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Feds Eye Road Tolls



A Crown corporation is studying the feasibility of toll roads and bridges. PPP Canada, an agency mandated to promote private investment in public works, announced it will examine tolls in its bid to "help shape" the country.

The notice came in the corporation's latest annual report, newly tabled in Parliament. Critics earlier warned that models for Canadian toll roads include Ontario's Highway 407, one of the most costly freeways of its kind in the G8.

"The tolling study is still underway," a PPP Canada official told *Blacklock*'s. "It is not likely to be released for at least six months."

In its report to MPs, the agency concluded "Canada still has room to grow" in promoting private investment in public projects – so-called P3 ventures.

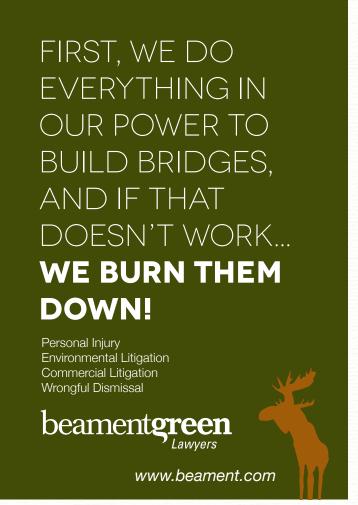
"PPP Canada is working to help shape the Canadian infrastructure landscape in such a way that P3s become an acceptable, understood and valuable tool," the corporation reported.

Investments to date include a biofuels plant in Surrey, British Columbia that received \$17 million in federal funding; an airport in Iqaluit (\$77 million); an LRT bridge in Edmonton (\$37 million) and public transit improvements in Saskatoon (\$43 million).

However, the agency acknowledged difficulty in finding public works sufficiently profitable for investors.

A confidential study of telecom infrastructure "concluded that overall these types of projects are not a good fit" – the report was never published – and a review of privately-financed sewage treatment plants found most Canadian projects are too small to attract investors.

"There will be a great many very small projects of scope too small to warrant any type of P3 project delivery," concluded the report Water/ Wastewater Sector Study. The Crown agency concluded that, while data from the Federation of Canadian Municipalities estimate \$88 billion is needed to replace and refit sewage systems nationwide, projects worth more than the minimum \$100 million that would lure investment "will be very rare". The study cited by example the anticipated cost of new wastewater upgrades in Moncton (\$23 million), Taber, Alta. (\$15 million) and Dysart, Ont. (\$10 million).



"Infrastructure renewal is required across the country over the next decade," the agency reported; "Recognizing the value in these studies, PPP Canada is pursuing the development of additional sector studies in 2013-14, including urban transit, bridges and tolling, and waste-to-energy."

The Canadian Union of Public Employees has cautioned P3 toll projects could lead to "mortgaging debt" at taxpayers' expense.

"The public always winds up holding the bag," CUPE president Paul Moist said in an earlier interview. Moist cited Highway 407, a Toronto-area road built at public expense, then leased to private investors for 99 years at \$3.1 billion. Highway tolls now run to 28¢ per kilometre in rush hour, with investors reporting a 25% profit margin.

"It's a very good highway, built properly, built on time, very good for certain investors including some pension funds, but was it in the public interest?" said Moist; "Risk inevitably ends up in the public realm."



Canada's cities need a national dialogue on rerouting historic rail lines past residential neighbourhoods and major roads, says a member of a national Rail Safety Working Group.

Saskatoon Mayor Don Atchison said longstanding concerns over passing freights at urban level crossings are now heightened in the aftermath of the fatal Lac-Mégantic derailment.

"We need to have those discussions right across Canada," said Atchison. "We see rail lines that are splitting communities in two."

Forty-seven townspeople died when oil tank cars derailed and exploded in downtown Lac-Mégantic, Que. on July 6, along a main line route that dated from the 19th century. The disaster prompted the Federation of Canadian Municipalities to establish the Working Group, comprised of mayors and councilors from New Brunswick, Québec, Ontario, Saskatchewan and British Columbia.

Mayor Atchison noted several cities have worked to reclaim aging train yards

and rail lines that have been encircled by growing neighbourhoods: "Saskatoon, Regina, Edmonton, Winnipeg, Vancouver, Halifax – go right across the country."

"The concerns I hear are about the long freight trains that meander through the city and tie up traffic; people become very frustrated with that," the mayor said.

Atchison continued, "It all boils down to money. Who is going to pay for it? I haven't seen anyone step up to the table; we need to have those discussions."

The Working Group urged greater consultation between railways, regulators and local fire and police departments in managing safety issues.

"We need more communication between railways and first responders," said Atchison. "We all need to work together."

Nationwide there are 18,500 level railway crossings, by federal estimate.

The Lac-Mégantic wreck remains under criminal investigation. The federal Transportation Safety Board determined that at 1 am on July 6, a Montreal, Maine & Atlantic freight with 72 tank cars for delivery to Saint John and parked at Nantes, Que. began rolling on a 1.2% grade. The momentum of the train's descent over a 7.4 mile course into Lac-Mégantic sent 63 cars off the track while propelling five locomotives to a stop a half-mile east of the derailment.





"LOOK AT TV STATS TODAY..."



A media union, the Communications Energy & Paperworkers, is trademarking a campaign to promote local TV news coverage amid declining industry revenues and a shrinking audience.

The union, now merged with the Canadian Auto Workers as Unifor, received an Industry Canada trademark for the slogan, "We are your local TV. We are your local news."

A national representative said the effort was to counter eroding local coverage by private TV affiliates, most of

which are now corporate owned.

"The old-fashioned local ownership is gone," said Mark Cameron, of CEP's Vancouver office. "It's astounding; in the past 20 years we've gone from fifty to sixty different, independent owners across Canada down to a dozen."

The union filed its trademark application following a 2008 campaign *Viewer Discretion Advised* that contacted every candidate for Parliament "to put the importance of local news on the national agenda," Cameron said.

"We want the public to realize broadcast airwaves belong to them," Cameron said. "We've had discussions about the need to revive that 2008 campaign."

Annual operating revenues for conventional private TV broadcasters have fallen 5 percent in the past four years to \$2 billion, according to Statistics Canada. Revenues for pay and specialty channels rose 35 percent over the same period to \$4 billion last year, while public broadcasters' total revenues rose 11 percent.

"There is a real concern of giving this away," said Cameron. "There has not been a public outcry, but there has been a result. Look at TV stats today. The audience has shrunk as corporately-

owned stations moved away from journalism to follow the press releases. I think people have said, 'I don't need that."

The Television Bureau of Canada, an industry monitor, reported most Canadians now spend less time watching TV each week – 13 percent less time for teenagers, the equivalent of three hours a week, compared to data from 2010. Average weekly viewing hours for adult men and women also declined over the same period, by 3 percent.

