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A Trip Down Memory Lane Including the Crocus Fables

1 message

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Sat, Jul 28, 2012 at
5:27 PM

To: Tsale@mymts.net

Cc: Dan.Lett@freepress.mb.ca, hugh.eliasson@gov.mb.ca,
John.Clarkson@gov.mb.ca, jeff.hodge@gov.mb.ca

Hi Tim,

You caught me in a really bad frame of mind at Staples on Thursday. I was really pissed off about something that had nothing to do with you or the Crocus Investment Fund and I just could not stop myself from unloading on you. When you blamed Crocus totally on the poor beleaguered board who, by the way, included total innocents like the brother of the current CEO officer of the Scotia Bank (a really nice fellow whose name escapes me, but whose name has been wrongly tarnished nonetheless) who took over from John Clarkson, you really got me going.

It is the first time I have loss my cool about Crocus really ever and certainly not since I retired because it has turned out to be a God send for me as it was a mini god send for anyone lucky enough to cash in before it blew-up. I will explain below.

As I mentioned to you on Thursday, Tim, I was the one who prepared a memo while working for the Department of Industry in the early 2000's which warned my boss who reported to Hugh Eliasson that if no action was taken Crocus would go belly up by roughly 2004/05. As you know, it was ignored and the Province continued to provide credits which allowed Crocus to go

<https://mail.google.com/mail/?ui=2&ik=be34bf3260&view=pt&s...> 7/28/2012

on selling to small investors. To my honest surprize, I could hardly believe it when I finally got a copy of the report in about March 2005 and saw that the auditor-general had found this memo and had quoted it in his report. I secretly believed that the Department would have done a much better job of sanitizing the files, but I suppose I do have to give them some credit, although the NDP may not think that they deserve credit for this or for somehow letting a cabinet submission written by the Minister of Finance and now the Premier hit the street. 2

By way of background, I wrote the memo at the request of a colleague, Katherine Johnson who was deeply involved with Crocus and wanted some advice because she was uneasy with the lack of concern of the higher ups about the situation and wanted my opinion. I had no axe to grind. I prepared the memo in good faith and gave my honest opinion without ever expecting what would be the consequences for me of having ever being involved with the Crocus file.

As I said I wrote the memo for Katherine Johnson in good faith and thought I was serving the best interests of the Government by giving her and them the benefit of my expert advice. Katherine, her boss and Hugh Eliasson were providing advice to the Community and Economic Development Committee headed by Eugene Kostyra who reported direct to the Premier so I knew the importance of the advice and the repercussions for the Government if it was not acted on.

Anyhow shortly after Crocus blew up in December 2004, in about February 2005, Katherine Johnson suddenly disappeared from the Industry department to a nothing job in the Department of Finance. She resigned a couple of months later. Unknown to me at this point, I was also on the hit list. I was invited to Eliasson's office on a Thursday about a week after Katherine departed and was told that I was to be out of my office and over to an office in the Information Technology department (at that time headed up

by Deputy Minister John Clarkson) by Monday. Eliasson was also on about my email habits at this meeting and reprimanded me for this. 3/

In regards to email and by way of background, I was good friends with Jeff Hodge in the Industry Department at this time and he would often come to my office to talk about Crocus and other things. He was invested in Crocus and virtually flew into a rage whenever I told him that it was going to go belly up without a huge government infusion of cash. He fancied himself a sophisticated investor and could not fathom losing money on Crocus. He would rant that he would not tolerate losing money on a government backed scheme and that he would get his money back one way or another. Whatever that meant. Fortunately for Jeff, his investment was coming due long before 2004/05 and I assured him that he would be cashed out with a tidy profit long before it blew because from what we could see the Government was just going to keep giving tax credits and let it blow. Fortunately for Jeff, he was able to cash out long before it blew and in later conversations showed a less than sympathetic attitude about the fate of those who were not so lucky-----like hey, an investor should know what he is getting himself into.

In any event because Jeff and I often talked, I would send him a quick email every so often about something or other. For example, in early 2005, I sent him a quick email that I thought Jeff's boss and Eliasson were both on life support over Crocus but I thought they would both survive because those who would normally pull the plug were themselves on life support.

Unfortunately, unknown to me, Jeff was passing on the content of my emails to his boss who was passing them on to Eliasson. How horrible is that? And this is what got Eliasson on to my bad email habits at our farewell meeting in February 2005.

And so I made my way to the Information Technology Branch in Clarkson's department in late February 2005. Eliasson, the Deputy of Industry at the time, was the departmental point man on Crocus, very sharp and very well informed about what was going to happen at Crocus years before it happened. As noted above, Clarkson who had recently resigned from the Board of Crocus was the Deputy of the department which contained the Information Technology Branch. These 2 gentlemen, both future Deputy Ministers of Finance, one current, one past, concocted a one year contract for me which was subject to cancellation with 30 days notice. This, after a long career with Government which among other things included warning the Government in good faith about what was doing to happen to Crocus. As one might imagine, I was totally intimidated and was not going to blow the whistle on Crocus or anything else. My wife and I have a badly intellectually disabled son and I really needed to continue working to put away a nest egg for him. I resigned myself to working one more year and started looking around for opportunities.

