



THE GYROLOG

THE GYRO CLUB OF EDMONTON

Club Charter No.15, July 29, 1921

**President-[John Mann](#), Past President-[Sam Gruden](#),
1st Vice-President-[Jack Little](#), 2nd Vice-President-[David Dyck](#),
Secretary-[Barry Walker](#), Treasurer-[Gary Campbell](#),
Directors-[Michael Mant](#), [Jamie Fleming](#), [David Dyck](#), [Len Stevens](#)
Database Administrator-[John Ross](#), Gyrolog Editor-[Fred Schulte](#)**

NOVEMBER 2014

Marty Larson celebrated his birthday on November 14th. Those celebrating their wedding anniversaries are **John** and **Helen Ross**, 51 years on the 2nd; **Jack** and **Terrie Ellis**, 48 years on the 19th; **Arv** and **Bernie Hardin**, 49 years on the 23rd and **Dick** and **Marilyn Nichols**, 51 years on the 23rd.

President John Mann welcomed 39 GYROS and three guests to the November 4th Luncheon Meeting held at the Royal Mayfair Golf Club.

Dick Nichols introduced our guest speaker, **[André Paquette](#)** who was raised in Westlock, Alberta. He graduated from the Mechanical Engineering Technology program at Northern Alberta Institute of Technology (NAIT) in 2001. André then worked at Stream-Flo Industries in Edmonton before joining Halliburton in 2002.

He started his career at Halliburton in the field working from the base in Grande Prairie assisting with Cementing operations at rig sites. Andre progressed through several supervisory roles before moving to Red Deer to take a District Service Manager position with the Cement Product Service Line in 2008. He continued in the District Management role covering an area from Red Deer north to Ft. McMurray and stretching to southern Manitoba until 2002. In 2012 Andre returned to Grande Prairie as an Assistant District Manager for the seven product lines operating from the Clairmont Facility. Operations from this site included Fracturing, Coiled Tubing, Nitrogen, Micro Seismic, Completion Tools, Drilling Mud, Drill Bits, Production Chemicals and Cementing.

In September 2014 Andre transferred to the Nisku Office to take the Canada Area Cementing Product Service Line Manager position.

Mr. Paquette advised that there has been over 60 years of **Hydraulic Fracturing (Fracking)** experience in Alberta; first in the Pembina field on vertical wells then graduating to directionally drilled wells. There are now over 175,000 fracked wells in Alberta and British Columbia.

The big focus today is on directional wells with as much as 800 metres of producing zone fractured. This is because big production comes from thin formations. A typical well is drilled 2500 meters deep then turned horizontally. This well may produce from 40 different zones. Wellheads are cemented at the top between 3 containing pipes to prevent leakage and producing zones are separated from each other by cementing. This type of well allows for good production from lower quality formations such as shale zones. However, recovery from these zones is still only 25%.