"I've been hearing for fifteen years that the internet is eating our lunch, but to find out what's happening at your local school board and city hall – a really solid, reputable source of relevant local news that pays – there has really been no substitute found," Cameron said.







Why is the same drug readily available for one Canadian but not for another?

Unfortunately, there is at present great disparity between prescription drug availability from one Canadian to another. Clearly, major reform is needed.

At the CLHIA, we are working with government agencies, pharmaceutical companies, and patient groups to effect change so that all Canadians coast to coast have access to much-needed medicine.

To learn more, visit clhia.ca

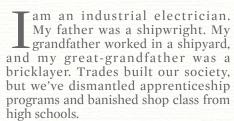


Canadian Life and Health Insurance Association Inc.



Malcolm Allen, MP

WORK THAT IS WORTHWHILE



This must change. We have to show young Canadians this is work that can make you proud – interesting, complicated, worthwhile work that

takes skill and patience.

I was born in Scotland. We lived in a council house in Glasgow, a tenement building black from the soot and ash of the coal fires. We had a two-room apartment. Mother and Father slept in an alcove, but thought we were better off than neighbours who had to share a toilet. We had our own – no bathtub, but a toilet.

My parents had a Presbyterian work ethic: you must put in a full day's work for a full day's pay. There was pride in work, too – that any job worth doing must be done well. As a boy my father taught me how to do plumbing, electrical and carpentry jobs. When we emigrated to Canada in 1963, he taught me to frame and finish the bedrooms downstairs where the five children would sleep.

I went to trades school. They called us "tech guys", the ones who got their fingernails dirty in class. I enjoyed it! In that era you could become an auto mechanic and find a good job after Grade Ten; or you could take a four-year technical program that took you into industrial work after Grade 12. A five-year program took you to university, perhaps engineering.

There is always a competitive tension between tradespeople and engineers: they were the planners, we were the doers. Dad used to remark, "Doesn't matter what they say – we'll make it work!"

Yet my father didn't want me to work in a factory. He had the immigrant's dream of a university education for his children, to have the first generation of Allens attend a fine school and obtain a degree.

I received degrees in history and political science at Brock University and the University of Alberta, but came



The

They called us "tech guys", the ones who got their fingernails dirty in class.

"

home to work at General Motors. I worked at the St. Catharines engine plant in the day and studied at night, and completed my industrial electrical apprenticeship in four years.

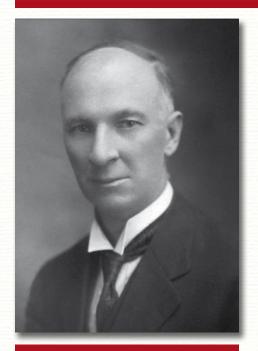
Is blue-collar work less valued than white-collar work? The prejudice exists, though the reality is electricians find fulfilling work and a high income to support a family.

There are not many trades in Parliament. Politics is presumed to be the business of professionals, but the attitude is self-imposed. We even had a prime minister who was a tradesman – Alexander Mackenzie (1873-8), a stonecutter. I defy anyone to suggest a tradesperson is not a professional.

Every MP brings a different life experience to the Commons; I bring the experience of a lifetime in trades, and working on the shop floor. People at home tell me they're glad I am here, even the ones who didn't vote for me.

I hope trades make a revival. They are expensive programs for companies and workers, but represent an investment that brings lifelong dividends.

(*Editor's note*: the author is two-term New Democrat MP for Welland, Ont., and a member of the Canadian Auto Workers union for 32 years.)



Tom Hyland Blacklock

A pioneer publisher and war correspondent, confidante of three prime ministers and 1922 president of the Ottawa Press Gallery, Tom Blacklock was mourned at his passing in 1934 as "a keen observer blessed with a sense of proportion." Born in Halton County, Ont. in 1870, he became a frontier editor and first mayor of Weyburn, Sask. in 1903. Assigned to Parliament Hill by the Winnipeg Telegram in 1912 he remained a gallery man for life with columns published from Victoria to Halifax: "As Tom Blacklock used to say, 'That ain't the way I heard it.'"

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They Have Many Friends

Tens of thousands of petitioners have submitted comments on one of the most closely-watched regulations in the country: a draft Code of Practice on humane treatment of pigs.

The National Farm Animal Care Council, mandated to develop the livestock code, said it received so many submissions it's delayed the development of new standards.

"Producers, processors, veterinarians, animal welfare advocates, the general public and many others contributed valuable input," said Jackie Wepruk, general manager of the council. "That will now be considered by the Pig Code

Development Committee."

Wepruk said responses included 32,340 individual comments Canada-wide, and from petitioners in the U.S. and overseas. The code had been open for public comment till August 3. It proposed limiting the use of gestation stalls that have been criticized for excessive use, restricting the movement of young pigs for months at a time.

A revised code, originally intended for release by year's end, will likely not meet that deadline, Wepruk said: "The council is committed to ensuring the necessary resources are in place to make this happen."

Farm groups have cautioned the review should account for costs of new initiatives under the code, last updated twenty years ago.

"Producers are willing to make changes to accommodate customer demands, but these changes must be done in a way that protects animal welfare and maintains the viability of farmers," said Gary Stordy, spokesperson for the Canadian Pork Council; "Producers have indicated to us they will be forced out of business if a mandatory requirement for group housing is included in the Code."

Stordy added, "The Pork council believes producers

should be able to choose the best housing system for their farms."

Canada's pig population numbers 27 million.

An animal welfare group, the Canadian Federation of Humane Societies, said a revised code should meet "the public expectation of 100 percent stall-free pork."

Barbara Cartwright, federation CEO, noted a "growing trend with companies and producers committed to phasing out the use of sow stalls" – including food corporations like Tim Hortons, McDonalds, Burger King, and Maple Leaf Foods.



"BUY LOCAL" MOSTLY TALK, STUDY CONCLUDES

The sale of locally-grown food remains a marginal trade in most provinces despite government promotion, according to a Conference Board of Canada report.

The board's Centre For Food In Canada noted local products account for only a fraction of grocery sales, and are deemed a "priority" only by the most affluent consumers.

"Local food systems can only provide part of the quantity and range of products that Canadians demand," the centre reported.

More than sixty municipal and regional governments nationwide have established food policies to "engage communities", according to the Canadian Agri-Food Policy Institute.

"With some 80 percent of Canadians living in urban communities, we need to understand how cities are creating change through food initiatives," said David McInnes, institute president.

"Clearly municipalities are embracing food as a catalyst."

