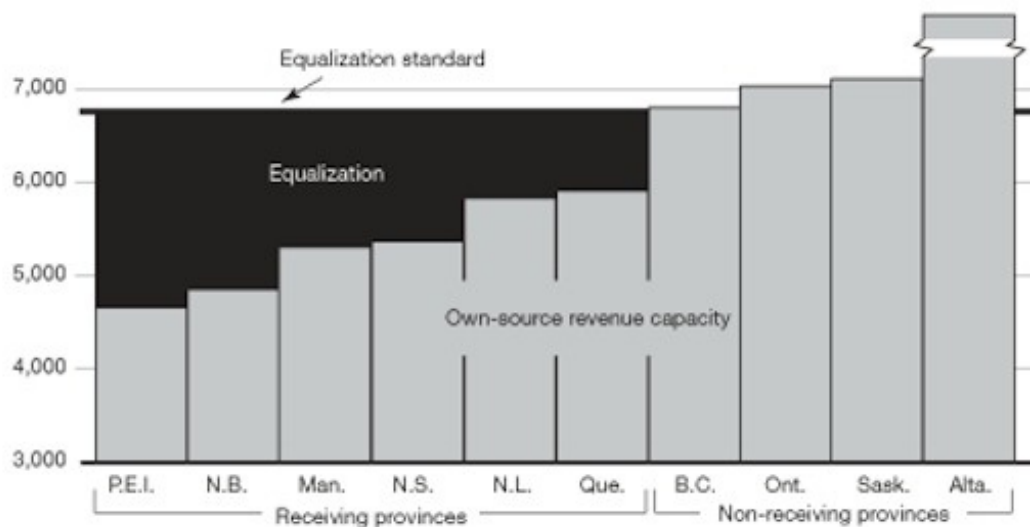


The Western Separatist

Chart 4.1
How Equalization Works

dollars per capita



Note: Determination of 2007-08 guaranteed minimum allocation.
Source: Department of Finance.

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"Separate or Surrender"

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Our cover: The chart above comes from the Canadian Department of Finance, 2007, and demonstrates the process of equalization between the "have" and the "have-not" provinces. The chart is somewhat misleading since though it shows dollars per capita, it does not make clear that Quebec will get the largest total amount because it has by far the largest population.

Western Block Party Meetings

Hear Doug Christie in Edmonton and Calgary. The Western Block Party will be holding meetings in Edmonton and Calgary on February 13 and 14.

Edmonton

The Edmonton meetings will be held at the Main Library, 7 Sir Winston Churchill Square, Edmonton Room:

- Friday, February 13, 7 to 9 pm (general public meeting)
- Saturday, February 14, 10:00 am to 11:00 am (for activists)

Calgary

The Calgary meeting will be held as follows:

- Saturday, February 14, 7 pm to 9 pm at the Inn on Crowchild, 5353 Crowchild Trail N.W.

Letters to the Editor

“You were right all those years about Western Separatism...”

Just wanted to drop you a line to lend support and another new voice to Western Separatism. You were right all those years about Canada.

As a typical Canadian, I had the usual left prejudiced view of you as a “kook” as given to me by the media. Canada IS a conformist country and actively discourages free thinking, creativity and free enterprise. You were right about that too.

As of December 5th, I decided that I am no longer Canadian but a Western Canadian. Confederation is dead. The latest budget was merely an exercise in wealth transfer by people who should know better. It appears that spending other peoples money collected at gun point is the sum total of post world war 2 economic development. No vision, no new initiatives, no new CN towers, or CN railroads. Nope, bailout money only.

P.K., Coquitlam, B.C.

Equalization not fair

I started a thread on castanet titled “Should the west separate?” So far there has never been a minority total; I check daily. Are you serious or is this a Ross Perot style whiney party?.I really want this to happen, no joke.

My family has a history of fighting in the military for this country, most of them are dead now, and that’s a good thing because they would have gone ballistic if they saw what is happening.

Quebec gets a transfer payment this January, 2009 of \$9 billion, and BC, Alberta, and Saskatchewan get nothing.

D.K.