And then the turn in the road came, as it usually does, if you wait long enough. In March 2005, I popped over to the Auditor-General's office and picked up a copy of the Auditor General's report on Crocus. I was astonished when I saw that my memo was quoted in the Auditor's report. I began to think, can they fire me now that this is in the Auditor General's report? Probably a year later, I was looking on the Net for anything being discussed about Crocus and stumbled across a piece where Eliasson was being grilled by a legislative committee about who was the bureaucrat who had predicted that Crocus would go belly up in about 2004 or 2005 that was quoted in the AG report. Needless to say, Eliasson was not about to identify a bureaucrat who was virtually under house arrest, but still on full pay with the Government.

I knew I was safe.

The job at the Information Technology Branch turned out to be a total non-job. I may have worked at most 10 days a year for roughly \$93,000 or \$94,000 per year. My one year contract was renewed on time by Eliasson and Clarkson annually for 4 years with the regular annual increases in pay until I decided to retire at age 60 in 2009.

5

You may ask how did you manage to sit in an office for 4 years with nothing to do. And here comes the God send. I spent time learning the market.

And my market activity took up only a portion of my time over those 4 years. In the first year, I managed to research all philosophers from Aristotle, Socrates right up to Sarte in the 1980's. Starting at the beginning of the second year, I decided to read the best 100 novels of the 20th Century and committed to doing one a week. By the time I left in February 2009, I had completed 156 novels-----one a week every week for 3 years. I also had always wanted to improve my vocabulary so I looked every word up if I was not sure I knew what it meant. You can find a list of the 156 novels attached. I haven't checked for a long time, but I think they are all there. You can also find attached a 14 page list of the roughly 1300 words I had to look up. I would highly recommend "In Cold Blood" by Truman Capote, but "An American Tragedy" by Theodore Dreiser and "Lolita" by Vladmir Nabokov are hard to beat. Dreiser is probably my favourite author.

Somehow, I also managed to fit in reading roughly 45 travel books and because of the money I made "working" and investing during those 4 years we have been able so far to travel to China, India, South America and we are headed to St. Petersburg, Moscow, the Ukraine, Hungary, Romania, Bulgaria, Istanbul and Warsaw in just a few weeks.

So life is good again.

Jack Dalgliesh

p.s. please find a list of the 156 novels attached.

FROM 100 BEST NOVELS OF THE 20TH CENTURY
RADCLIFFE PUBLISHING

The Great Gatsby – F. Scott Fitzgerald
The Catcher in the Rye – J.D. Salinger
The Grapes of Wrath – John Steinbeck
To Kill a Mockingbird – Harper Lee
The Color Purple – Alice Walker
Beloved – Tony Morrison
The Lord of the Flies – William Golding
1984 – George Orwell
The Sound and the Fury – William Faulkner
Lolita – Vladimir Nabokov
Of Mice and Men – John Steinbeck
Charlotte's Web – E.B. White
A Portrait of the Artist as a Young Man – James Joyce
Catch 22 – Joseph Heller
Brave New World – Aldous Huxley
Animal Farm – George Orwell
The Sun also Rises – Ernest Hemingway
A Farewell to Arms – Ernest Hemingway
Winnie the Pooh – A.A. Milne
Invisible Man – Ralph Ellison
One Flew over the Cuckoo's Nest – Ken Kesey
Slaughterhouse Five – Kurt Vonnegut
For Whom the Bell Tolls – Ernest Hemingway
On the Road – Jack Kerouac
The Old Man and the Sea – Ernest Hemingway
The Call of the Wild – Jack London
To the Lighthouse – Virginia Wolfe
Portrait of a Lady – Henry James
Go Tell It on the Mountain – James Baldwin
The World according to Garp – John Irving
All the King's Men – Robert Penn Warren
A Room with a View – E.M. Forster
The Lord of the Rings – J.R.R. Tolkien
Schindler's List – Thomas Keneally
The Age of Innocence – Edith Wharton
The Fountainhead – Ayn Rand
The Jungle – Upton Sinclair
Mrs. Dalloway – Virginia Wolfe
The Wonderful Wizard of Oz – L. Frank Baum
Lady Chatterley's Lover – D.H. Lawrence
A Clockwork Orange – Anthony Burgess
The Awakening – Kate Chopin
My Antonia – Willa Cather
Howard's End – E.M. Forster
In Cold Blood – Truman Capote
Franny and Zooey – J.D. Salinger
The Satanic Verses – Salman Rushie
Sophie's Choice – William Styron
A Passage to India – E.M. Forster
A Good Man is Hard to Find – Flannery O'Connor
Tender is the Night – F. Scott Fitzgerald

