

IN BRIEF

From Herald News Services

Former Livent CFO told to keep quiet

FRAUD • The former chief financial officer of Livent Inc. said she was told to keep quiet after discovering the alleged accounting fraud at the theatre company in July 1997.

"I was totally numb," said Maria Messina as she began testifying Monday at the fraud trial of Livent co-founders Garth Drabinsky and Myron Gottlieb. "I could not believe what was happening."

Messina had joined the company a year earlier after working for the auditors of Livent.

She told Ontario Superior Court Justice Mary Lou Benotto, who is presiding over the trial without a jury, that she first became aware of the alleged fraud when asked to look at financial statements while senior vice-president Gordon Eckstein was away on holiday.

The statements showed a loss of about \$20 million for the first six months of 1997. A few weeks later though, the statements showed a profit of about \$8 million. When she asked an employee in the finance department what was going on, Messina testified that she was told, "whatever he (Eckstein) tells us to book, we book."



Maria Messina

Firms more likely to make investments

SURVEY • Companies are less likely to penny-pinch on investments during the current economic slowdown than during the previous one, according to a survey released Monday.

The American Express survey of 370 senior financial executives, including 55 in Canada, showed many wished that when the economy took a hit in 2001, they did more investing in long-term growth strategies.

The survey found that 38 per cent of respondents (42 per cent in Canada) wished they invested more to improve production-process efficiencies in 2001.

U.S. labour market at lowest since 2004

EMPLOYMENT • The U.S. labour market declined in May to the weakest in three-and-a-half years and is likely to deteriorate further, the Conference Board said Monday as it launched a new leading indicator for employment.

The Conference Board said its Employment Trends Index (ETI) fell in May to 113.7 from 114.3 in April, for the lowest since December 2004. The index is down six per cent since July 2007, it said.

The Conference Board said the Employment Trends Index peaked in this cycle in summer 2007, foreshadowing job losses that began in January, and saw no signs of a turnaround yet.

Farmers seek hearing on potential ad deal

INTERNET • Six farm groups urged U.S. lawmakers to hold hearings on a potential advertising deal between Google Inc. and Yahoo! Inc., operators of the two most popular U.S. search engines.

The proposed partnership "threatens to create a monopolistic concentration of power" that would drive up online ad prices for small farms and rural businesses, the groups said Monday in a letter to Senator Patrick Leahy and Representative John Conyers. Yahoo, seeking alternatives to a takeover bid from Microsoft Corp., held a test program in April using Google software to place ads next to Yahoo search results.



The multi-family market is booming in the Calgary area with 11,915 units currently under construction.

Multi-family starts hit highest level in May

Single-family construction drops 34 per cent

MARIO TONEGUZZI
CALGARY HERALD

Housing starts in the Calgary area are proving to be a tale of two markets this year with multi-family construction booming while single-detached building in the opposite direction, according to data released Monday by **Canada Mortgage and Housing Corp.**

The total number of multi-family units currently under construction (11,915) is the highest it's been since the CMHC has kept records beginning in 1972.

Multi-family starts, which include semi-detached units, rows, and apartments, were 1,013 units in May, up nearly 11 per cent from a year ago. May's production represented the highest number of multi-family starts for the month of May since 1977.

"New condominium construction continued to elevate overall housing starts with centres like Airdrie and Cochrane contributing to about a third of May's production," said Lai Sing Louie, senior market analyst in Calgary for the CMHC.

He said after June it is likely that multi-family starts at mid-year will exceed the entire 2007 numbers.

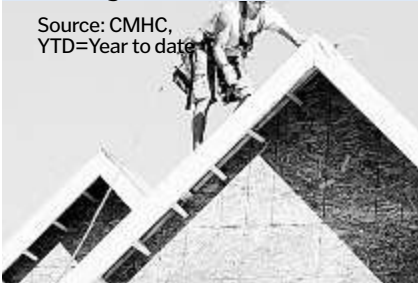
Multi-family starts for the first five months of 2008 have ballooned by 108 per cent to 5,362 units from the 2,573 units during the same period last year.

Total housing starts in the Calgary Census Metropolitan Area declined by almost nine per cent in May (1,488 units) from May 2007 (1,633).

HOUSING STARTS Calgary census metropolitan area

	Single	Multiple	Total
May 2008	475	1,013	1,488
May 2007	718	915	1,633
% Change	-33.8	10.7	-8.9
YTD 2008	1,878	5,362	7,240
YTD 2007	3,204	2,573	5,777
% Change	-41.4	108.4	25.3

Source: CMHC, YTD=Year to date



Despite the overall decline last month, multi-family construction has pushed total starts for the year up by 25.3 per cent until the end of May — 7,240 this year compared with 5,777 last year.

