleagues and the diversity committee at Penn State," Hill's coauthor and his colleague who had done computer simulations, both withdrew their names from the paper.

That was not all. The National Science Foundation,

responding to complaints from the Women in Mathematics, demanded that their names be removed from the acknowledgments. Then the editor of the journal contacted Hill to tell him that she was now rejecting the article. "Several colleagues," she wrote, had warned her that publication would provoke 'extremely strong reactions' and there existed a 'very real possibility that the right-wing media may pick this up and hype it internationally.'" The editor went on to say, "she had received no criticisms on scientific grounds and that her decision to rescind was entirely about the reaction she feared our paper would elicit."

Hill finally received a break. The editor of the respected online New York Journal of Mathematics had heard about the paper and said he wanted to publish it. But after it was published in the NYJM for three days, it then disappeared. The editor explained: "Half his board, he explained unhappily, had told him that unless he pulled the article, they would all resign and 'harass the journal' he had founded 25 years earlier 'until it died.'" So, he deleted the article.

Hill ends his account of his trials with this homily: "I understand the importance of the causes that equal opportunity activists and progressive academics are ostensibly championing. But pursuit of greater fairness and equality cannot be allowed to interfere with dispassionate academic study. No matter how unwelcome the implications of a logical argument may be, it must be allowed to stand or fall on its merits, not its desirability or political utility."

Hill is out of step with the new "social justice" university, where everything stands or falls on its "desirability or political utility." "Merit" is denounced as a white male supremacist dog whistle.

In academia today, the official ideology of "social justice" is the arbiter of truth and morality. Colleges and universities consequently have closed cultures that accept only their own doctrines and make every effort to suppress any other views, arguments, theories, and evidence. This is what the cases reported here demonstrate. For this reason, North American contemporary colleges and universities are increasingly becoming more like the Islamic Republic of Iran or the Soviet Union or Mao's China than they are like the Canadian and American societies that surround them.



Senior Fellow

Philip Carl Salzman received his B.A from Antioch College, his M.A. and Ph.D. from the University of Chicago, and he served as Professor of Anthropology at McGill University from 1968 to 2018. He founded the Commission on Nomadic Peoples of the International Union of Anthropological and Ethnological Sciences, and its international journal, *Nomadic Peoples*, for which he received the IUAES Gold Award. In recent years, he has been a Senior Fellow at the University of St. Andrews, an Open Society International Scholar at the American University of Central Asia, an Erasmus Mundus International Fellow at the University of Catania, and a Visiting Professor at the University of Sydney, Australia. He has engaged in extensive ethnographic field research in Baluchistan (Iran), Gujarat and Rajasthan (India), and Sardinia (Italy) which has provided the foundation for many articles in academic journals, and for several books. His latest book is *Classic Comparative Anthropology: Studies from the Tradition* (2012). In public affairs, he was a member of Middle East Strategy at Harvard (2008-2010), a member of the Board of Directors of Scholars for Peace in the Middle East (2004-2012), and is currently a member of the Academic Council of the Canadian Institute for Jewish Studies, a Fellow of the Middle East Forum (2015-), and a member of the Board of Directors of Scholars for Peace in the Middle East (2016-). He has published articles and reports in the *Middle East Forum*, *Gatestone Institute*, the *Canadian Institute for Jewish Research*, and the *Macdonald Laurier Institute*.

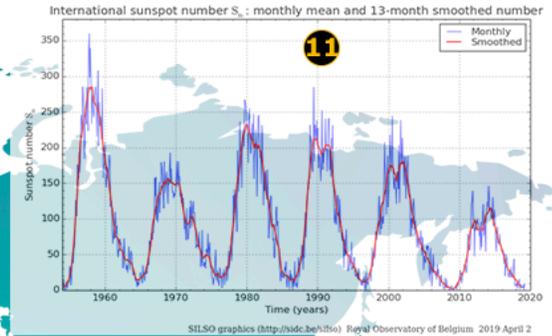


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Observations That Question Human Induced Global Warming

- 1** February 2019 over the Canadian prairies was the second coldest in 70 years after February 1979 (measurement based on 31 ground stations).
- 2** Cold records were set recently in High Level, Edmonton, Alberta and parts of Saskatchewan.
- 3** Record amounts of snow were reported in Seattle this winter.
- 4** Temperatures in Los Angeles in February never reached 70°F for the first time in 132 years.
- 5** Northern Japan has been extremely cold this winter.
- 6** There was snow in Las Vegas last month.
- 7** There has been unprecedented snow in Hawaii.
- 8** Minneapolis-St. Paul had the 10th highest snow accumulation on record in February.
- 9** Global climate has been cooling since 2016.
- 10** Montana recently reported a -46°F which is expected to set a record for a March low.
- 11** International mean monthly sunspot activity has been dropping.