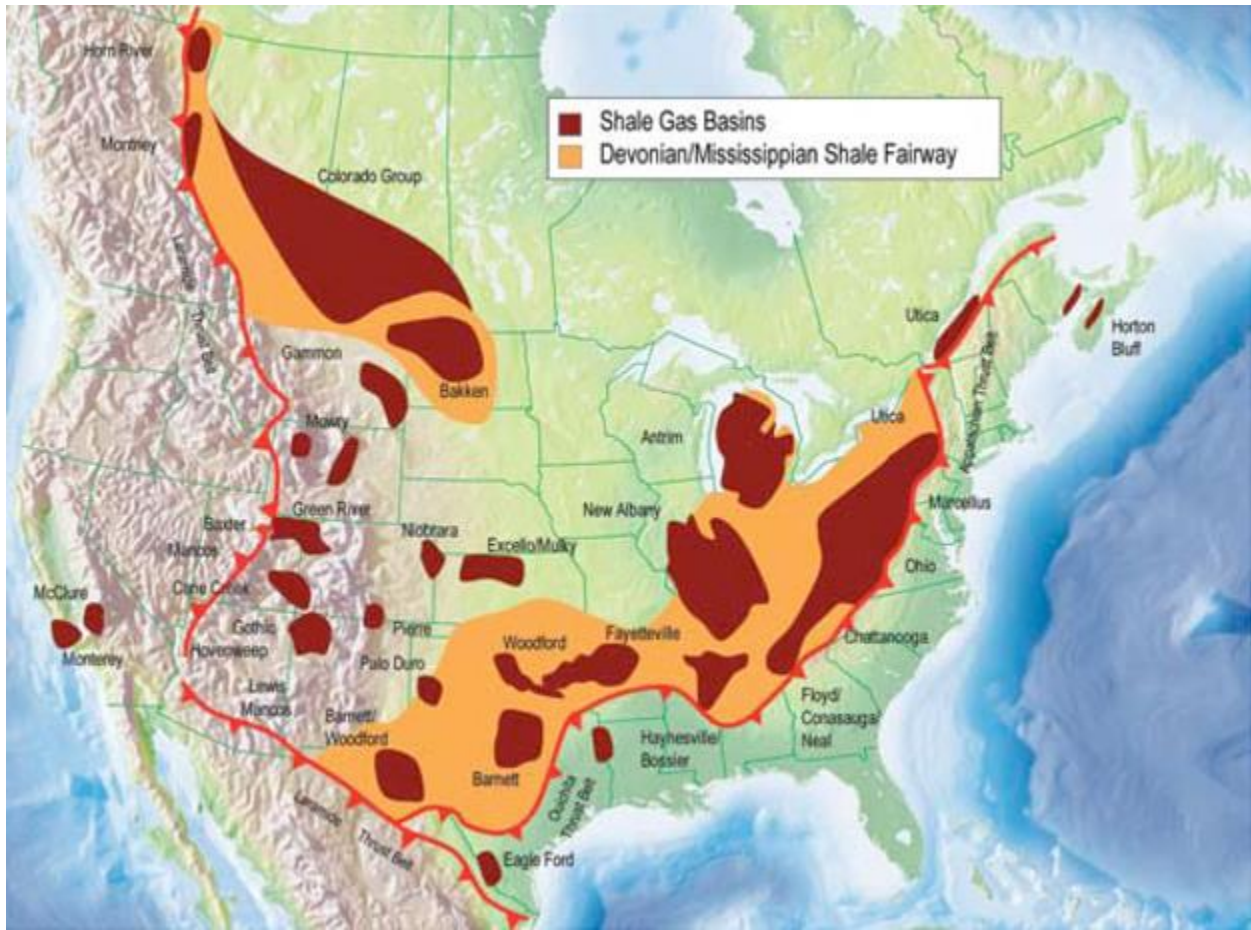
There is little risk to groundwater due to the use of cement seals in the long vertical pipe above the production zone. Methane gas which has been found in groundwater does not contain the same composition as well gas which contains propane and butane. The methane gas in groundwater is from decomposition of matter in the groundwater.

The risk of earthquakes is minimal and there has been only minor activity at depths but little surface impact. Fracking fluid contains 95% water, 4.5% sand and .5 % chemicals. Ninety five percent of the water is recovered in flowback of production and saved for use in the next well.

