NETWATCH

Your guide to business and accounting on the Internet

Now that we are nearing the end of dot-com insanity, I can loudly boast what is, to me, one very important fact: I never became a dot-com millionaire.

I could have been. I certainly had plenty of opportunity, given that some have called me "Canada's e-business guru." As investors clambered aboard the dot-com train, I might have found myself participating in stock options that would have earned me untold fortunes.

So why is it that I didn't get involved? Because I felt uneasy about what I saw: investment advisers taking companies public, even though their business models made no sense. A period of craziness in which some people believed that a company could succeed based on negative gross margins. A gigantic shell game that could only result in the fleecing of investors.

To me, things just weren't right, and so I refused to play along. Sure, there were lots of realistic and honest initiatives but, in the larger picture, something was definitely wrong.

I expressed my discomfort with the dot-com scene, just as the market went supernova ("Internet stock balloon mostly rising on hot air," *Financial Post*, February 4, 1999): "The network has been invaded by the opportunistic element of the investment community. I could put out an IPO next week for a company that sold purple garbage cans online, and it would probably sell. A lot of people would get ripped off, lose money, and then scream blue murder when the market collapses."

So I didn't become a dot-com millionaire, but I'm far

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CATHY PENTLAND

Searching for integrity

Centre for Applied Ethics, UBC
www.ethics.ubc.ca/resources/business
International Society of Business, Economics & Ethics
www.isbee.org
Corporate Governance www.corpgov.net

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richer in another way — my integrity is intact.

Indeed, I can hold my head up high today, knowing I forewarned people that the Internet and dot-com investment game was too risky, too dishonest, and too unrealistic for it to have any lasting value.

And I'm convinced that my training as a CA, which began some 20 years ago, instilled in me the incalculable value of this critical asset. Without integrity, we are nothing.

We've all had temptations; I've certainly had mine. As the business world becomes more complex, perhaps we need to remind ourselves of the importance of our integrity. As CAs, we are trained to understand and value integrity. Our personal ethics are paramount to our success — both as individuals and as a profession.

CAs are constantly reminded that our ethics and integrity make us unique. We need to work hard to ensure we understand the value of this asset that has been entrusted to us. Maybe the Internet itself is a good place for us to remind ourselves of who we are, and what we stand for.

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The debt debate: Who has more?

We owe, we owe, so off to work we go. Canadians are in the hole for an estimated $458 billion, according to recently released Statistics Canada data.

Mortgages are the primary culprit; they comprise three-quarters of Canadians' total debt. Loans on owned vehicles amount to $29 billion, or 6% of the total, while student loans and credit card debts each exceeded $14 billion (3%).

The findings are part of Statistics Canada's Survey of Financial Security, the most comprehensive statistical portrait of Canadians' net worth to date. The survey, which covered about 16,000 responding households, collected information on the assets and debts of families and unattached individuals in 1999.

Despite the level of debt, the picture's not all bleak for Canadians. Our total assets — everything from stocks and bonds to principal residences — ring in at $2.9 trillion. That means the average Canadian has about $16 in debt for every $100 in assets, and the median net worth of Canada's estimated 12.2 million family units is about $81,000. How-

Median net worth in Canada, by family type



Family type	Median net worth	Median after-tax income
All family units	**$81,000**	**$33,400**
Economic families of two or more	$119,300	$43,000
Senior families	$202,000	$32,000
Nonsenior families	$105,500	$45,800
Couples only*	$125,800	$44,800
Couples with children under 18	$100,500	$48,400
Lone-parent families	$14,600	$21,800
Other nonelderly families	$151,000	$52,300
Unattached individuals	$21,700	$16,700
Men 65 and over	$111,100	$17,700
Women 65 and over	$76,600	$15,300
Men under 65	$11,200	$19,800
Women under 65	$12,000	$15,600

* No children at home.

Source: Statistics Canada 2001

according to geographic location, income-earners' education level, and type of family (see chart).

And here's something else to keep in mind. While $458 billion may sound like a huge amount of debt to be carrying, it's only about half of what our governments owe. According to the Fraser Institute's study, Canadian Government Debt 1999, the various levels of governments accumulated a staggering $850 billion in direct debt, and $3.5 trillion in total government liabilities. In other words, every Canadian is on