Sources:
 Ray Garnett Climate and Crop Letter Vol.14. No. 14 March 8, 2019
 Plimer, I. 2009. Heaven and Earth: Global Warming the Missing Science. Connor Court Publishing Ltd., Ballan, Victoria, Australia. 503 pp
 SILSO data/image, Royal Observatory of Belgium, Brussels

Based on a running centered 13-month average, global temperatures have cooled about 0.3 °C since 2016.¹ Similarly, mean monthly sunspot activity has been dropping since 2016: 52 in 2016, 26 in 2017, 12 in 2018 to 4 in agricultural year 2019 (September to February). The award-winning Australian scientist, geologist, and professor emeritus of earth sciences at the University of Melbourne, Ian Plimer (2009) writes that climate closely correlates with solar activity accounting for 80% of the temperature trend over the last 150 years.²

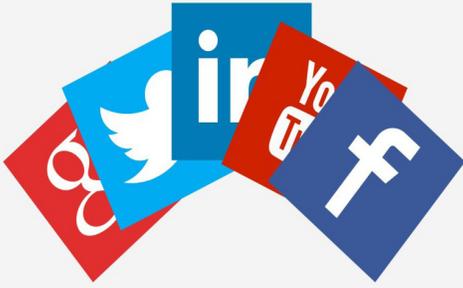
Global temperatures warmed in February despite extremely cold temperatures in North America, with warm temperatures in Siberia and Europe offsetting those in North America.³ The ten observations above are noteworthy for North America. Dr. Don J. Easterbrook, Emeritus Professor of Geology at Western Washington University dismisses the human-caused climate change theory - "Because of the absence of physical evidence that carbon dioxide causes global warming, the only argument for CO2 as the cause of warming rests entirely in computer modelling."⁴ Similarly, he has been quoted as stating "... governments worldwide have already spent a trillion dollars fighting the wrong threat."⁵

1. <http://www.drroyspencer.com>
2. Plimer, I. 2009. Heaven and Earth: Global Warming the Missing Science. Connor Court Publishing Ltd., Ballan, Victoria, Australia. 503 pp
3. http://www.climate4you.com/Text/Climate4you_February_2019.pdf
4. Easterbrook, D. Proceedings of the Porto Climate Conference. Sept 7-8, 2018. Porto University. Portugal.
5. <https://www.cnsnews.com/news/article/barbara-hollingsworth/climate-scientist-who-got-it-right-predicts-20-more-years-global>

W

Who Controls the Marketplace of Ideas and Does Regulating It, Limit It?

Éamonn Brosnan,
Commentary, Culture Wars
January 20, 2019



In Part 1, I discussed some issues around these Social Media companies and whether they are considered monopolies. Because of the nature of their actual business (digital advertising) they aren't monopolies, they are each other's competitors in a larger marketplace. However, the real issue that people have come to identify as the issue is not their revenue source, but rather their non-income-based activities. Whether it is Google's willingness to tweak search results for business or other reasons, YouTube's and Twitter's willingness to remove certain individual's accounts, or Facebook's seemingly inconsistent enforcement of policies around violating community standards, often landing "offenders" either banned from Facebook or sitting in the penalty box for a 30 day period of time (Facebook jail as it is commonly called). Regardless of your political stripe, all those engaged in social and political discussions can, and frequently do, point to some individuals who were a victim of these actions and policies.

Google has been accused in the past, of using their search engine dominance to ensure people play by their rules regarding other aspects of their business. After the Wall Street Journal began restricting access to their articles behind a paywall in 2017, it was discovered that their traffic coming from Google searches had plummeted by 44% almost overnight. In addition; Google and their subsidiary YouTube, along with Facebook, and Twitter have taken to enforcing their content rules liberally and, at times, shutting down platforms that run against their internal political views. Many commentators scream free speech when this happens (in the US Freedom of Speech is enshrined in the First Amendment of their constitution and a less wide-ranging version applies to Canada through our Charter of Rights and Freedoms). The problem with this is that both of these core documents to our respective countries apply ONLY to the government passing laws that restrict this freedom. It does not prevent private corporations from cracking down on what is said within their buildings or on their websites. A company can choose to allow or ban any person so long as their decision is not based on protected statuses (such as gender, race, or sexuality among others).

Where does this leave us? The real problem, in my mind, is that through their respective dominant market shares in the free portion of their businesses, these social media

enterprises (Twitter has been included as well because despite their small size they have been shown to exert an outsized influence on public thought) control our collective venues for social and political conversations, our marketplace of thoughts and ideas, if you will.

The US Congress recently held hearings regarding this influence, in an effort to get a handle on their impact with the possible intent of regulating them. The real problem is that these have become our public square of our collective village. It is almost inevitable that social media platforms, as a whole, will be regulated by someone (be it governments or other organizations). Already we see some regulations being applied, in a

"This will simply create a more confusing landscape, as each company will be responsible for verifying compliance with each country's rules and laws."

jigsaw pattern coming from different governments. China has a much stricter view of free speech, and as such, has given technology companies, especially social media companies, ultimatums to follow their rules. Google implements the required censorship policies, and as such has been permitted to continue operating there. Facebook was not able to meet China's requirements, and as such has been blocked to their population since 2009. Even 2 countries who share many common values, such as Canada and the US, still have some unique differences in how laws are written and interpreted. For instance, a posted Youtube video may be considered acceptable under US laws, however, it may run afoul to Canada's hate speech laws. This may lead to other countries adding their own different regulations as to what constitutes hate speech. This will simply create a more confusing landscape, as each company will be responsible for verifying compliance with each country's rules and laws.