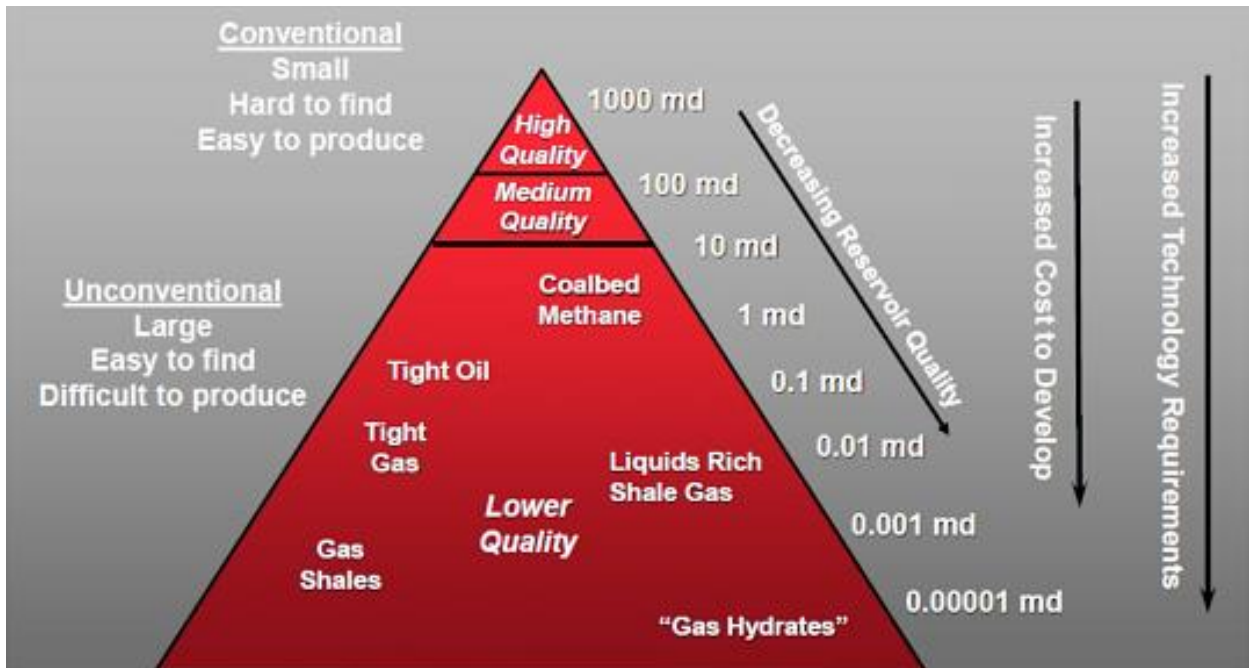
Len Stevens thanked our speaker for an interesting and topical presentation. **Bruce Foy** was the winner of our free lunch draw!

Thanks to **Dick Nichols** for taking excellent speaker notes while the Editor was away on vacation.