However, the Centre For Food study calculated only Québec and Ontario have significant sales of local fruits, vegetables, grains and protein, accounting for 29 percent and 24 percent of provincial food production, followed by British Columbia (16 percent); Nova Scotia (13 percent); Alberta and Newfoundland & Labrador (8 percent); New Brunswick (6 percent); Prince Edward Island (5 percent); Manitoba (4 percent) and Saskatchewan (2 percent).

"Local food systems can only provide part of the quantity and range of products that Canadians demand," analysts wrote.

The report Canada's Growing Appetite For Local Food noted that despite increased promotion of local food, imports have nearly quadrupled to \$25 billion a year since 1990.

The study also cited Farm



Credit Canada data that consumers who say they are most likely to make a "priority" of shopping for homegrown food have household incomes of more than \$100,000 a year.

"Bold expectations are held out regarding the benefits of local food policy," noted agriculture researcher Al Mussel; "However, the market failures and root causes for supposed local shortages have not been identified or enunciated."

In a commentary published

by the George Morris Centre, an agricultural think tank in Guelph, Ont., Mussel wrote: "For a food processing or distribution facility to be economically viable, it must have access to a sufficient volume of farm products to be cost competitive. This often comes from a broad region to acquire a sufficient volume, or at least not have its volume restricted according to a region of origin."



Polygamists Lose Tax Bid Bid

Canada Revenue Agency has won a landmark court judgment that narrowly defines religious congregations under federal tax law. The \$1.8 million ruling came in a case that exposed the finances of a polygamist group in southeastern British Columbia.

"This is an unusual tax case," wrote Justice Diane Campbell, noting it is the first time any Canadian court has interpreted a key clause of the *Income Tax Act* on religious colonies. Campbell ruled a Bountiful, B.C. group formerly associated with the Church of Jesus Christ of Latter-Day Saints, the Mormons, misrepresented its taxable income by an "astronomical magnitude" in claiming a religious exemption.

"The discrepancies...are significant," wrote Campbell, who calculated a community corporation run by "bishop" Winston Blackmore underreported its income by hundreds of thousands of dollars a year.

"He was grossly negligent," the judge concluded. The community's attorney did not take *Blacklock's* questions.

Canada Revenue reassessed

taxes paid by J.R. Blackmore & Sons Ltd., a company founded in 1980 and run by Blackmore and three kin. Court heard Blackmore had 20 wives and was the "directing mind of the company", according to tax auditors. Before falling into bankruptcy in 2005, the firm operated farms and logging operations in B.C. and Alberta; manufactured fence posts; bought \$845,600 worth of property; had multiple bank accounts and owned a company plane, a \$165,000 Cessna.

Blackmore & Sons also had 60 employees, including children as young as 12 hired to drive tractors, grease machinery and join in cattle drives: "The children earned about \$2 an hour because they would sign their paycheques to (Blackmore) who would return smaller amounts to them in cash," according to court documents.

Tax Court also heard Bountiful held occasional "famine calls", where residents were urged to "live on less and to contribute as much as they were able" to pay taxes.

Canada Revenue determined year over year Blackmore & Sons underreported

its income, claiming \$20,915 in 2000 when actual earnings were \$277,395; then claimed \$31,758 in 2001 when earnings were \$575,751; claimed \$44,490 in 2002 when income was \$261,005; and reported \$19,677 in 2003 when actual earnings were \$456,591.

Court heard the company considered its income in a "deemed trust" on behalf of all 450 members of the community, citing a littleknown provision of the Income Tax Act. Under Section 143, enacted by Parliament in 1977 to benefit Hutterite colonies, congregations with shared income may qualify as a "deemed trust" for tax purposes if they meet strict criteria: that members "live and work together"; adhere to religious "practices and beliefs"; do not "own any property in their own right"; and "devote their working lives to the activities of the congregation".

Judge Campbell noted that as a polygamist band Bountiful families were "not part of the Church of Jesus Christ of Latter-Day Saints". Mormons renounced polygamy in a 1904 manifesto: "The community of Bountiful cannot be a part

of the religious organization, the mainstream Latter-Day Saints Church, because the members do not follow the beliefs of the Latter-Day Saints Church."

Campbell also ruled there was no evidence Blackmore's neighbours had to "work together", or were forbidden from owning their own property; or that Blackmore ever told lenders his company was acting as a trustee for the community.

Blackmore "was in charge of the company operations and made the final decisions on corporate matters," wrote the judge; "He reviewed his tax returns before they were filed."

The court dismissed Blackmore's appeal of tax reassessments on all counts, and ordered the "bishop" to negotiate payment of auditors' costs in answering his failed Tax Court application.

The Latter-Day Saints' Canadian headquarters in Toronto did not comment. Revenue Minister Kerry-Lynne Findlay declined an interview.



"THEY GOOFED"

The Department of Finance is at a loss to explain how a bill that mistakenly doubled taxes on credit unions passed into law without anyone noticing.

Finance Minister Jim Flaherty and his officials refused interviews after confirming the bill was vetted by department staff, the House, Senate and parliamentary committees without a single official noticing the blunder.

"We've not heard from the finance minister on how he

is going to fix this," said MP Peggy Nash, New Democrat finance critic. "We haven't even heard him acknowledge this mistake occurred."

Credit Union Central of Canada, an industry association, told *Blacklock's* it was alerted to the error by a private accounting firm ten days ago – two months after the measure was signed into law by the Governor General.

"It was pointed out this was a drafting error," said Gary Rogers, vice-president of financial policy. "We contacted the Department of Finance and were assured they will fix this retroactively." The 2013 federal budget, introduced last March 21, proposed to raise taxes on credit unions from 11 to 15 percent. However, when the finance department wrote the provision into an omnibus budget bill C-60 introduced April 29, the legislation garbled the terms for "full rate taxable income" to raise the effective tax rate to 28 percent over five years.

"Officials agreed they goofed," said Rogers, who noted credit union executives were never consulted on the original tax increase.

"The legislation has been passed but we don't see that as

the end of the story," Rogers said. "Raising taxes on credit unions is not an appropriate public policy decision to take."

The budget bill was passed by the Commons on closure in two weeks, and cleared the Senate finance committee in a single day.

"We did not have the full time to study what was in the bill," said Nash, MP for Parkdale-High Park; "It's a very technical change based on a definition of the tax."

Added Nash: "It shows once again why omnibus budget bills are very challenging."



A Painful Disagreement

Rival associations representing denture clinic operators are headed to Federal Court in a dispute over the

Copyright Act.

The Denturist Association of Ontario is accused of attempting to prevent the use of insurance billing codes and the professional designation DD ("Diploma in Denturism") by members of a rival Denturist Group of Ontario.