Single-detached starts were 475 in May, down about 34 per cent from a year earlier and the lowest level for May since 1995.

"The record level of active resale listings continues to compete heavily with new home sales," said Louie. "Buyers believe time is on their side and are using it to shop around."

Year-to-date, single-detached starts have reached 1,878 units, down more than 41 per cent from the same period in 2007. This represents the weakest January to May performance for Calgary's builders in 13 years.

"The market for new homes should improve once active listings in the competing resale market decline," said

Louie, adding "it will likely take a number of months for this to occur."

Louie said there are 3,568 single-detached homes currently under construction in the Calgary area. The record high of 6,509 was in October 2006.

Multi-family housing starts "lag" a little behind the single-family market simply because of the "amount of time it takes for them to come on stream," said Deep Shergill, president of the Canadian Home Builders' Association for the Calgary region.

"We did have an oversupply of inventory on the (single-detached) market," Shergill said. "Going back last year, a lot of builders had starts that we just couldn't keep up with the marketplace and a lot of builders chose to do (speculative) building rather than necessarily wait for sales because from the time the sale happened to the time they could start, it was such a long time and they wanted to get ahead of it a bit and as a result there was an oversupply on the market."

"So the single starts are expected to be down until the inventory across MLS as well as new (homes) start to flatten out, which they have already. They're starting to flatten out."

On the MLS market, as of Monday, the Calgary Real Estate Board was reporting 7,155 active listings for single-family homes in Calgary metro.

Total housing starts in Alberta's seven largest centres decreased from 3,437 units in May 2007 to 2,472 units in 2008, down 28 per cent. Nationally, urban starts in May 2008 totalled 18,371 units, down five per cent from a year earlier. The CMHC said on a seasonally-adjusted basis housing starts across the country were 221,300 units in May, up from 213,900 in April.

MTONEGUZZI@THEHERALD.CANWEST.COM

JOB MARKET

Calgary firms still adding workers

GEOFFREY SCOTTON
CALGARY HERALD

Calgary's hiring outlook is strong — and improving — but running behind expectations a year ago, according to the latest quarterly survey of hiring intentions by staffing firm **Manpower Inc.**

Despite having the tightest labour market of any city in Canada, and so far this year, relatively low job creation, Calgary continues to vastly outperform plans for hiring at the national level and generally in Western Canada, says the survey, to be released today. Analysts suggest a lack of enough suitable candidates is forcing employers to temper their hiring plans.

Manpower found 29 per cent of Calgary employers are intending to expand their payrolls in the July to September period, three per cent of companies anticipate issuing some pink slips while the majority, 65 per cent, are taking a wait-and-see approach.

The firms expecting to hire and those anticipating layoff produce a net employment outlook of 26 per cent, which is among the highest of Canadian cities, but below the 35 per cent recorded in Calgary a year ago for the third quarter of 2007.

"Things are very strong in the wholesale and retail trade sector and in services," said Randy Upright, manager of Manpower's Calgary office. Demand for workers in the manufacturing and construction sectors is also very strong, he added.

Many employers have throttled back on their hiring plans, Upright said, in response to a lack of qualified candidates and generally, a very limited pool of available individuals.

On Friday, Statistics Canada said Calgary's unemployment rate was 3.1 per cent, down from 3.5 per cent recorded in May 2007 and unchanged from April of this year. While Calgary's job market continues to remain drum tight, job creation in the first five months of the year has come in below one per cent, indicating there just aren't enough candidates to satisfy demand.

In terms of hiring intentions, Calgary places well among Western Canadian cities, although it doesn't lead, according to the Manpower survey. Saskatoon had a net outlook of 40 per cent, reflecting the booming economy in the Saskatchewan city, while provincial counterpart Regina produced a 27 per cent net outlook and Winnipeg 28 per cent. In Alberta, Edmonton produced a similar figure to that of Calgary, while Red Deer employers appear more cautious, with a net hiring outlook of 16 per cent.

Nationally, Manpower's survey indicates that 24 per cent of employers have expectations of adding personnel in the third quarter, while three per cent anticipate a contraction, producing a net outlook of 21 per cent.

GSCOTTON@THEHERALD.CANWEST.COM



“ Things are very strong in the wholesale and retail trade sector and in services, ”

RANDY UPRIGHT, MANPOWER INC.

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