It is my estimation that a better solution would be for an independent regulatory organization be created, with input from the major social media companies currently in existence along with representatives from a small selection of countries (we don't need 195 national representatives in a committee) to help create a structure for regulatory compliance. A list of criteria can be drawn up that each country can then check boxes on for what is or isn't permitted in their country. The regulatory group can then provide this updated information to all social media companies, and can maintain this list as laws change in each country. It can also maintain minimum security and

review requirements to help prevent (or at least make it easier to see) when organizations or companies are attempting to abuse the platforms to manipulate political events.

I think that this solution would help the social media companies implement their platforms in a variety of different cultures and countries. It removes governments from having direct regulatory control (and responsibility) for all of these platforms and gives everyone a clear foundational structure to work from. All companies will have the same rules applied to them and they will know the rules in advance.

With regard to the issues of speech being restricted on these platforms here in Canada and in our neighbour, the US, I think that we have now run into a unique situation that needs to be addressed from a different angle. Our Western democracies are born from, and survive due to, the very concept of free speech. The moment that we

begin regulating and restricting this freedom is the moment that we begin to erode the very foundation of our democratic form of government.

Something that is important to consider when looking at these organizations censoring various individuals and groups is that because they are the public square where the free-flowing exchange of ideas is currently happening, when they restrict or stymie these activities, they are having a negative impact on our social development and on our very democracy. Though I might, politically, agree with them de-platforming certain individuals, I find myself in the uncomfortable position of defending these people's rights to have access to a platform. If the only time that you defend free speech is when someone is limiting an idea that you agree with, then you aren't actually interested in defending free speech but just your own personal political ideals. The argument for free speech is only real when you are defending the right to say something that you don't agree with.



Research Associate

Éamonn Brosnan is an IT Consultant who has been engaged in the IT industry for 17 years. He has also taught Computers & Technology at SAIT for a period of time and been involved in the Media as a co-owner of a publication. Éamonn has a BA in Classical Studies and a post-graduate diploma in Information Technologies. He has been involved with starting and running several companies involved in a variety of interests.





T houghts on Manitoba Hydro's Solar Energy Program

Brian Ransom,
Commentary, Energy
January 23, 2019

On Earth Day, April 22, 2016, Manitoba Hydro announced its Solar Energy Program offering incentives and financial support for customers to adopt solar power to generate their own electricity and sell excess energy to Hydro. The Program was part of Hydro's demand-side management plan to reduce energy use in the province and help customers reduce their bills. The Program offered (1) a subsidy of \$1,000 per kilowatt of capacity for installations up to 200 kW, (2) limited financing for up to 15 years, (3) displacement of grid electricity, (4) backup service, and (5) purchase of excess energy.

Hydro stopped accepting new applications in May 2018. There has since been considerable public debate about the Program and whether or not it should be renewed. My contribution to the debate concerns primarily components (3) and (4).

Briefly, a significant ongoing subsidization occurs whenever customers displace dependable hydroelectricity with intermittent solar generated electricity.

The former is two and a half to three times as valuable as the latter. Hydro gets no return for maintaining the capacity to provide instantaneously available backup energy without which solar generation is a non-starter.

Let me explain. Assume a customer uses 50,000 kWh/year priced at \$.08527/kWh (Hydro's current residential price) costing \$4,264. Assume the customer installs solar panels producing 55,000 kWh/year of which assume 20,000 kWh will be in excess of net month by month consumption and will be bought by Hydro at the current excess energy price of \$.03253/kWh totalling \$651. This transaction is a benefit to the customer and presumably nets out for Hydro.

The customer uses the remaining 35,000 kWh onsite and purchases the resulting 15,000 kWh shortfall from Hydro for \$1,279 (\$.08527/kWh). The customer's net cost is now \$628, down 85.3 percent for a saving of \$3,636. Hydro's direct revenue from the customer has dropped from \$4,264 to \$1,279. Assuming Hydro is able to export the 35,000 kWh displaced by solar at \$.0276/kWh (average 2017/18 price for surplus energy) it will realize \$966 which together with \$1,279 from the customer totals \$2,245, a decrease of \$2,019 (down 47.3%).

Despite losing 47.3 percent of pre-solar revenue from its customer, after having subsidized installation by \$30,000 to \$40,000 (my estimate), Hydro remains obligated to supply as much electricity as the customer requires every second of every minute of every hour of every day, indefinitely, regardless of darkness and drought just as if there were no solar panels in place. Peak demand in Manitoba inevitably coincides with zero production from solar.

I was Hydro's chairman in 1989 when the board set a demand side management target of reducing peak demand in 2001 by 100 megawatts for the purpose of delaying need of the next generating station by one

year. Board and management understood that a hydroelectric utility must always have surplus energy. Energy savings that did not reduce peak demand could therefore only be valued as surplus energy whereas savings that reduced peak demand could be valued in relation to the much greater marginal cost of electricity to be produced

by the next new generating station. This strategy was designed to benefit all customers.

Hydro's Solar Energy Program (1) does not reduce peak demand (2), results in solar generation adding only surplus power to Hydro's system, and (3) drives up the utility's operating costs at the expense of Hydro consumers in general.

Hydro's legislated mandate is "...to provide for the continuance of a supply of power adequate for the needs of the province, and to engage in and to promote economy and efficiency in the development, generation, transmission, distribution, supply and end-use of power...". Manitoba authorities – government and Hydro – evaluating the Solar Energy Program should pay close attention to this directive from the Hydro Act.