Neither the association nor its president would take *Blacklock's* questions.

"They are trying to stop us from earning a living," said Robert Chodowiec, an Etobicoke, Ont. practitioner who is president of the rival Denturist Group. "We are fighting for the right of every denturist to practice freely in Ontario and nationwide; I live in Canada, not in Communist China."

The breakaway Group was established in 2010 as a rival to the Association, founded in 1973. Chodowiec said the Group has been denied membership in the Denturist

Association of Canada, and received three letters from rival counsel claiming infringement of copyrights and trademarks.

"They are hell bent on blocking us," Chodowiec said. "They refuse to recognize us out of pettiness."

The College of Denturists, mandated to oversee the practice under Ontario's 1991 Regulated Health Professions Act, did not comment.

In court documents, the Group asks that a federal

judge strike down its rivals' claim to own insurance billing codes under the federal *Copyright Act*.

"This is modeled on standardized dentists' codes sent to insurance companies," Chodowiec said. "These procedure codes define the scope of practice; the only people who should be in control of this is the regulator – the College of Denturists – not a voluntary association."

Canada has 2375 denturists nationwide, by federal estimate.



BANK OF CANADA IS SAFE - FOR NOW

A 99-year old Toronto millionaire has lost a Federal Court claim that finance officials, including the Bank of Canada, have waged a "conspiracy" to deny Canadians interest-free loans.

William Krehm, a retired developer, brought the action citing an obscure provision of the 1934 *Bank of Canada Act*. Krehm is appealing.

"The Bank of Canada is defending itself against the action," an official told *Blacklock*'s.

In Court documents, Krehm and other members of a group called the Committee on Monetary and Economic Reform claimed the central bank and Department of Finance officials had "engaged in a conspiracy along with the Bank of International Settlements, Financial Stability Board and International Monetary Fund" to "bypass the sovereign rule of Canada." The committee sought damages of \$1 for every Canadian citizen.

Under the *Bank of Canada Act*, sections 18 (i)(j), the bank may issue billions of dollars in loans to any government in Canada providing the debt is "guaranteed" and repayable in six months. "No sovereign government such as Canada, under any circumstances, should borrow money from commercial banks at interest when it can instead borrow from its own central bank interest-free," Krehm's committee argued.

The reformers also claimed banking policy violates provisions of the 1867 *Constitution Act*.

Blacklock's contacted Krehm's Toronto home but was told the plaintiff, who turns 100 this autumn, had "slowed down" and was unavailable for comment. Krehm in 1955 founded O'Shanter Development Co. Limited, a builder of hi-rise apartments. Over his eclectic career Krehm served as a prewar Trotskyist organizer, CBC Radio music critic, financial columnist and publisher of an economic newsletter that espoused concepts of financial reform ex-Bank of Canada governor John Crow once described as "simply perverse".

Krehm's attorney, Rocco Galati, could not be contacted for comment, but earlier remarked the challenge "will probably end up before the Supreme Court."

However, government counsel ridiculed the claim as "frivolous", "unreasonable", "speculative" and "hypothetical." And the Federal Court official who heard the case, chief clerk Kevin Aalto, dismissed it as "vague generalizations" and "general statements about alleged conspiracies by finance ministers and unnamed others". Wrote Aalto, "The claim at times reads like an economics text postulating arguments as to why Canadian monetary and financial policy are dictated by private foreign bank and financial interests."

Aalto continued, "The Committee on Monetary and Economic Reform may not agree with the policy but the court is not the vehicle for declaring that the government change that policy."

The Department of Finance did not comment.



A CASE OF ALL OR NOTHING

An unhappy Air Canada customer who filed an allor-nothing lawsuit despite a sympathetic hearing from the Canadian Transportation Agency "took the wrong route," a legal analyst tells *Blacklock's*.

The agency is mandated to investigate public complaints

against federally-regulated transport companies.

Air passenger Guillaume Boutin filed such a grievance with the agency following a 2012 incident in which he was banned by Air Canada for purportedly abusive conduct. Staff in Montréal said Boutin used vulgar language, threatened their jobs and attempted to grab a counter agent after missing his winter holiday flight to Cancun, Mexico.

Regulators noted the incident was a first for Boutin and urged Air Canada to reconsider the ban, while dismissing his claim for \$30,000 in damages.

"This is a tricky area in determining who has authority to decide these things," said Prof. Paul Daly of the Faculty of Law at the University of Montréal.

Boutin challenged the agency's ruling at the Federal Court of Appeal, which denied jurisdiction, and unsuccessfully appealed for a hearing at the Supreme Court of Canada.

"He took the wrong route and now he's out of time to take the correct route," said Daly. "It's an unfortunate situation for him."

Continues on Pg. 9

Who Pays For 'Net Cops?



Municipal police boards are expressing wariness over hidden costs of internet surveillance in Public Safety Canada cybercrime legislation.

Directors of the Canadian Association of Police Boards said authorities must account for the expense of email wiretaps, and whether cabinet is considering a proposed internet tax to pay the cost.

"It is unfair and unreasonable to ask our taxpayers to pick up the tab," said Councillor Rob Stephanson, of the Weyburn Board of Police Commissioners. "Anything that adds costs is not something we're going to look upon favourably."

The Department of Public Safety has tried three times in four years to enact legislation compelling telecom service providers to provide subscribers' data in police investigations. The last measure, C-30 An Act To Enact The Investigating And Preventing Criminal Electronic Communications Act, lapsed after its introduction on Feb. 2, 2012.

The department has not detailed how much the surveillance would cost, or who would compensate telecom firms for complying with police requests.

"One of our biggest concerns every year is the police budget – and that's just keeping boots on the ground," said Stephanson, a director of the national association. "If it's supposed to benefit everybody, then everybody should pay – but only if they can show where the money is going."

National policing costs, cur-

rently \$12.6 billion annually, are projected to reach \$17 billion by 2015, according to the Police Sector Council, a non-profit research agency.

Department records show one law enforcement group, the Canadian Association of Chiefs of Police, suggested a tax or "public safety tariff" on all email users as a revenuegenerating scheme.

"The government could provide tax credits to tele-communications service providers; the providers could establish a public safety tariff that would appear on customer invoices; or the government could provide a federal funding pool from which the costs incurred by providers could be recovered," according to a 2010 departmental briefing note.

Internal documents show Public Safety Canada rejected the suggestions, but divulged no proposals of its own: "Public Safety is working to develop a fee schedule that... would be fair for all parties involved."

The documents were released through the *Access To Information Act*. The lawyer who requested the confidential memos, Prof. Michael Geist of the University of Ottawa, said they "raise real concerns about the public paying to have itself monitored."