A Separate Peace – John Knowles
Rebecca – Daphne du Maurier
A Hitchhiker's Guide to the Galaxy – Douglas Adams
Naked Lunch – William S. Burroughs
Brideshead Revisited – Evelyn Waugh
Women in Love – D.H. Lawrence
Look Homeward, Angel – Thomas Wolfe
The Autobiography of Alice B. Tokias – Gertrude Stein
The Maltese Falcon – Dashiell Hammett
The Naked and the Dead – Norman Mailer
Wide Sargasso Sea – Jean Rhys
White Noise – Don DeLillo
O Pioneers – Willa Cather
Tropic of Cancer – Henry Miller
The War of the Worlds – H.G. Wells
Lord Jim – Joseph Conrad
The Bostonians – Henry James
An American Tragedy – Theodore Dreiser
Death Comes for the Archbishop – Willa Cather
Atlas Shrugged – Ayn Rand
The French Lieutenant's Woman – John Fowles
Babbit – Sinclair Lewis
Kim – Rudyard Kipling
Rabbit, Run – John Updike
Main Street – Sinclair Lewis

FROM THE 100 BEST OF THE 20TH CENTURY

THE MODERN LIBRARY

Darkness at Noon – Arthur Koestler
Under the Volcano – Malcolm Lowry
The Way of all Flesh – Samuel Butler
I, Claudius – Robert Graves
The Heart is a Lonely Hunter – Carson McCullers
Henderson the Rain King – Saul Bellow
The Ambassadors – Henry James
The Good Soldier – Ford Madox Ford
Sister Carrie – Theodore Dreiser
The Bridge of San Luis Rey – Thornton Wilder
The Heart of the Matter – Graham Greene
Deliverance – James Dickey
The Secret Agent – Joseph Conrad
Portnoy's Complaint – Philip Roth
The Wapshot Chronicle – John Cheever
The Day of the Locust – Nathanael West
The Prime of Miss Jean Brodie – Muriel Spark
The Adventures of Augie March – Saul Bellow
Ragtime – E.L. Doctorow

The Old Wives' Tale – Arnold Bennett
Loving – Henry Green
Tobacco Road – Erskine Caldwell
Ironweed – William Kennedy
The Postman Always Rings Twice – James Cain
The Ginger Man – J.P. Donleavy

FROM THE TOP 100 NOVELS OF ALL TIME

CHECKMARK BOOKS – DANIEL S. BURT

Don Quixote (1605) – Miguel de Cervantes
War and Peace (1869) – Leo Tolstoy
Moby Dick (1851) – Herman Melville
Emma (1816) – Jane Austin
Great Expectations (1861) – Charles Dickens
Wuthering Heights (1847) – Emily Bronte
Pride and Prejudice (1813) – Jane Austin
Jane Eyre (1847) – Charlotte Bronte
Robinson Crusoe (1719) – Daniel Defoe
The Last of the Mohicans (1826) – James Cooper
Uncle Tom's Cabin (1852) – Harriet Beecher
Les Miserables (1862) – Victor Hugo
Frankenstein (1818) – Mary Shelley
Dracula (1897) – Bram Stoker
The Three Musketeers (1844) – Alexandre Dumas
The Hound of the Baskervilles (1902) – Arthur Conan Doyle

FROM THE BEST 200 NOVELS IN ENGLISH SINCE 1950

THE MODERN LIBRARY

The Transit of Venus – Shirley Hazzard
The Sportswriter – Richard Ford
A Dark-Adapted Eye – Barbara Vine
Breathing Lessons – Anne Tyler
The Bonfire of the Vanities – Tom Wolfe
Housekeeping – Marilynne Robinson

THE NEW CLASSICS: EW.com

The Road – Cormac McCarthy
Black Water – Joyce Oates
A Heartbreaking work of Staggering Genius – Dave Eggers
American Pastoral – Philip Roth
Rabbit at Rest – John Updike
Case Histories – Kate Atkinson
The Remains of the Day – Kazuo Ishiguro
The Stone Diaries – Carol Shields
Gilead – Marilynne Robinson
The Ruins – Scott Smith
A Thousand Acres – Jane Smiley
Kaaterskill Falls – Allegra Goodman
Atonement – McEwan

OTHER

Alias Grace – Margaret Atwood
Blind Assassin – Margaret Atwood
The Adventures of Tom Sawyer – Mark Twain
Stone Angel – Margaret Laurence
The Diviners – Margaret Laurence
Elementary Particles – Michael HovelleInceq
The Female Eunuch – Germaine Greer
The Feminine Mystique – Betty Friedan
Treasure Island – Robert Louis Stevenson
Return of the Native – Thomas Hardy
Rabbit Redux – John Updike
Rabbit is Rich – John Updike
The Human Stain – Philip Roth
Independence Day – Richard Ford
Disclosure – Michael Crichton
Last Orders – Graham Swift
Fall on Your Knees – Anne-Marie McDonald
No Country for No Men – Cormac McCarthy
We were the Mulvaney's
Accidental Tourist – Anne Tyler