There is no apparent reason why there should be any subsidization of solar installations by Manitoba Hydro. Customers wanting to generate part of their energy requirements by installing solar panels should (1) pay for the panels and installation costs, (2) pay a fee covering Hydro's costs of maintaining capacity to provide backup power, and (3) Hydro should value all solar generated power as excess energy currently valued at \$.03253/

"I was Hydro's chairman in 1989 when the board set a demand side management target of reducing peak demand in 2001 by 100 megawatts..."

kWh.

Alternatively, customers who install solar panels could go off the grid and provide their own batteries and/or standby generators. That would reduce peak demand, as intended by the original demand side management program, which might provide a rationale for subsidization.

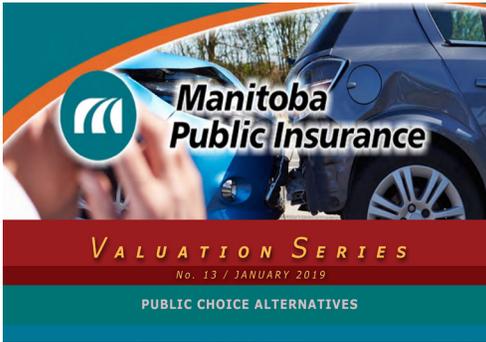
Either case would realistically test the competitiveness of solar power in Manitoba while leaving Manitoba Hydro to pursue its business with economy and efficiency.



Brian Ransom was born in Boissevain, Manitoba, and was educated at the University of Manitoba and the University of Alberta. He worked as a resource manager and farmer before entering public life. He was elected to the Manitoba legislature in 1977, representing the rural riding of Souris-Killarney. Following the election, Ransom was appointed Minister of Mines, Resources and Environment. Following a reorganization of cabinet in 1979, he became Minister of Natural Resources and Chairman of the Treasury Board. In January 1981, he was promoted to Minister of Finance. Ransom did not seek re-election in 1986. He subsequently became chairman of the Manitoba Hydro-Electric Board, and worked as a consultant in sustainable development.



QUESTIONS?
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Money, Please, Indefinitely - A Valuation of Manitoba Public Insurance

Ian Madsen,
Valuation, Crown Corporations
March 8, 2019

EXECUTIVE SUMMARY

Manitoba Public Insurance, 'MPI', is the provincial government-owned motor vehicle insurance company in Manitoba. It could be worth as much as \$3.24B were it divested; or, it could be worthless, as its chronic loss-making and cash burn make it unattractive.

As a business, its free cash flow is negative, and projected to remain that way. So its value, on a fully taxed basis (as a Crown corporation, it pays no tax, now), is estimated between negative \$121M (median in a range of values) and negative—\$156M (mean, or simple average of the plausible range of results).

Another method, using comparable Canadian insurance companies and other financial firms, the range is a positive \$537M (median of the range of values) to \$1.35B (mean, or simple average, of the range of values). It could approach the highest figure if it shows that it has a realistic plan to either boost revenues or lower costs in the near future, and sustainably so.

INTRODUCTION

Manitoba Public Insurance Corporation, 'MPI', a Crown corporation owned entirely by the government of the province of Manitoba, provides automobile insurance for the residents of the province. It has assets and liabilities in the billions of dollars. It has a monopoly position in the vehicle insurance sector in Manitoba, and vehicle insurance is compulsory for all drivers.¹

Manitoba Public Insurance, A History

MPI was established after public hearings aired complaints about the cost of private sector insurance. Prior to 1971, automobile insurance was not compulsory. The government committee estimated that at least 10 percent of vehicles had no insurance. Insurance companies denied some people coverage. Rates charged in Manitoba seemed not wholly related to claim experience in the province. There was dissatisfaction with the rating system of the insurers. Insurers tried to minimize claim payment.

MPI was created to address these complaints. There was to be a basic minimum level of coverage, all drivers would be covered, administration was to be limited to 15 percent of total revenue, premiums were to be paid in cash at time coverage began, and all funds were to be invested in Manitoba provincial securities.

Manitoba Public Insurance began operations in 1971 to provide the basic, compulsory insurance coverage, called Autopac. Both vehicles and drivers were required to be insured and the insurance was tied to registration so that one was not available without the other.² MPI Clients are in the hundreds of thousands; agent offices number over 300.³

VALUATION FACTORS

For the purpose of this study, the assumption could not be made that MPI can fully convert net income into free cash flow, which is normally a key factor in corporate survival and growth. It is free cash flow negative and net income negative and shows no sign of being able to reverse this status.

Consequently, the Intrinsic, Discounted Free Cash Flow valuation, which used a projection of free cash flow that was negative, may be meaningless, except that it would make the firm as it currently operates unattractive as a business to any potential investor or investors.

INTRINSIC, DISCOUNTED FREE CASH FLOW VALUE OF MPI

An intrinsic value is the value a firm (or an entity equivalent to a firm) has by virtue of generating cash, specifically free cash flow. This is actual cash in the bank after getting cash payment for sales of goods or services and paying for everything in cash (including capital equipment and other long term assets, including intellectual property). As noted above, MPI is unable to generate free cash flow (although its operating cash flow is abundant); it has generally been substantially negative for years, and may continue that way. Therefore, any intrinsic value would be negative, also.