"I think any lawful access legislation that envisions the active participation of telecom and internet service providers will seek to address the cost issue," said Geist, Canada Research Chair in internet law; "I think the public has made its opposition to lawful access more generally very clear."

Authorities contacted by *Blacklock's* refused comment when asked if the tariff is being reconsidered.

"Would there be public tolerance for a tariff? That requires careful analysis," said Councillor Charlie Clark of the Saskatoon Board of Police Commissioners. "I'd be reluctant to see some measure passed that would wind up costing millions."

Bill C-30 would have forced telecom firms to provide police with the names, email addresses and other subscribers' data under threat of \$250,000 fines. Under existing LENS fees - for Law Enforcement/ National Security - telephone companies like SaskTel have charged an \$850 "hook-up" fee to activate wiretaps with an additional \$200 monthly surveillance charge. Other fees include a "look-up" charge to retrieve customer names and addresses, and "haulback" fees for transmitting intercepted data to police.

Public Safety memos noted that, while telecom providers have a duty to assist police, "compensation is not ordinarily available for the expenses they incur."

Councillor Clark, a director of the Association of Police Boards, urged caution in legislating new internet

surveillance measures.

"I struggle myself with the issues of privacy and security," said Clark. "How much access do we want to give? I'm very cautious about issues of surveillance on everyday citizens."

Police had criticized C-30 as poorly drafted and inadequate in balancing public safety with internet users' rights to privacy.

"It was written abysmally," Calgary Police Chief Rick Hanson earlier testified before the Commons' public safety committee; "There has to be a new lawful-access piece of legislation."

"Trust me, we've got way more important things to do than find out who's sending salacious messages to their girlfriend," Hanson said.

A previous measure, C-52 An Act Regulating Telecommunications Facilities To Support Investigations, lapsed after being introduced in 2010; and its predecessor C-47 died in committee in 2009. Public Safety would not specify when a new bill will be introduced.





See Telecom Trust-Busters?

MPs are being pressed to leave telecom regulation to anti-trust investigators.

The Vancouver-based Fraser Institute in an advocacy report urged that legislators repeal restrictions on a 2014 wireless spectrum auction, and leave regulation of the business to the Competition Act.

"There is no reason to treat the wireless sector differently from any other industry," said Prof. Steven Globerman, a Senior Fellow at the Fraser Institute.

"The Competition Bureau authorities

in terms of expertise and experience are better equipped to do this job than the Canadian Radio Television and Telecom Commission," Globerman said.

The institute in a report argues that rules restricting the biggest telecom firms from buying more spectrum cannot guarantee "efficient" wireless service to consumers, regardless of "past monopolistic practices" of Rogers, Telus and Bell.

"By saying implicitly, 'Let's make it easier for company 'A' over company 'B', you are prejudging which entrant is more efficient," said Globerman, a Kaiser professor of international business at Western Washington University. "The harm in handicapping is you invite potentially inefficient entries, since the cost of the entry is lower. If you deny the incumbents a chance to buy more spectrum, you deprive them of economies of scale that could lead to lower costs for consumers."

The big three telecom firms have protested that limits may permit U.S. multinationals to enter the market.



THEY LEFT THE BUILDING

Conservative MPs have quashed a bid for public hearings on wireless policy in anticipation of a federal bandwidth auction for mobile service providers.

The Commons industry committee took less than 20 minutes to reject an Opposition proposal for public consultations before the registration of bidders in the spectrum sale this winter. Committee chair David Sweet ordered the committee in-camera, and later refused *Blacklock*'s questions.

"You would have to talk to the parliamentary secretary about that, who is the spokesman in that regard," said Sweet, Conservative MP for Ancaster-Dundas, Ont.

The Department of Industry has restricted Canada's three largest telecom firms – Rogers Communications Inc., BCE Inc. and Telus Corporation – from bidding on more than 25 percent of new spectrum to be auctioned January 14, 2014. The trio licensed 80 percent of bandwidth following the last auction. Cabinet has said it wants to see at least

four competitive wireless providers in each market nationwide.

"It stands to reason the Big Three incumbents are going to make arguments that are in their financial interest; that's their job," said MP Mike Lake, parliamentary secretary for industry.

"As a government we have to determine policy that is going to be in the interest of all Canadians," said Lake, MP for Edmonton-Mill Woods-Beaumont, Alta.; "You've seen a very specific, comprehensive plan to increase competition and increase options available to Canadians wherever they might live."

The three large telecom firms have protested that auction rules favour entry into the market by U.S. multinationals.

"The only people who aren't being heard from right now are Canadian consumers," said MP Chris Charlton (Hamilton Mtn., Ont.), New Democrat industry critic. "We want to make sure there is robust competition, healthy competition."

The NDP's motion would have required the industry committee to examine "the policy and licensing framework being used by the government; its impact on access to wireless services for all Canadians; the prices Canadians will pay for those services; Canadian jobs; and the privacy of Canadians."

Rogers Communications urged MPs to approve the motion, describing federal wireless policy as "flawed". In a statement, Rogers CEO Nadir Mohamed said: "We're asking for a constructive discussion."

Speaking to reporters on Parliament Hill, MP Glenn Thibeault, Opposition consumer affairs critic, questioned whether current restrictions on the spectrum auction will lower retail costs.

"They've created a 'managed' free market, if that even exists," said Thibeault, MP for Sudbury, Ont.; "By bringing in a fourth player, we need to ensure that Canadians actually get the service."





"All or Nothing" from Pg. 7

Daly noted that, in attempting to seek judicial review of the Canadian Transportation Agency's judgment, the unhappy traveller lost his best chance of persuading Air Canada to lift its lifetime ban.

"It's bound to be frustrating for Mister Boutin because he feels he's been deprived of a day in court," Daily said. "But the reason we have these agencies, and why Parliament has set them up, is to provide for swift, cost-effective justice."

Added Daly, "Most of the time it works quite well."

The dismissal of Boutin's repeated appeals left the lifetime ban in place.

The transport agency noted typical grounds for such bans include "intoxicated and disorderly conduct, harassment, verbal abuse, physical assault, sexual offences, intimidating behaviour, disregard of smoking prohibitions, consumption of carry-on alcoholic beverages, refusal to follow instructions of the crew and endangering the safety of the airplane or fellow passengers."



'It Fails, They're Stunned'



Industry has a misplaced faith in purportedly fool-proof technology to avoid disastrous oil and gas spills, says a senator who investigated safety measures amid the Lac-Mégantic catastrophe.

"There's a widespread, very human tendency to believe that technology is the answer to everything," said Senator Elaine McCoy, a member of the Upper House's energy committee. "In fact, safety culture is much more than that."