More good wishes

Keep the embers warm, 2009 is going to give us even more reason to believe that a separation is the only logical future for the west.

All the best in the new year.

R.K.

The Western Separatist welcomes your letters to the editor. Please send them by email to: kzubko(at)shaw.ca or mail them to: WSP, Box 101, 255 Menzies Street, Victoria, BC V8V 3G6, or fax them to 250-479-3294.

Freedom’s Voice

“Wars in old times were made to get slaves. The modern implement of imposing slavery is debt.”

— *Ezra Pound, American Poet*

“But with respect to future debt; would it not be wise and just for that nation to declare in the constitution they are forming that neither the legislature, nor the nation itself can validly contract more debt, than they may pay within their own age, or within the term of 19 years.”

— *Thomas Jefferson*

“The study of history is a powerful antidote to contemporary arrogance. It is humbling to discover how many of our glib assumptions, which seem to us novel and plausible, have been tested before, not once but many times and in innumerable guises; and discovered to be, at great human cost, wholly false.”

— *Paul Johnson*

“I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past.”

— *Patrick Henry*

A Separatist Speaks

by Douglas Christie

Letting the Truth Slip Out

The Obama initiative to buy American was feared in Canada to start a trade war. When the Liberal's trade critic McCallum was speaking on the CBC about the possibility of a trade war and the only retaliatory weapons available to Canada in his recent interview on the subject, he said:

"It's not very often a little guy decides to start a trade war with a big guy, but Canada has some things America needs like energy, oil and gas."

Consider for a moment how this lets the real truth slip out. The only Canadian things America really needs are oil, gas and hydro electric power. The first two things come from three provinces: Alberta, Saskatchewan and ironically Newfoundland. So where does Canada's foreign trade come from? The very provinces which have little or none of the political power in the cess-pool of organized crime called "Ottawa."

The second example of the truth slipping out is linked with the first. Newfoundland (as they like to call it "and Labrador") is in an uproar. Danny Williams swears the budget screwed them again and Liberals should vote against the budget. So a certain Liberal M.P. named O'Byrne was on Canada AM February 4th declaring his one-time pass from Ignatieff which allowed him to vote against the budget as all that is required. Seamus O'Regan, the CTV/Canada AM interviewer asked what he thought of the suggestion from a Newfoundland Mayor to the effect that the Liberals should leave the party and form a Newfoundland block and hence be able to really represent Newfoundland since Harper could impose some new punishment which Mr. Ignatieff might approve of for his Ontario base. You should have heard O'Byrne try to shout down the question. It was an obviously good question. Why not have Newfoundland Independence, so they can really

benefit from off-shore oil? Otherwise what good did five Liberals do by voting against a budget that screwed them?

The Cost of Confederation

How Equalization Leads to Separation!

The following article appeared in the National Post of Wednesday, February 04, 2009. Long have Western Separatists sought such a perfect explanation of the peculiar Canadian process called "Equalization" by which Western Canadian wealth pays to keep Quebec (as Doug Christie says) "happy, Liberal, and federal." Here are some excerpts that explain how it works, in theory, with comments from Doug Christie interspersed:

What The #!%*?

In this occasional feature, the Post tells you everything you need to know about a complicated issue. Today, James Cowan explains equalization.

Q What is equalization?

A Canada's equalization program is designed to ensure people have access to about the same levels of public service while paying reasonably the same levels of taxes, regardless of where they live. So if you live in Newfoundland or British Columbia, you should have access to roughly the same quality of universities, hospitals and police services as someone living in any other province. To make this happen, the federal government establishes how much money each province should have available to serve each of its citizens. Ottawa then gives cash to those provinces that cannot meet that minimum threshold.

Doug says: "Let's make it simple and clear: Imagine ten children, three of whom are productive and seven of whom are parasitic.

They may be grown up, but are still dependent upon their parents. Ottawa, the parent, takes money from the three productive ones and distributes it to the seven parasitic children to enable all to purchase the same amount of goods and services. The three will never have enough to leave home and the seven will never want to! In this manner, Ottawa creates a perfect dependency called Equalized Canada.”