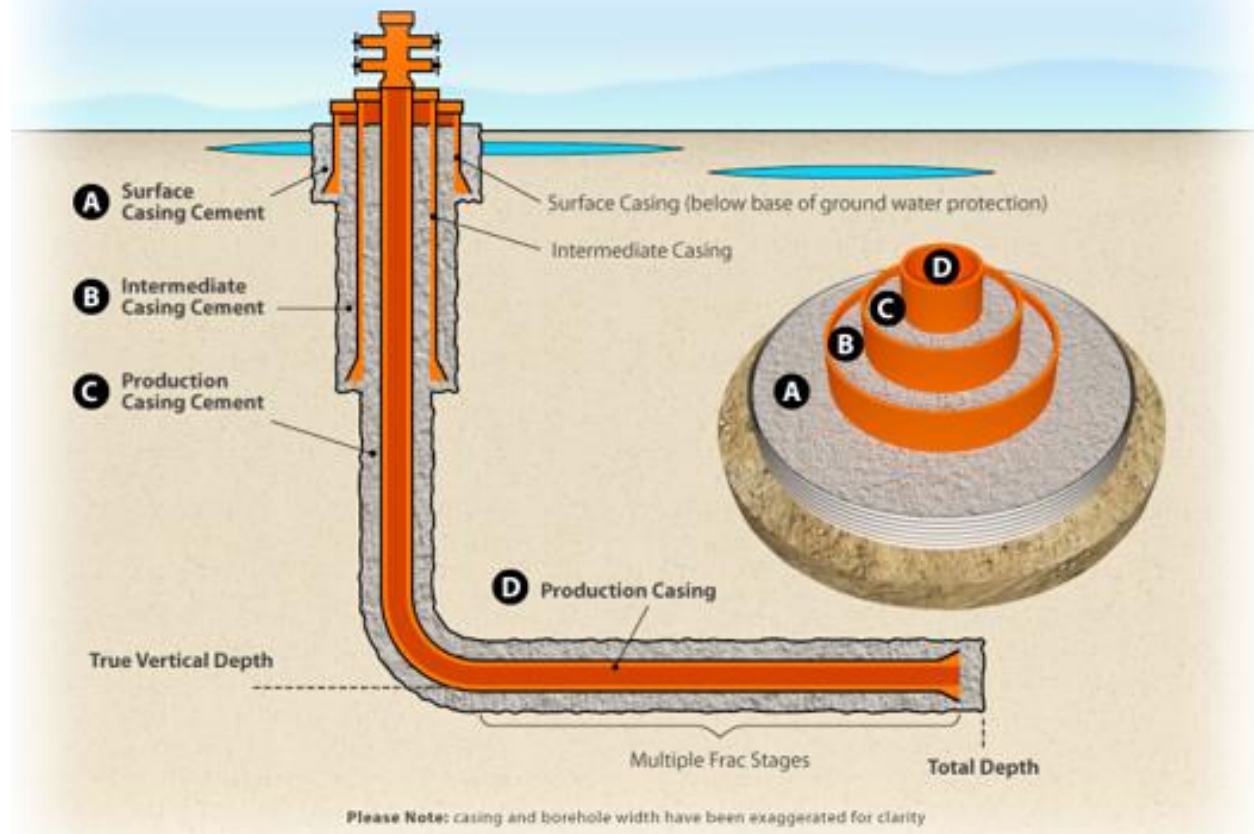
AREAS OF ACTIVITY



HYDRAULIC FRACTURING PURPOSE



HOW HYDRAULIC FRACTURING WORKS



President John Mann welcomed an energetic group of Gyros and guests to the November 18th luncheon meeting held at the Royal Mayfair Golf Club.

President John introduced our guest speaker, **Bob Ascah** who was born in Lachine, Quebec and received degrees in Commerce and Public Administration (M.A.) from Carleton University. He completed his doctorate in political science at the University of Alberta in 1984. Before his appointment as Director of the Institute for Public Economics, he worked for the Alberta public service. After a short stint in Federal and Intergovernmental Affairs, he joined Alberta Treasury where he was responsible for financial sector policy, foreign borrowing and liaison with ratings agencies. In 1996, he joined Alberta Treasury Branches (ATB Financial) as Secretary to the Board. Subsequently, Dr Ascah was responsible for business planning, economics and financial institutions policy. He retired from ATB Financial in May 2009. The University of Alberta Press published Ascah's

Ph.D. dissertation, **Politics and Public Debt-The Dominion, the Banks and Alberta's Social Credit.**

Bob indicated that he had worked at the Office of the Auditor General of Canada in the late 1970's and was alarmed at the growing deficits and accumulating debt under the Trudeau government. In studying public administration and economics at Carleton there tended to be the view that public debt doesn't matter and governments can't go bankrupt. My question was simply: "as a government becomes more indebted, don't the creditors, i.e. the banks- begin to call the shots?" I didn't realize until beginning my historical research, how fertile a research location Alberta would be.

In 1929, nearly 40 per cent of the Province of Alberta's income came from agriculture. Deflation reduced the average price per bushel of wheat from \$1.14 in 1929 to a low of 32 cents in 1932. The heavy reliance on wheat production for their livelihood resulted in a staggering drop in farmer's income. Farm receipts were cut to one quarter of the level of 1928 by 1933.

Compounding the economic problem was a disastrous drought which cut production by one third. Falling export prices, combined with agricultural protectionism in Europe and the heavy devaluation of the Argentinian and Australian currencies, left the western producer with greatly reduced marketing opportunities.

The cost of transportation and threshing charges, which at one point, constituted more than **one-half** of the total value received by farmers, also cut deep into their incomes. On top of this, Western farmers weren't allowed to purchase cheaper consumer goods and machinery from outside Canada because a tariff protected central Canadian industry. In short, reduced markets, low prices, terrible growing conditions, tariff protected machinery and consumer goods, and high charges for transportation and interest made it impossible for farmers to earn a living.