The Senate committee urged that federal regulators develop mandatory safety audits of the shipment of petroleum products by rail, pipeline and tanker. The probe, which began last Nov. 28, coincided with the fiery July 6 derailment of sixty-three tank cars at Lac-Mégantic, Que. that killed 47 townspeople and spilled more than six million litres of oil.

Senators determined both railways and pipelines had similar 99.99 percent safety records in transporting oil and natural gas, and noted there has not been a major oil spill from an ocean-bound tanker since 1970.

"What often happens is that people are so astounded when they've failed that they just stand there, not knowing what to do, because it doesn't compute with what they believe – that they can't fail," said McCoy (Independent-PC, Alta.). "When it does fail, they're stunned."

Senators also recommended that Transport Canada review the use of obsolete tank cars built to CTC-111A and DOT-111 standards that do not have equipment to safeguard protective fittings from damage in collisions; that authorities review liability insurance requirements for railways; and that the transport department conduct periodic scrutiny of the Canadian Coast Guard's preparedness plans for spills by oil tankers.

"I remember touring one facility in Halifax with a young engineer; we were asking about their safety precautions, and he said: 'Our technology is so good that it shuts everything down at the slightest sign of trouble,'" said McCoy. "That's the giveaway – to believe that."

Ninety-seven percent of oil and natural gas shipped in Canada is transported by pipeline, though less than a tenth of the country's 825,000 km-long pipeline network is federally regulated, according to the Senate report Moving Energy Safely: A Study of the Safe Transport of Hydrocarbons by Pipelines, Tankers and Railcars in Canada.



NO FUNDING, NO COMMENT

The Department of Canadian Heritage is silent on why it cut funding for the country's only independent labour periodical while paying millions to media corporations under the same program.

Newly-released Access to Information documents confirm subsidies to the periodical Our Times were cut 65 percent to some \$10,000 a year as larger five-figure grants were paid to Sun Media Corp., Torstar Corp., Black Press Group and Transcontinental Media Group Ltd.

"We never got a good answer as to why we were turned down," said Liz Ukrainetz, *Our Times* business manager. "We've been told it 'was not in the best interest of Canadians."

The department told *Blacklock's* the magazine failed to meet "eligible" circulation requirements, but did not provide data.

Heritage Canada pays out grants under a Canadian Periodical Fund intended to assist small publications to "overcome market disadvantages," according to its mission statement.

Our Times was founded in Toronto in 1981 as a "unique forum in Canadian media for the voice of Canadian working

people," according to its funding applications. After receiving \$29,790 in 2007, the periodical saw its funding eliminated altogether in 2008, then partially restored in subsequent grant periods to \$10,505 last year.

"They turned us down though we met all criteria," said Ukrainetz.

Access documents contained no explanation for the funding cut.

The same Periodical Fund paid Sun Media Corp. \$809,301 over two years for a chain of 25 company weeklies in Québec, Ontario, Saskatchewan and Alberta.

Black Press Group, the largest newspaper publisher in British Columbia, received \$565,988 for twenty-three weeklies in British Columbia and Alberta. Transcontinental Media Group Ltd., listed on the Toronto Stock Exchange, received \$376,754 in grants for seventeen weeklies in Saskatchewan, Nova Scotia and Newfoundland & Labrador. And another publicly-traded media conglomerate, Torstar Corporation, received \$245,866 for nine Ontario weeklies published by its Metroland Media Group subsidiary.



"Often big media ignore labour coverage," said Ukrainetz. "Conservative media do not think unions are necessary. Hopefully the internet will change that."



Federal Agency Had Secret File On "Occupy" Protestors



A federal agency, the National Capital Commission, spied on peaceful protesters in the Occupy movement, compiling photographs of demonstrators, vehicle license plates and Facebook entries, according to newly-released documents.

The parks commission amassed a file of more than 1,000 pages of staff memos, emails, surveillance reports and photographs after two dozen demonstrators camped on NCC property in 2011.

"We want to start pushing back," managers remarked in one closed-door meeting, according to minutes released under the Access to Information Act.

The surveillance targeted Occupy Ottawa protesters who tented in the city's Confederation Park four blocks from Parliament Hill on Oct. 15, 2011. The park is federal land and exempt from city bylaw enforcement and Ontario's *Trespass To Property Act*.

"As a government agency the NCC allows the public to demonstrate on its lands," a commission director, Marc Corriveau, noted in one staff memo.

No Ottawa protestors were ever charged under the Criminal Code; the demonstration resulted in no injuries; and no damage was found when the park was cleared after the six-week protest. "All information obtained indicates this is to be a peaceful

demonstration," concluded an RCMP report, which characterized participants as "students, homeless & unions".

However, documents indicate NCC managers went to extraordinary lengths to monitor the tent village as police complained they were unable to photograph demonstrators: "Some of the crowds are anti-police," minutes of a Nov. 2, 2011 City Hall conference noted; "Any time there is a camera in the park, protestors are accusing."

NCC managers kept images of Facebook pages created by protestors, and blogs written by sympathizers. Media accounts of the protest were meticulously logged, along with public comments on the NCC website. And park officers were instructed to patrol the site "several times a day" and file detailed accounts of their surveillance:

- Nov. 5: "Lots of marijuana being smoked";
- Nov. 6: "Lots of marijuana smells in the air; small groups of people all over huddled around candles and playing guitar, smoking joints and singing";
- Nov. 7: "Seems to be more homeless types, smoking drugs and not participating like others".

Park surveillance included numerous photos of campers and demonstrators.

In one confidential report, an NCC officer photographed a Toyota driven by an Ottawa woman who'd delivered a home-cooked lunch to protestors: "She delivered 4-5 large baskets of fresh food as a donation," the officer reported: "(Said) she was not working for any organization. She baked the food with her husband..."

The photos and other surveillance records are contained in a mass of NCC documents on the protest. Commission counsel Mark Dehler did not answer *Blacklock's* questions on why the NCC kept the files.

Documents show commission managers became increasingly irritated with demonstrators, though the number of protestors totaled twenty-five. "The group has crossed the line where damages and safety concerns are starting to occur on site," read a staff memo by Corriveau, the commissioner's director of urban lands. The damages referred to protection of flower beds, and protestors' use of scrap wood to shield tents from rain and snow.

At one "command centre" meeting, managers expressed outrage over a surveillance photo of peace signs written on a park fountain with children's chalk.

"The chalk type drawings on the historical fountain are considered graffiti and will not be tolerated," wrote Mathieu Brisson, NCC land manager, in an Oct. 26 email. In other staff memos Brisson noted that the "NCC cannot remove protestors from public land (unless there is use of open fire, alcohol, etc.)," but wrote: "Our intent is to communicate a 'hard line' bargaining approach."