Q Why do some provinces need equalization?

A Provinces with smaller populations or weaker economies tend to have difficulties generating enough tax revenue to offer comparable services to provinces with booming economies and growing populations. According to a federal report released in 2006, Alberta had \$6,000 more to spend on amenities for each of its residents in 2004 than Prince Edward Island. But P. E. I. received enough equalization cash from federal coffers to close the gap to \$1,333 per person.

Doug says: “The fallacy in this argument is that Alberta has a booming oil and gas economy which occasionally has a bust (i.e. price drop) for which through equalization, surplus revenues during boom times are drained away. In addition, those resources are exhaustible and equalization renders preparation for the day of depletion impossible by draining away the surplus.”

Q How is the size of the payments calculated?

A There are numerous nuances, caveats, and complications to calculating the size of equalization payments, but the core of the system is fairly straightforward. Each province’s “financial capacity” is measured by determining how much money its government raises through personal income taxes, business taxes, sales taxes and property taxes. (A portion of a province’s natural resource taxes and royalties may also be included — we warned you there would be caveats). After that, officials figure out the average financial capacity of all the

provinces on a per capita basis. Provinces that are below average receive equalization payments to bring them up to par. Provinces with above average financial capacity generally do not receive equalization payments.

Doug’s comments: “The formula is deliberately so complicated that the average citizen (and politician) can never know how it works, for certain. Only the bureaucrats can know. ‘Trust me!’ they say.”

Q What do you mean “generally?” Are there exceptions to the rules?

A As we have noted, the equalization system has more nuances than Danny Williams has curse words to describe the federal Conservatives. When the federal government revised the system in 2007, it allowed provinces to decide whether their equalization would be calculated using 50% of their natural resource revenue or none of that income. At the same time, the government allowed Nova Scotia and Newfoundland to decide whether they would join the new system or continue under a formula introduced in 2005 under the Atlantic Accord, which gave them additional cash to offset any loss of equalization payments due to offshore oil and gas revenue. This seemed to create three options for Newfoundland and Nova Scotia: take the new system and include none of their oil revenue, take the new system but include half their oil revenue or stick with the old system. At the time, both stayed with the 2005 deal.

Doug’s comments: “The Maritime provinces play hard ball; Alberta plays giveaway. The system is full of political exceptions.”

Q So why is Danny Williams so angry?

A The Premier of Newfoundland last week accused the federal government of shafting his province with unexpected changes to equalization contained in the federal budget. His complaints, however, do not relate to either the current equalization formula or the deal

signed in 2005. No, no, to understand why Mr. Williams is grumpy, you have to look back to another Atlantic Accord, this one signed in 1985. Much like the 2005 deal of the same name, the 1985 Atlantic Accord gave Newfoundland extra cash to compensate it for any loss of equalization as the province became rich with oil revenue. So even though Newfoundland now has above average financial capacity, it still receives money under this two-decade old agreement.

[end of excerpts from article]

Doug's comments: "The side deals favour Newfoundland for fear of political consequences and the 'possibility' of separation -- just like Quebec. Ontario gets no equalization but through parliamentary numbers it runs the country -- a fair trade!"

Here is Danny Williams' view for Newfoundland, which exemplifies how a dependency creates whiners. Mr. Williams' answer appeared in the National Post on February 7, 2009, page A12:

"The recent federal budget made unilateral changes to the equalization formula that came as a great shock to our province, Newfoundland and Labrador." . . .

"Not in our most pessimistic moments did we dream that we would be negatively impacted to the tune of \$1.5 billion — approximately one quarter of our annual provincial budget." . . .

"We remain determined to become masters of our own destiny in Newfoundland and Labrador. And despite this most unfortunate news, we will continue on this path." . . .

"If I have a single disappointment from this recent punitive action . . . [i]t is with those fellow provinces that failed to acknowledge the gross injustice that has been done — not just to Newfoundland and Labrador, but to the very

fabric of this federation and the fundamental tenets of federal-provincial co-operation. If the Prime Minister can do this to us, he will do it to you. But rest assured, you will have our support when he does so."