Alberta's Public Finances

There are two factors that account for the widening of Alberta's deficit in the early 1930's. Firstly, the Liberal government, which held power from 1905 to 1921, left a legacy of large, unproductive debts for the newly formed United Farmers' of Alberta party (the UFA) that took place in 1921. According to the Bank of Canada 1937 survey of the Province's finances:

By the end of 1922, Alberta had direct and guaranteed debt which was some 50% higher than in the much older province of Manitoba and more than twice as large as that of Saskatchewan. Substantially more than half the Alberta total debt represented accumulated losses and deficits, or so-called assets which were proving a constant drain. The second source of Alberta's public indebtedness and revenue deficiency stemmed from the UFA policy of not raising taxes to cover the growing demands for roads, schools, public works and all of the operational costs associated with these capital projects (**sound familiar?**) Indeed, per capita taxes in 1929 were lower than the 1921 level. According to the central bank's analysis: "the province could scarcely have expected a more favourable opportunity than that presented in the years 1925-1929 to recoup taxes from the rural areas for some of the large expenditures made on them. The opportunity was allowed to pass and no reduction in the dead weight debt took place.

The extent of the fiscal crisis faced by Alberta in the months leading up to the August 22, 1935 election was captured in correspondence between the Bank of Canada Governor and the provincial Deputy Treasurer. The Deputy Treasurer tested the waters to see if the Bank of Canada would be willing to advance a loan to prevent default on an April 1, 1936 maturity of a bond issue. The Bank of Canada Governor raised the idea of becoming the Province's financial advisor to their Executive Committee. *"Alberta's financial position is not good, but they have made serious efforts to do their best. As you know, the Province may now be considered one of the strongholds of monetary cranks and some offsetting influence is highly desirable."*

In short, the Bank of Canada Governor proposed to take over the financial decision-making in a province where fears of a Social Credit takeover were fast becoming reality. In exchange for providing financial advice and loans from Canada, Alberta was to lose its financial sovereignty. On August 22nd 1935 the Social Credit party astounded Albertan's and the world when they were elected as the new government. Voting turnout was the highest ever for a provincial election at 81.8%.

As the due date of the April 1, 1936 bond repayment of \$3.2 million drew closer, it was learned that that the prospect of further Dominion aid was, in fact conditional on Alberta's acceptance of the federal Loan Council proposal. The Province of Alberta then decided to legislate a compulsory refunding scheme that would arbitrarily legislate the reduction of interest payments to 3% per annum on government bonds originally issued between 4 and 6.5% interest.

This proposed scheme scuttled any further consideration by the Bank of Canada of a loan to Alberta. On April 1, 1936 when the bonds came due, the Province of Alberta became the first, and only, provincial government in Canada's history to default. Alberta had exhausted its attempts to meet its debt obligations and was bankrupt. **That Alberta frustrated a scheme that would reduce, if not eliminate the fiscal autonomy of all provinces was a remarkable achievement!**

Eric Spink thanked our speaker for a very interesting presentation on a series of events that are virtually unknown to Albertan's.

Chuck Gerhart was the winner of the free lunch draw.

FIRST POSTING

Brian Steilo has applied for membership in our club. **Brian** and his partner **Cathy Johnson** reside at **8908-142 Street NW, T5R 0M5**. Their telephone number is **780-484-1994** and their email address is **bsteilo0451@gmail.com** **Brian** is a denturist and owner of A & B Denture Clinic and is proposed by **Larry Dobson** and **John Ross**.

Dick Nichols reports on the results of the Hockey Pool.