Ottawa Police cleared the park on Nov. 23 at 3 am, after staff determined local television crews had left the area. "Police need letter from NCC to act as an agent in order to giver trespass notice and/or arrest them as necessary," staff wrote in an internal memo: "Do not use the word 'cease'"; "Use police language"; "Media will be ready for message next day."

In a confidential Eviction Day Report, the NCC's Brisson documented the raid with more photographs of demonstrators, and noted eight were ticketed for trespassing: "Others decided to leave on their own."

The Ottawa protests had coincided with other short-lived Occupy demonstrations in Halifax, Montréal, Toronto, Regina, Calgary, Vancouver and Victoria.



Bunch O' Commies



A top Department of Defence analyst characterized Occupy Ottawa protestors as lawless, drug-addled Marxists and "climate change activists", and pleaded with authorities to end their protests, according to documents.

Senior military analyst Ryan Hennessey in a lengthy Nov. 4, 2011 email described the protestors as extreme leftists. The message was contained in volumes of National Capital Commission documents released through the *Access to Information Act*.

"'Occupiers' have consisted of Marxists, communists, 9/11 'truthers', climate change activists, university students and people claiming to be the '99%'," wrote Hennessey, of the defence department's Directorate of Strategic Analysis; "With the mounting evidence of the lawlessness and safety concerns at the park, it is appalling that the NCC has not yet stepped in to remove these individuals."

National Capital Commission staff rated Hennessey's memo of "high importance". And Councillor Jan Harder, one of 23 city councillors and staff who received a copy of the message, replied: "I suggest you encourage colleagues and friends to contact all local MPs as they will need to put pressure on the NCC."

Hennessey is a senior analyst who has appeared before closed-door sessions of the Commons defence committee, and published military analyses with the University of Dalhousie Press.

"Each weekday I walk to work and back through the park," Hennessey wrote; "The last time I walked through the park an individual, clearly intoxicated, followed me down the pathway taunting, 'Greedy, greedy, greedy' until he literally stepped in front of me by the crosswalk exit to ask if I knew whose 'land this was.' When I replied that it was a public park, he bellowed that this was his 'people's land."

Hennessey continued: "The 'Occupy Ottawa' protestors have turned Confederation Park into a drug-den and a zoo. It is a disgrace to this city."

Hennessey refused comment when contacted by *Blacklock*'s. "I consider this matter closed and will respectfully decline any offer to discuss my views or opinions on the Occupy protest," he said.



NO REASON TO FEAR CHINA PACT: JUDGE

A contentious China investment pact signed by the Department of International Trade should have no chilling effect on local governments, says a federal judge.

Chief Justice Paul Crampton of the Federal Court, citing assurances by the trade department, dismissed any "fear of being found liable to pay significant damages to one or more Chinese investors" under the deal.

The ruling came in an application by the Hupacasath First Nation of Port Alberni, B.C. to block ratification of the China-Canada Foreign Investment Promotion and Protection Agreement. Judge Crampton dismissed the lawsuit by the Hupacasath band, which protested it may face compensation claims by Chinese nationals over future land management decisions.

"I have not been persuaded that there is an applicable and non-speculative potential for...Canada to refrain from implementing a measure that would otherwise be implemented for that purpose," Crampton wrote.

Cabinet signed the agreement Sept.

9, 2012 but has yet to ratify the terms, which would bind the two countries to a minimum 31-year pact against discriminatory investment policies.

Judge Crampton noted that, while the agreement permits trade tribunals to issue arbitration awards, any fears of "potential adverse impacts" are "speculative in nature" – and that local authorities would not have to pay the damages, anyway.

"In the event a measure passed by Hupacasath First Nation was found by an arbitral tribunal to be in breach of Canada's obligations under the China-Canada Foreign Investment Promotion and Protection Agreement, the tribunal would have no power to enjoin the measure and it would be Canada, not Hupacasath First Nation, that would be responsible for paying damages or providing restitution."

The judge noted that, under the North American Free Trade Agreement, two famous cases of arbitration damages were both settled by Parliament.

In 1997 U.S.-based Ethyl Corp. received \$13 million in damages over

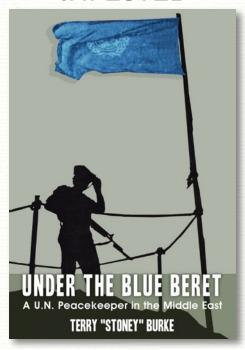
an Environment Canada ban on the manganese-based gasoline additive MMT, ruled "neurotoxic" by federal scientists. And in 2010 Parliament paid \$130 million in restitution to AbitibiBowater Inc. over the local expropriation of holdings and leases by the Newfoundland & Labrador legislature. The island assembly seized the assets after AbitibiBowater shuttered its century-old Grand Falls pulp and paper mill.

Vernon MacKay, the trade department's acting director of investment trade policy, testified in the Hupacasath case he was unaware of any NAFTA ruling that "impaired Canada's ability to regulate in the public interest in a non-discriminatory manner."

Cabinet was expected to ratify the China pact swiftly, but delayed consideration following protests over a \$15.1 billion takeover last Feb. 11 of Calgary-based Nexen Inc. by the China National Offshore Oil Corp., a state-run enterprise.



REVIEW: 38° & SNAKE INFESTED



It was Canada's longest military deployment. On Sunday March 15, 1964 peacekeepers landed in Cyprus and stayed 29 years. The mission cost some \$700 million, and even saw deployment of the nation's last aircraft carrier, HMCS Bongenture.

There is no library of literature on

the Cyprus mission. The island itself was a beach resort for English tourists; no Victoria Crosses were awarded; no wounded veterans came home to parades. For all that, *Under the Blue Beret* should be required reading for anyone who is thinking of joining the military.

In crisp prose author Terry Burke captures the minutiae of army life. It is neither heroic nor desperate. It is nothing like the military caricatured by non-combatants. It is what it is.

Burke's account of his service as a peacekeeper in Cyprus and the Middle East runs as a series of indelible vignettes. Here's one: Christmas, Cyprus, hot and snake-infested; soldiers assemble in a mess hall to watch a film of holiday greetings from families back home. It was a bad idea, Burke writes: the film became a sequence of crying children and frazzled spouses. "At some point I heard someone suggesting that maybe the projector should be turned off, but it just kept going as the images of family after family rolled across the screen," he recalls. "Even in the semi-darkness of the room you could see the tightly locked faces of those watching." Later they got drunk and started fist-fights.