How do these comments demonstrate whining? Doug Christie comments:

"If he really wants to be master of his destiny, the only way is Independence. Then and only then can his province keep all of its resources and live within its own described means. Why not? Simply because he would have nothing to whine about!

"The threat in the last paragraph is that all the whiners will stick together and punish the nanny state altogether. How lame! Why not grow up and leave?"

Where does Equalization end up?

In an article in the National Post on January 15, 2009, Kelly McParland writes that "the Globe reports that the Quebec government is promising to guarantee the pensions of companies that go bankrupt." After analyzing the situation, she concludes with the following:

"Quebec's Finance Minister, Monique Jerome-Forget, also says she's going to raise the minimum wage, and hopes to avoid a deficit this year.

"Well, good for them, I guess. Quebec is Canada's biggest nanny-state, so it's not surprising it would go further than other province in using the treasury to rescue people. And who can complain about pensions being guaranteed?" . . .

"Still, at the risk of Quebec-bashing, you can't help wondering if Quebec's benevolence is being paid for by the rest of the country. Quebec will get \$8 billion in equalization payments this year, which is approximately \$8 billion more than Ontario, B.C., Alberta or Saskatchewan will get. Quebec gets 60% of the

total equalization pie. (“Three pieces for me, half for you; three pieces for me, half for you...”). Even Dalton McGuinty could probably balance his budget with an extra \$8 billion. How is it possible to continue pretending Quebec is a “have-not” province when it can afford to lavish billions of dollars on free daycare and guaranteed pensions, while the “have” provinces are struggling just to get by, and yet still have to pony up the \$8-billion annual subsidy Quebec needs to finance its fantasy world?”

[end of excerpts]

Still more on Equalization

Here are some choice quotes from an article that appeared in the *Globe and Mail, September 25, 2008* by Konrad Yakabuski that shed yet more light on the equalization process::

“Federal cash transfers to Quebec have risen by fully half since 2004 and now account for 22.5 per cent of provincial government revenues, up from about 17 per cent four years ago.”

“Prior to becoming prime minister, Mr. Harper had always been a harsh critic of equalization, saying in 2002 that the negative incentives it creates “make it more difficult for provincial governments to make decisions in the best economic interests of their population.” ”

“In their 2007 budget - under the rubric Restoring Fiscal Balance - the Conservatives adopted a new formula that takes into account half of non-renewable resource revenues of all 10 provinces in calculating the so-called fiscal capacity of each province. Mr. Harper had previously argued that resource revenues should not be part of the equation.

“The inclusion of Alberta’s oil royalties served to inflate the national average fiscal capacity, entitling provinces that fell below it to greater equalization payments. Quebec fares

particularly well under this formula. It has seen equalization payments soar to \$8-billion this year from less than \$5-billion three years ago.

“Coupled with Tory increases in transfers for health, social services and post-secondary education, Quebec’s total haul from Ottawa has spiked dramatically. According to the provincial budget, federal cash transfers will surpass \$14-billion in the current 2008-09 fiscal year, up from barely \$9-billion four years ago. Ottawa’s figures put cash transfers to Quebec at \$16-billion this year.”

“Still, Mr. Charest and his finance minister, Monique Jerome-Forget, last week suggested that the fiscal imbalance has not been settled because Ottawa has not restored funding for post-secondary education to levels that existed prior to reductions implemented in the mid-1990s as Ottawa struggled to slash its deficit.”

“Left untouched, the new equalization formula could break the bank . . . ”

[end of excerpts]

Western Block Party News

Message from Leader Doug Christie

I have had a number of inquiries from a number of people obviously concerned about the political crisis in Ottawa. This, in my opinion, is the logical outcome of a fundamentally flawed system. There is no way to rectify the problems that the Ottawa government has created and it is a waste of time for Western Canadians to continue to pour tax dollars into a corrupt and bankrupt government. Therefore, to those of you who are dismayed or concerned by what is going in Ottawa, I strongly urge you to do the following:

1. Join the Western Block Party;

2. Gather a group of Westerners who believe that Western Canada as an independent nation is a better option;

3. Form a Western Block Constituency Association and hold meetings to discuss what should be done in your area;

4. Once sufficient numbers appear to exist, contact us to arrange a meeting in a central location with a number of constituencies in your area.