In similar situations, another approach could be taken. However, an optimistic assumption that MPI or new management may be able to convert net income entirely into free cash flow is not possible, as its net income is also substantially in the red.

As a negative value for the company has little use, it does indicate that the company has an important deficiency as it is currently constituted: it cannot easily generate any cash, making it dependent on injections of capital, in the form of debt or equity, ultimately backed by the citizens and taxpayers of Manitoba. Hence, the valuation below using the FDCF method is for illustra-

1. See <https://www.mpi.mb.ca/en/About-Us/History/Pages/principles.aspx>.
2. See <https://www.mpi.mb.ca/en/About-Us/History/Pages/principles.aspx>.
3. See <https://www.mpi.mb.ca/en/About-Us/History/Pages/history.aspx>.

tive purposes only. The model shows that the company, at best, might be worth negative \$69M, and, at worst, negative \$486M, with a mean (simple average of a set of plausible values) of negative \$156M and a median (middle of the range of plausible values) of negative \$121M.

MARKET VALUE COMPARISON VALUATION OF MPI

There are seven independent Canadian publicly listed insurance companies. There are another twelve diversified financial firms publicly listed in Canada that were used for comparison purposes.

Table 1

Intrinsic Value of Enterprise as Present Value of Projected Future Free Cash Flows

Present Value of Discounted Free Cash Flow = Estimated Next Year Free Cash Flow (Required Rate of Return = Growth Rate)

Free Cash Flow Estimate for Next Fiscal Year (\$K): **-\$ 4,856**

Matrix Values (\$K) $g=v; r=>$	4.00%	5.00%	6.00%	7.00%	8.00%	9.00%	10.00%
0.00%	-\$ 121,388	-\$ 97,110	-\$ 80,925	-\$ 69,365	-\$ 60,694	-\$ 53,950	-\$ 48,555
1.00%	-\$ 161,851	-\$ 121,388	-\$ 97,110	-\$ 80,925	-\$ 69,365	-\$ 60,694	-\$ 53,950
2.00%	-\$ 242,776	-\$ 161,851	-\$ 121,388	-\$ 97,110	-\$ 80,925	-\$ 69,365	-\$ 60,694
3.00%	-\$ 485,552	-\$ 242,776	-\$ 161,851	-\$ 121,388	-\$ 97,110	-\$ 80,925	-\$ 69,365
4.00%	--	-\$ 485,552	-\$ 242,776	-\$ 161,851	-\$ 121,388	-\$ 97,110	-\$ 80,925
5.00%	\$ 485,552	--	-\$ 485,552	-\$ 242,776	-\$ 161,851	-\$ 121,388	-\$ 97,110
6.00%	\$ 242,776	\$ 485,552	\$ --	-\$ 485,552	-\$ 242,776	-\$ 161,851	-\$ 121,388
7.00%	\$ 161,851	\$ 242,776	\$ 485,552	\$ --	-\$ 485,552	-\$ 242,776	-\$ 161,851

	Minimum	Maximum	Median	Mean (Average)
Total(s)	-\$ 485,552	-\$ 69,365	-\$ 121,388	-\$ 156,224

Source: Valuation model based on trends (and projections of them) in constituent factors in company financial reports.

Several standard market valuation metrics were initially used, including Trailing Price to Earnings ratio and Forward Price to Earnings ratios (P/E); Price to Sales (P/S) ratio; Price to Book Value (P/BV); Enterprise Value to Revenue (EV/Rev), Enterprise Value to Earnings Before Interest, Depreciation and Amortization (EV/EBITDA), and Price to Operating and Free Cash Flow (P/CF, P/FCF) (Please consult the accompanying valuation spreadsheet file in Excel for details). The corporation's estimated fully taxed value could range from \$272M to \$3.24B, with a median value of \$537B and a

median value of \$255M.

Some metrics had to be discarded due to insufficient data on either the comparator companies or MPI, or the inapplicability of the ratio to either the comparators or MPI, or negative or otherwise anomalous results. Four ratios were ultimately used: P/S (Price to Sales), P/BV (Price to Book Value [book value is total assets minus all debt and other liabilities]), Enterprise Value to Revenue (EV/Rev), and Price to Operating Cash Flow (P/CF). Results are in Table 2.

Table 2

Market Value of Firm Using Comparable Publicly Listed Firms and Four Viable Valuation Metrics

Valuation Metrics Applied to MPI, i.e., Market Value of Common Equity (Figures \$B)	Price to Sales	Price to Book	Enterprise Value/Revenue (subtracting net debt)	Price to Operating Cash Flow
Average Seven Canadian Insurance Holding Companies	\$ 3.29	\$ 0.65	\$ 7.01	\$ 0.27
Average Twelve Canadian Diversified Financial or Asset Management Companies	\$ 1.94	\$ 0.47	\$ 1.05	\$ 0.27
Average of All the Above	\$ 2.44	\$ 0.54	\$ 3.25	\$ 0.27

Market Value Using Comparable Companies, and Four Viable Valuation Ratios

	Mean (Average)	Median	Minimum	Maximum
Total Market Value (\$B)	\$ 1.35	\$ 0.54	\$ 0.27	\$ 3.25

Source: Capital IQ via Yahoo!Finance; company annual reports; calculations from consultant.