Cyprus beyond the beach resorts is an oven where the average daily temperature is 38 Celsius. More than 25,000 Canadians were deployed through the island, mandated to enforce a ceasefire between warring Turks and Greeks: "All that separated the opposing groups was a small outpost,

with a U.N. soldier patrolling the road between them." Burke writes that one observation post was nearly the size of a phone booth, equipped with a Korean War-vintage radio and a hot tin roof.

Later the Canadians made barracks in a bullet-riddled structure in downtown Nicosia that had once been a five-star hotel: he remembers the chandelier in the mess hall.

And, there were the people.

Burke recalls a Turkish lieutenant who spoke fluent English; he'd been a student at Boston University. Or the street pedlar, a 10-year old boy, who sold coffee to soldiers at a handsome profit, 20¢ a cup. Or the little girl trampled at a refugee camp as Burke tried to hand her bread. Or the Canadian corporal who became unhinged and started decapitating cats.

And, he remembers being reunited with his own son as a 10-month old infant who screamed in protest when Burke tried to give him a hug: "The look of fright in his eyes told me he wanted absolutely nothing to do with this man in the strange uniform."

Under the Blue Beret is neither a celebration nor exposé of military life. It is just the truth.



Under the Blue Beret: A U.N. Peacekeeper in the Middle East by Terry Burke; Dundurn; 256 pages; ISBN 9781-4597-08327; \$22.99

"ALFIE"

a poem by Shai Ben-Shalom

After years at the helm, the beloved captain of Ottawa's NHL team leaves to play for another, citing his desire to win the Cup.

It seems he doesn't believe the team he has led for 14 seasons could reach that high.

Some say that's professional.

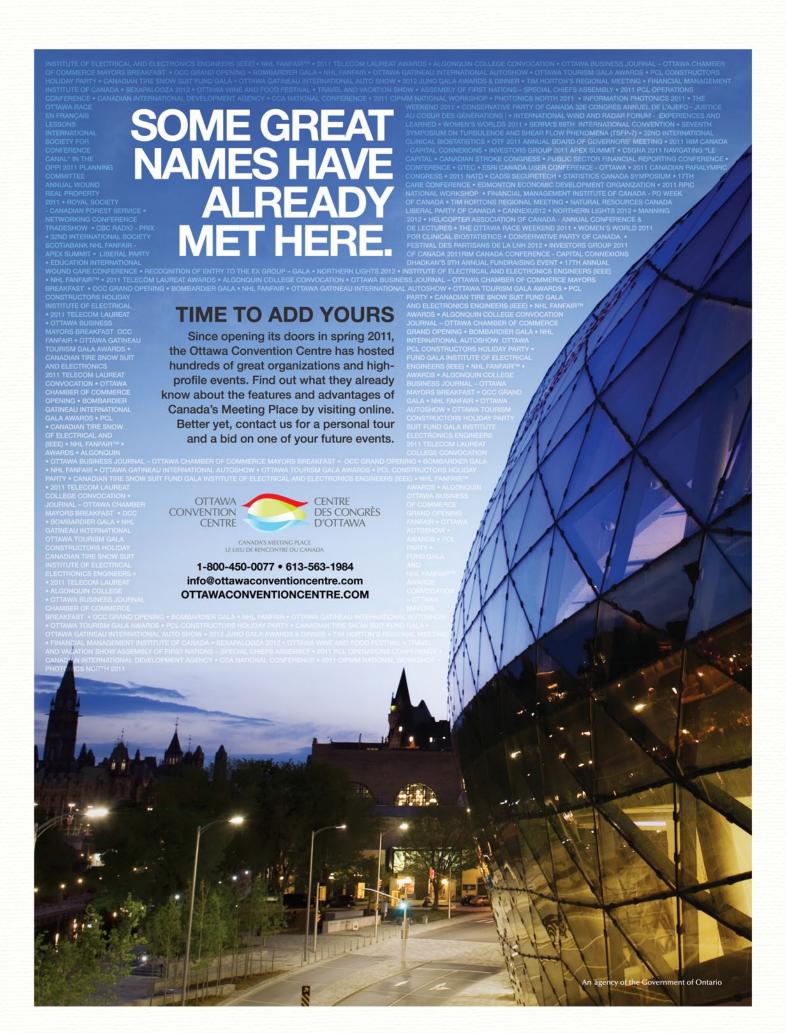
Others say that makes no Sens.

(*Editor's note*: the author is an Israeliborn biologist; he recently published his first collection of poems, *Martians Among Us*, with In/Words Press)



Best of Sheree





Agostinho, Luis – of Toronto, reappointed a member, Immigration & Refugee Board, Toronto Office, effective Nov. 15

Archibald, Bruce – of Ottawa, appointed president, Canadian Food Inspection Agency, with a salary in the range of \$216,900 to \$255,100, Aug. 12

Cunningham, Lynne — of Calgary, reappointed a member, Immigration & Refugee Board, Calgary Office, Sept. 1

Ellis, Karen – of Ottawa, appointed president, Federal Economic Development Agency for Southern Ontario, with a salary in the range of \$188,600 to \$221,800, Aug. 12

Gagnon, Yves – of Ottawa, appointed Ambassador to Cuba, with a salary in the range of \$131,200 to \$154,300, August 12

Gervais-Vidricaire, Marie – of Ottawa, appointed Ambassador to Germany, August 23

Jelinek, Otto – of Oakville, Ont., appointed Ambassador to Czech Republic, August 23

Kowal, Harry – of Ottawa, appointed Principal, Royal Military College, with a salary in the range of \$167,700 to \$197,200, August. 1

Kur, John – of Ottawa, appointed Ambassador to Russia, August 23

Lafleur, Annie – of Montreal, reappointed a member, Immigration & Refugee Board, Montreal office, effective Nov. 15

Natynczyk, Gen. (Ret'd.) Walter — of Ottawa, appointed president, Canadian Space Agency, with a salary in the range of \$216,900 to \$255,100, Aug. 6

O'Sullivan, Susan — of Ottawa, reappointed Federal Ombudsman for Victims of Crime, with a salary in the range of \$121,700 to \$143,100, Aug. 16

Paul, David – of Perth Andover, N.B., appointed Deputy Chief Commissioner, First Nations Tax Commission, Aug. 6

Robson, Wayne – of Ottawa, appointed consul in Ho Chi Minh City, August 23

Vreeswijk, Wilma — of Ottawa, appointed Associate Deputy Minister of Citizenship & Immigration, with a salary in the range of \$188,600 to \$221,800, Sept. 17

Zicherman, Doris – of Montreal, reappointed a member, Immigration & Refugee Board, Montreal Office, effective Oct. 18

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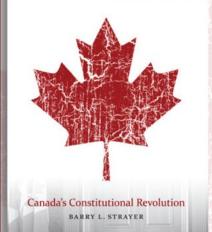
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