Game 1	November 6	Winners	First Period	Second Period	Final
Oilers vs. Bruins					
First	1	1	Bruce Foy	Bruce Foy	Cliff Revell
Second	1	1	Jennifer Baird	Jennifer Baird	Chuck Gerhart
Final	2	5	Ling Luo	Ling Luo	Carla Walker

Game 2	November 13	Winners	First Period	Second Period	Final
Oilers vs. Senators					
First	0	3	Unknown	Lucas Burnett	Jonathon Foy
Second	1	3	Gary Campbell	Karen Gibson	Morgan Burnett
Final	3	4	Unsold	Unsold	Brooke Weisberger

Game 3 November 21 Winners First Period Second Period Final

Oilers vs. Devils

First	0	0	Walter Yakimets	Eric Spink	Eric Spink
Second	0	2	John Ross	Bill Taylor	Bill Taylor
Final	0	2	Unsold	Unsold	Unsold

Game 4 November 27 Winners First Period Second Period Final

Oilers vs. Predators

First	0	0	Marg Foy	Marg Foy	Darren Read
Second	0	0	Andrew Burnett	Andrew Burnett	Marcia Kashani
Final	0	1	Dan Leversedge	Dan Leversedge	Morgan Weisberger

'Fast Fred'

UPCOMING EVENTS

Gyrette Christmas Celebration, Salisbury Greenhouse, Sherwood Park, Tuesday, December 9th.

Time: 11:00 am to 2:00 pm. Lunch will be provided and the Salisbury staff will provide timely demonstrations of both a Christmas and personal nature.

Transportation: Carpooling will be provided for those who are interested.

Contact: Alice Glassford

Regular Tuesday Luncheon Meeting, Royal Mayfair Golf Club, December 16th.

Speaker: Douglas Hube

Topic: Extrasolar Planets, their discovery and nature.

Contacts: Eric Spink and Gary Campbell

Regular Tuesday Luncheon Meeting, Royal Mayfair Club, January 6th

Speaker: To be confirmed

Topic: Edmonton and Area Land Trust

Contact: Ron Ramsey

**Regular Tuesday Luncheon Meeting, Royal Mayfair Golf Club,
January 20th**

Speaker: Danielle Metcalfe Chenail

Topic: 100 years of Flying in the Canadian North

Contact: Walter Yakimets

**GYRO International Interim Meeting, Hilton Cocoa Beach, Cocoa
Beach, Florida, January 25-30, 2015**

Registration: \$98

GYRO Room rates: \$125-\$195

Hotel website: www.hiltoncocoabeach.com Group Code: GYRO

**Regular Tuesday Luncheon Meeting, Royal Mayfair Golf Club,
February 3rd**

Speaker: Dr. Keith Aronyk

Topic: Latest Advances in Neurosurgery

**GYRO International and District III Convention, Buffalo, New York,
Adam's Mark Hotel and Convention Center, June 22nd-28th, 2015**

EVENTS:

June 22 Executive Committee Meeting, Past Governor's Meeting

June 23 Board of Governors Meeting

June 24 Ladies Lunch and Guided Tours

June 25 District III Business Meeting, Miss Buffalo Lake Erie Dinner Cruise

**June 26 District III Installation Dinner, Live Entertainment with Roaring 20's
Theme and Special Celebrity Guest Speaker**

**June 27 Annual General Meeting, Presidents Banquet, International Officers
Installation and Entertainment**

June 28 Farewell Breakfast

**Registration Fee: \$200 per person/\$399 per couple before February 1st
\$225/\$449 after February 1st**

Room Rate: \$119 per night at Adam's Mark Hotel 866-539-8430

Convention Contact: Steve Glamuzina, 716-510-3499

Email: GYROS@GTOWNWINE.COM

Ahoy Matey Gyro!



**You be Well Advised to Set Aside the Dates of
May 21 to 24, 2015**

**To Join the Pirates of Panorama as They Gather
on the Shores of the Mighty
Fairmont Hot Springs.**

Why says You?

**To Find Treasure – To Pillage - To Crack a Cask of
Rum And to Have No End of Fun at the District
VIII Convention!**

**Registration for All Pirates Will be Put In a Bottle
to You Soon.**

Join Yur District Scallywags – OR Walk the Plank