CONCLUSION

The decision on whether or not to keep or sell off all, most, or part of a Crown corporation is up to the citizens and taxpayers of the province, or territory. Given Manitoba's very challenging fiscal situation, proceeds for such a sale could come in handy at present, and in the near future.

MPI fills a function, but there are many other Canadian and foreign insurance companies capable of providing vehicle insurance, and, demonstrably, at a profit, unlike MPI. At present, MPI is a drain on provincial coffers, whereas it could be a boon to the provincial economy in other hands.

It could be that few other companies, or potential investors in a divested MPI would be able to turn the firm around. However, if Manitoba never lets go of this endless debt-accumulating monopoly entity, it will not only never gain the proceeds of monetizing it, but also never find out if there is, indeed, a better (or maybe more than one) way.

APPENDIX 1:**RATIONALE FOR DIVESTITURE OR PRIVATIZATION**

While it is up to the people through their elected representatives to decide if a Crown corporation or other government agency or entity should be sold or otherwise privatized and the proceeds used for the benefit of all citizens and taxpayers, there are some established reasons to embark on such a path, some or all of which are cited for divestiture of such enterprises but may not be applicable in any single, specific case.

1. The government has no mandate to own or run a commercial enterprise. The provision of citizens' safety, security and justice is the government's primary role, and its involvement in the economy should generally not extend beyond this.
2. Regulation can usually accomplish any public policy reason for direct involvement in an industry. If regulation is not easily feasible, then a direct contract or subsidy to any affected individuals, entity or entities may be more efficient or effective and less economically disruptive or costly.
3. If a government-controlled or sponsored enterprise has a monopoly position, nearmonopoly, or effective monopoly in a line or lines of business or businesses, then opportunities are lost in one or more commercial or potentially commercial sectors for entrepreneurs and investors to try to create and grow businesses to enrich and sustain themselves, employees, suppliers, and others.
4. A monopoly, near-monopoly, or effective monopoly market position by a government-owned or sponsored entity could result in far higher prices for customers, the general public, or a section of the public, than would be the case in a fully competitive marketplace for the industry involved.
5. A government-owned or -sponsored enterprise may compete directly against private sector firms, which are

owned by or employ citizens, or against individual citizens, all of whom the government is supposed to serve, not disadvantage.

6. The government-owned or -sponsored enterprise may compete unfairly against its private sector rivals in that it had or has access to lower-cost government-sourced and -guaranteed capital (debt). It may have a much larger debt component in its capital versus that which would be tolerated in the private sector. Thus, it may not have to meet high standards for profit and cost control, allowing it to offer lower than true free market-based competitive pricing.

7. Government-owned firms may not need to pay provincial or federal income taxes. This can allow such firms to supply goods or services more cheaply than the private sector companies they are competing with.

8. Government-owned or -sponsored enterprises may not have any kind of profit orientation or target, may be used as public policy vehicles and may be given preference in their activities or even in their transgressions, such as labour or environmental abuses.

9. Government-owned or -sponsored enterprises, by virtue of being public sector vehicles overseen by bureaucrats and politicians, may be places where favoured individuals find employment, particularly at management levels.

10. Since profit is a secondary goal of a government-owned or -sponsored enterprise, it is difficult to evaluate the effectiveness, efficiency or productivity of the enterprise or its employees. Consequently, these employees and assets may not be very productive or effective.

11. Government-owned or -sponsored enterprises are often creations of certain time-fixed circumstances and outlive whatever use or public policy role their creators may have conceived. Often, advances in technology; the modernization of transport, telecommunication or information technology; the evolution of the economy and available products and services and the increasing standard of living make these enterprises potentially obsolete. In the private sector, firms and individuals must adapt and evolve, or decline.

12. Government-owned or -sponsored enterprises perpetuate their possibly obsolete existences by virtue of the constituencies that build up around them: employees, managers, directors and bureaucrats, customers, suppliers and associated advocates or consultants. They can lobby to keep the enterprise going, despite dysfunction or losses. They are far more motivated to do so than are the taxpayers, whose average cost is much less per person and may be indirect, hidden or difficult to calculate.

13. Because they are not profit-oriented, government-owned or -sponsored enterprises are usually less efficient, and thus they lower the overall efficiency of the entire economy. This can make a whole nation less competitive than its global rivals are, whether nations or individual companies. The effects are worse the greater the government involvement in the economy. When taken to its most extreme, as happened in 20th-century

communist nations, the countries were unable to compete against capitalist companies, despite their immense direct and indirect subsidies, government support and the lack of profit requirement.

14. Funds tied up in the capital of government-owned or -sponsored enterprises could be used to reduce government debt or lower taxes on individuals or corporations, which they could then spend or invest as they freely choose, and thus they could inject money back into the economy in more-lucrative and -constructive ways.

15. Governments, generally, have a poor record of picking winners, or creating or owning enterprises that have market-competitive profitability, or attractive returns

on assets, equity, or even returns that exceed governments' own cost of debt service. If, rarely, they actually do, it generally turns out that they have been provided unusually good market, operational, regulatory, or other conditions not available to other, investor-owned firms.