5. Phone talk shows, write to papers, take part in internet discussions, and talk to friends about our cause.

6. Download Petitions and brochures, print them and distribute in your area.

The worst thing that can happen in this situation is to do nothing. Western Canadians have done nothing for far too long, and merely complaining about the problem does not accomplish the solution. The independence of Western Canada is the only viable political solution to an unbalanced federal system which favours Quebec and Ontario and has consistently plundered Western resources. If you have any doubt about this, ask yourself what happens to the Canadian dollar when the price of oil goes down?

We at the Western Block Party look forward to communicating on a one-to-one basis, but with the volume of material arriving by email, it has been made necessary to draft a standard form answer. They all seem to reflect a common theme: the frustration and confusion of Western Canadians.

I am one person who has consistently advocated independence for Western Canada since 1974, in a rational manner and brought it to the attention of Western Canadians through public meetings and discourse. For once, let us unite in forming the one true alternative in the nation of Western Canada which we all can look upon with pride as an accomplishment of our generation, rather than curse the darkness

created by previous generations of incompetent politicians.

Thank you for your support and attention. Please keep in mind that unless your support manifests itself in some sort of monetary assistance, this exchange of information could amount to nothing but the ventilation of frustration. We cannot allow this moment of understanding to pass without concrete, constructive, lawful, political action.

*Yours for Independence,
Douglas H. Christie*

Petition for Independence making its way around the West once again

The petition is making the rounds again and has the potential to attract greater numbers and be a greater focus for Western Canadian intention. Copies of the petition will be sent out to all our members, and are also available at the websites for the Block and the WCC. This is a great and powerful way to gather support.

Separatist Presence on the Internet

The Internet continues to inform and inspire a new generation of Western Canadians. The Western Block Party's site is being updated regularly with commentary and suggestions, as is the site for the Western Canada Concept. Check them out at www.westernblockparty.com and www.westcan.org.

Candidates Preparing for Election

Candidates looking forward to the next election are working in their ridings. If you are interested in running as a candidate, supporting a candidate, or have suggestions in your riding, please contact us. Now is the time to get to work!

WBP Contact for Calgary

Scott Lundteigen: 403-880-0804

~Join the Western Canadian Independence Movement~

Western Canada Concept, Box 101, 255 Menzies Street, Victoria, B.C. Western Canada V8V 2G6; Or by fax: 250-479-3294

Western Block Party, 810 Courtney Street, Victoria, B.C. Western Canada V8W 1C4; Or by fax: 250-479-3294

___ I wish to join/renew my membership in the **Western Canada Concept**, and enclose my membership fee of \$15.00, per person, per year. This includes a free subscription to the Western Separatist Papers. Please make cheques out to WCC.

___ I wish to join the **Western Block Party** (a federal political party dedicated to promoting Western Canadian Independence) and enclose my membership fee of \$10.00, per person, per year, made out to the Western Block Party.

___ I enclose \$ ___ for ___ **bumper stickers**.

___ I enclose a **donation** of \$ _____ to help promote the idea of Western Independence. See note below about tax deductibility.

___ Please send **information** about the Western Canadian movement for Independence to the following people (please print clearly):

I want to help as follows: _____

Name: _____

Address: _____

_____ Postal Code: _____

Phone Number: _____ Fax Number: _____

Email Address: _____

Important Note: B.C. Residents only who donate to the **WCC** will receive a tax deduction of up to \$75 on a \$100 donation, from their income tax. **All residents of Canada** who donate to **WBP** will receive a tax deduction of \$75 on a \$100 donation. You could receive 2 separate tax receipts for 2 separate donations, if you are a resident of BC and donate to both WCC and WBP. **Please make separate cheques in this case.**

*Western Canada Concept, the Movement for Western Independence!
Advocating Western Canadian Independence since 1974*

www.westcan.org

www.westernblockparty.com