

The pursuit of wealth for the greater good

Vancouver entrepreneur Frank Giustra aims to use his skill for spinning billion-dollar deals in the fight to eradicate global poverty

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VANCOUVER, TORONTO, NEW YORK -- It might have been the conversation over a bottle of wine with his wife. It could have been the century-old writings of capitalist-philosopher Andrew Carnegie.

It definitely had something to do with the magnetism of Bill Clinton.

Whatever the catalyst, reclusive Vancouver entrepreneur Frank Giustra had what he calls his epiphany five months ago, as he approached his 50th birthday. Three decades spent in the pursuit of profit in the securities and mining sectors would give way to the pursuit of philanthropy - but with a twist.

The famously driven Mr. Giustra decided he could keep spinning billion-dollar deals, but not to pad out his already considerable personal fortune. Instead, he would put his deal-making finesse to work for charity.

"I could do what I love to do, which is to create the wealth, but to do it for a different reason - to give it away," Mr. Giustra said in an exclusive interview with The Globe and Mail in the Vancouver offices of his mining finance firm, Endeavour Financial.

And give it away he will, as part of the effort announced yesterday to yoke the mining sector's wealth to the cause of eradicating global poverty.

Mr. Giustra won't say exactly how much of his considerable personal fortune he will be donating - "This is meaningful," he says with a tight smile - but the numbers are impressive. He will donate \$50-million immediately, an equal sum shortly and then half of what he earns for the rest of his life.

The inspiration for this move began a couple of years ago, over a bottle of wine, when his wife asked him why he couldn't use his influence to change how the mining industry operated in the developing world. "I thought - pretty tall order," he recalls.

But Mr. Giustra is not the kind of guy who backs down from a challenge, however daunting. In the early 1980s, he jumped from blue-chip Merrill Lynch to an upstart firm called Yorkton Securities, moving to Europe to create the brokerage's resource group - which transformed Yorkton into a major force in the world of international mining finance.

"When he first went to London, he was pretty green and probably in over his head. But he stuck it out and made it an institution to be reckoned with," said Catherine McLeod-Seltzer, a prominent Vancouver mining entrepreneur who got her start working under Mr. Giustra at Yorkton.

He left Yorkton at the end of 1996, just as the mining sector was about to crash and as the firm was buffeted by the Timbuktu Gold Corp. scandal. Yorkton brokers in Calgary helped to bring the company to market before it was eventually revealed that promising ore samples had been salted.

But Mr. Giustra had moved on to the entertainment world by then, founding Lions Gate Entertainment Corp. in 1997. He never managed to duplicate the success he had found in the mining sector, and sold the bulk of his stake in 2003. But his sojourn to the silver screen would mean that, several years later, film and television director Bud Yorkin would provide a reference that transformed Mr. Giustra's life and paved the way for yesterday's announcement - an introduction to Bill Clinton.

The paths of the former U.S. president and the Canadian entrepreneur first crossed shortly after the 2004 tsunami disaster, when Mr. Giustra held a fundraiser in his Vancouver home and Mr. Clinton provided a videotaped message. Shortly afterward, Mr. Yorkin urged Mr. Clinton to get in touch with the mining magnate. From that followed a trip to South America; today the two men hopscotch around the globe, often in Mr. Giustra's private plane.

"I think Bill Clinton changed his life," says Gene McBurney of GMP Capital, who has known Mr. Giustra for two decades. "All of a sudden, Clinton talked with him about the importance of giving back."

It's a realization that Mr. Giustra is looking to share with those with whom he has worked around the world for the past three decades. He has cultivated passionate loyalty from friends and colleagues, due in part to lucrative rewards offered through his deals. Now, Mr. Giustra is enlisting those he has helped - mining companies large and small, financiers and lawyers - to enrich his cause.

In one sense, the deal he has assembled to raise funds for economic development in the Third World involves many of the same players as the many mergers and acquisitions he has steered. In a more fundamental sense, this deal - the most important of his life - could not be more different.

"I find this initiative much more exciting and fulfilling than anything I've ever done," he says.

Mr. Giustra says he is trying to put into action the philosophy that Mr. Carnegie - another wealthy man with humble roots - articulated 120 years ago, as he began to donate huge parts of his fortune: "It's his duty, during his lifetime, to put that surplus to work bettering society."

Those who want to clutch at their riches are missing out on an adventure, he says.

"Too much money is an illusion; it just sits up there. It's meaningless and pointless unless you do something good with it."

THE GOSPEL ACCORDING TO ANDREW

Touted as the richest man in the world at the dawn of the 20th century, Andrew Carnegie was equal parts capitalist and philosopher, arguing that the super rich of America's Gilded Age had a moral duty to earn millions - and then, following his example, give most of their fortunes away. His Gospel of Wealth, first published as an essay in 1889, was both a repudiation of the excesses of the robber barons and a rebuttal to socialist and Communist sentiment.

On the morality of wealth

"Not evil, but good, has come to the race from the accumulation of wealth by those who have the ability and energy that produce it."

"Where wealth accrues honorably, the people are always silent partners."

On inheritance

"Why should men leave great fortunes to their children? If this is done from affection, is it not misguided affection?"

"I should sooner leave my son a curse as 'the Almighty Dollar.' "

On posthumous donations

"Men who leave vast sums in this way may fairly be thought men who would not have left it at all had they been able to take it with them."

On giving to the poor

"Of every thousand dollars spent in so-called charity today, it is probable that \$950 is unwisely spent."

On the obligations of the rich

"... the millionaire will be but a trustee for the poor; intrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself."

"Giving the one-tenth - the tithe - is easy. The true disciple of 'The Gospel of Wealth' has to pass far beyond that stage."

On the failure of most to follow his example

"It is no argument against a gospel that it is not lived up to; indeed it is an argument in its favour, for a gospel must be higher than the prevailing standard."

The passions - apart from mining, finance and philanthropy - of giustra

Latin American art

Frank Giustra has an impressive knowledge of Central and South American art and artists as well as an extensive collection of works. The hobby helped seal a deal for a Mexican gold mine in 2002, as the seller, who was skeptical about the ability of Mr. Giustra and his partners to raise the funds, also happened to be the chair of the National Museum of Art in Mexico City.

Old Money

Mr. Giustra is a history buff and is rumoured to have an impressive collection of Roman coins.

Rare and valuable books

Mr. Giustra also collects first edition books, including a copy of Andrew Carnegie's *The Gospel of Wealth*.

Jet-setting

When he left Yorkton Securities in 1996, Mr. Giustra complained that he had "lived on airplanes for the last however-many years." Now he has his own jet, which he has lent to former U.S. president Bill Clinton for use on his charitable work through the Clinton Foundation.

Fishin' with friends

and family

Mr. Giustra recently took a fishing trip with a pair of high-school friends. He also likes to get out the rod and reel with his two children. Despite a crowded schedule, he slips out of work most afternoons to see his children.