16. The greater the number and size of government-owned or government sponsored enterprises in an economy, the greater the size and power of the government, which is usually the largest single entity in society, increasing the dangers of abuse of power, including injuring individual citizens, companies, or groups. Effective capacity of opposition or recourse against this power diminishes as the portion of the economy the government occupies increases.



Senior Policy Analyst

Ian Madsen, as an investment and financial analyst based in Surrey, BC, has extensive experience in portfolio and financial analysis. He has a BA in Economics from the University of Alberta and an MBA in Finance from the University of Toronto. He has managed institutional investment portfolios, lectured at colleges, managed investment research operations, in North America and overseas, and developed complex financial valuation models. He also ran his own investment counselling firm and advisory newsletter. He holds the Chartered Financial Analyst (CFA) designation and is a former president of the Saskatchewan and Edmonton CFA Societies. Past projects for the Frontier Centre have included valuations of SaskTel, SaskPower, ATB Financial, and SaskEnergy.

WHO SAID?

“Underlying most arguments against the free market is a lack of belief in freedom itself.”

Answer: Milton Friedman





Treaty Annuities As A Path To Reconciliation

Sheilla Jones,
Commentary, Aboriginal Futures
January 18, 2019

An Ontario Superior Court ruling, delivered December 2018, has lit the fuse for a political, cultural and economic time-bomb that will impact Canadians across the country, both Indigenous and non-Indigenous.

Ruling on a claim by the chiefs of 21 First Nations that were signatories to the 1850 Robinson Huron treaty, Justice Patricia Hennessy stated that the Crown had failed to appropriately increase the \$4 annuities payable to every man, woman and child who were members of those bands from 1875 onwards. However, the issue of treaty annuities affects far more people than the roughly 30,000 Ojibway people involved in the Huron court case.

Annuities were the sole individual right written into the treaties between First Nations and the Crown between 1850 and 1921. Today, about three-quarters of Canada's 750,000 Status First Nations people are eligible for treaty annuities, covering a territory west from the Quebec-Ontario border to the Rockies and north into Yukon and North-West Territories.

In the 1840s, when the Robinson treaties were being negotiated, the chiefs and their advisers bargained hard for the inclusion of two rights that would ensure the future well-being of their people: the right to continue to hunt, fish and trap freely on ceded lands (with some limitations), and an annuity payable to every man, woman and child.

The Huron and Superior negotiators knew that the pressure to sign the treaties came from the Crown's desire to clear the way for the mining of coal, copper and other valued natural resources. To ensure that the first people would prosper along with the newcomers in the building of a new Canada, both treaties contained an "escalator clause" that linked the annuity to the wealth generated by the resources on the ceded lands.

The escalator clause limited the annuity increase to a maximum of \$4, "or such further sum as Her Majesty may be graciously pleased to order". In other words, there was no real limit on how much an annuity could be increased on behalf of the Crown, other than the political will of the government of the day.

Building on the template of the Huron and Superior treaties, all eleven Numbered Treaties signed after 1871 contained the same two livelihood provisions to ensure the future well-being of the first people.

There was one important difference. The Numbered Treaties did not contain a specific "escalator clause". It is possible that chiefs and advisers negotiating those treaties believed the land-value link would naturally apply to them, too. This would have been a reasonable assumption, given that the Huron chiefs triggered the escalator clause in 1874, when many of the numbered treaties were actively being negotiated.

The Huron and Superior band members did get an annuity increase in 1878, when Parliament voted to increase it from 96-cents to \$4 per person. The Supreme Court of Canada weighed in on the issue, affirming in 1895 that, yes, on-going annuity increases were part and parcel of the contract between the first people and the Crown.

"To ensure that the first people would prosper along with the newcomers in the building of a new Canada, both treaties contained an "escalator clause" that linked the annuity to the wealth generated by the resources.."

The 1878 vote in Parliament was the first and last time treaty annuities were increased based on the prosperity of the land. No formula was ever established to calculate future increases. The Indian Act in 1876 was silent on increasing annuities, and the federal government adopted a monetary policy of strict nominalism, so that the \$4 or \$5 annuity payable to every treaty man, woman and child would forever remain \$4 or \$5.

While all other key elements of the historic treaties have been modernized over time as a matter of federal policy, the annuity—the single individual right in the treaties—remains frozen in time. This very issue inspired the creation of the Treaty Annuity Working Group in 2002 as a special committee of the Social Planning Council of Winnipeg. It determined that a modernized annuity would directly address chronic issues of poverty and powerlessness if it were increased to reflect modern land values (a simple measure of land-based prosperity), extended to all Status First Nations people, and revenue-neutral.

Since 2009, individuals and bands representing Numbered treaties have been attempting to increase annu-

ities through court claims or certification of class action suits. So far, none has succeeded. That is now likely to change.

Modernizing annuities requires only the will of the Prime Minister and Cabinet to make it happen. But it also requires the will of ordinary Indigenous and non-Indigenous Canadians to envision a path to reconciliation that honours the historic intent of the annuities to share the prosperity of the land.



Senior Fellow

Sheilla Jones, MSc, is an author and an award-winning Canadian journalist who has spent more than 25 years observing and writing about Indigenous political issues. She served as facilitator for the Treaty Annuity Working Group (TAWG), a special committee of the Social Planning Council of Winnipeg formed in 2002 to examine modernizing treaty annuities as a mechanism for empowering First Nations individuals and families. Sheilla authored the 2004 TAWG report on the results of the national conference hosted by TAWG in 2003, "Modernizing Treaty Annuities: Implications and Consequences". Sheilla got a lively introduction to Indigenous politics while writing Canada's first book on Métis politics, *Rotten to the Core: The politics of the Manitoba Métis Federation (101060, an imprint of J. Gordon Shillingford Publishing, Winnipeg, 1995)*. In 1998-2000, Sheilla served as researcher for Jean Allard's "Big Bear's Treaty: The Road to Freedom", published in 2002 in the policy journal *Inroads*. Sheilla is a former CBC-Radio Winnipeg reporter, news editor and news presenter who has garnered numerous journalism awards. She has been a senior television researcher for the CBC, and served as a political commentator on a variety of CBC national television and radio programs. Sheilla pursued a graduate degree in theoretical physics (University of Alberta, 2004). She is the author of *The Quantum Ten: A story of passion, tragedy, ambition and science* (Thomas Allen Publishers, Toronto; Oxford University Press, New York, 2008) and co-author of *Bankrupting Physics: How today's top scientists are gambling away their credibility* (Palgrave Macmillan, New York, 2013). For more about Sheilla Jones, visit www.fcpp.org.

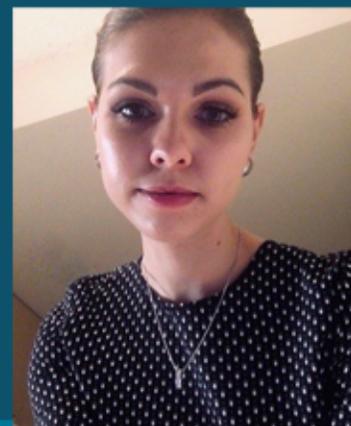
Frontier Centre for Public Policy Intern wins National Award

Together with 35 other students from across Canada, predominantly doctoral and post-doctoral students, Masha Krylova, a M.A. student from the University of Manitoba, has been selected to take part in the innovative training program, the Summer Program in Aging (SPA). This annual program is sponsored by the Canadian Institutes of Health Research (CIHR; Institute of Aging), the main federal health research agency.

This year, the event is host by The Quebec Network for Research on Aging and presents a new interdisciplinary approach to research in aging. The program includes lectures and seminars bringing together relevant research from the biological, genetic, physiological, and psychological sciences. The goal of SPA 2019 is to provide the skilled and motivated participants with a well-rounded understanding of the process of aging, and to help them become active contributors to public health programs and initiatives. The program will run from May 26 to June 1, 2019.

SPA is well-recognized for providing excellent networking opportunities for young scholars and policy specialists. It allows trainees to get to know each other, to work with senior academics, and leading experts and decision makers in government, private, and non-profit organizations from Canada and other countries.

As a nationwide internship, SPA is a highly prestigious event. Having become a SPA 2019 trainee, Masha now has a unique opportunity to expand her professional horizons, to build cutting-edge competencies, and to form valuable connections at research institutes, policy centers, and governments. This program will strengthen her status as a promising researcher and a future policy analyst in Canada.



ABOUT FRONTIER CENTRE FOR PUBLIC POLICY

The Frontier Centre for Public Policy (FCPP) is an independent Canadian public policy think tank. Founded in Winnipeg in 1997, the Frontier Centre received charitable status in 1999 and currently has offices in Alberta, Saskatchewan and Manitoba.

Our research aims to analyze current affairs and public policies and develop effective and meaningful ideas for good governance and reform. We provide a platform for public debate and engage with the public through our numerous publications and events.

The Frontier Centre employs a small, core group of staff and policy analysts who conduct research on a wide variety of issues at federal, provincial and municipal levels. We also seek out experts in specific fields to complete certain research projects, as well as invest in students through our internship program. Our respected Board and team of Expert Policy Advisors includes both experienced public policy innovators and prominent academic specialists from around Canada and the world.

As an organization, we do not subscribe to any political ideology. Our Board of Directors, Expert Advisory Panel and staff includes people of a wide variety of political persuasions and we regularly publish research that praises some government policies and criticizes others.

We have hosted speakers from across the political spectrum, including Prime Ministers Paul Martin and Stephen Harper, and former Premiers Mike Harris, Frank McKenna and Ed Schreyer. We also regularly invite to Canada, experts like Russian President Vladimir Putin's chief economic advisor Andrei Illarionov, former Democratic Mayor of Milwaukee John Norquist, Nobel Laureate James Buchanan, Stockholm health reform advisor Johan Hjertqvist and Stefan Fantauzzo, president of America's most dynamic local union of public employees.

Unlike political or lobby groups, which often represent only the narrow interests of their members, we aim to advance the interests of the public as a whole. As a think tank, we are free to explore new ideas and policy initiatives unconstrained by the pressures that political parties face to be popular at the polls.

In order to protect our independence, and our reputation as a research group, the Frontier Centre neither seeks nor accepts any government funding whatsoever. Instead, we seek to diversify our funding base as much as possible to ensure that we are not beholden to any particular industry, interest or persons. This ensures that the Frontier Centre is insulated from the political pressures that often discourage publicly-funded research groups from exploring sensitive issues.

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