

'No Farm Debt Bubble'



One of the nation's largest lenders, Farm Credit Canada, forecasts that write-offs of bad loans will nearly double in value this year. But the Crown agency assured there is no farm credit bubble.

"No there isn't," said Rémi Lemoine, chief operating officer and FCC executive vice president; "There is nothing wild and crazy going on here."

Write-offs of bad farm loans are projected to increase 82 percent from \$36 million to \$65.6 million this year, according to FCC accounts tabled in Parliament. And loans rated "impaired" –

“We can withstand the worst of unforeseen events,

meaning that borrowers are at least 90 days behind in their payments – increased 13 percent last year to \$321 million.

"We can withstand the worst of unforeseen events," Lemoine told *Blacklock's*. "Our reserves are more than adequate."

Agriculture Minister Gerry Ritz declined comment, but issued a statement praising the FCC as a "responsible lender". Industry figures show the national farm debt totals a record \$72.2 billion, with the largest share of \$25.6 billion let by the chartered banks. Agricultural borrowing has ballooned by an average 6 percent a year since 1995, according to federal statistics.

Lemoine noted bad loans were a small portion of the FCC's total \$21.4 billion portfolio, and that the agency has more than \$4 billion in equity and loan-loss reserves.

"We're in pretty good shape from a financial standpoint,"

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Lemoine said. "We have adequate coverage for losses."

However, Lemoine predicted a "cooling" of loan approvals this year. And documents released through *Access to Information* indicate FCC directors have expressed caution on the loan portfolio.

Farm Credit directors in an Aug. 14, 2012 board meeting considered "potential top risks", and distributed a memo *Enterprise Risk Management* that asked, "Are we missing anything? Do we have the correct focus?"

The agency issues farm loans from \$5,000 to over

\$100 million. Accounts show the total number of individual loans has increased 23 percent since 2011, to more than 120,000 borrowers, with a 26 percent increase in loan values.

"We are seeing a slowdown now," Lemoine said.

The FCC approved 47,046 new loans last year, typically five-year notes with deferred interest or payments of 4 to 6 percent.

 BY TOM KORSKI

1934 Bank Law Back In Court

Critics of the Bank of Canada have a Dec. 10 appeal in a lawsuit to force the issue of interest-free municipal loans by the national government under a 1934 law.

The Committee For Monetary And Economic Reform lost an earlier Aug. 9 decision in Federal Court over an obscure provision of the Depression-era *Bank of Canada Act*.

"We will go as far as we need to go," said Ann Emmett, committee chair. "We will take this to the Supreme Court if we have to."

Federal authorities have declined comment on the case. "The Bank of Canada is defending itself against the action," an official earlier told *Blacklock's*.

Under the *Bank of Canada Act*, sections 18 (i)(j), the bank may issue billions of dollars in no-interest loans to any government in Canada providing the debt is "guaranteed" and repayable in six months. The reform committee argued in its court application that "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."

In an interview, Emmett said the case highlighted a need for greater scrutiny of central bank practices.

"Anything to do with monetary policy and the Bank of Canada, except for superficial news coverage of interest rates, is like Harry Potter's Voldemort: You just don't mention it," said Emmett.

Kevin Alto, chief clerk of the Federal Court who heard the bank case, dismissed the committee's claims as "vague" and concluded the court had no jurisdiction to review discretionary policy decisions: "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."

Rocco Galati, a Toronto lawyer who represented the committee in court, said the financing provision of the *Bank of Canada Act* was widely used for decades.

"It's how we funded the Trans-Canada Highway," said Galati. "It's how we built the St. Lawrence Seaway"



Added Galati: "The Bank of Canada now takes its orders from foreign entities."

In court documents, the committee argued the central bank and Department of Finance "engaged in a conspiracy along with the Bank of International Settlements, Financial Stability Board and International Monetary Fund" to comply with foreign corporate lending practices and "bypass the sovereign rule of Canada."

The Federal Court case was initiated by William Krehm, 99, a millionaire developer who founded Toronto's O'Shanter Development Co., a builder of high-rise apartments.

BY STAFF

ELECTRONICS TAX TO BE LIFTED: LOBBYIST



Importers anticipate the Department of Finance will ensure complete repeal of a \$16 million border tax on TV monitors, MP3 players and other electronic goods.

A lobbyist representing some of the nation's largest electronics firms and retailers said it was expected the customs dispute will be resolved this autumn.

"We think we have persuaded the government of the unfairness in this case," said Daniel Brock, partner with Fasken Martineau DuMoulin LLP.

The industry group, Canadian Importers 9948 Fair Treatment Coalition, protested when border agents reversed a 2007 policy and imposed retroactive duties on plug-in electronics. Under a Chapter 99 provision of the *Customs Tariff*, the government had permitted duty-free imports of electronics classified as computer accessories, including iPods, television monitors, MP3 players, speakers, video games, word processors, automatic banknote dispensers and parts.

The Canada Border Services Agency subsequently imposed retroactive tariffs after requiring that importers provide written evidence that goods were, in fact, used as computer plug-ins.

"This came out of nowhere," said Brock; "In this specific instance it was unclear where this initiative came from; we don't believe the Minister of Finance was saying, 'Go after these people.' It begs the question of how the bureaucracy came up with this."

The border agency issued a June 28 *Clarification of the Imported Goods Records Regulation*, announcing that plug-in electronics would again revert to duty-

free status providing distributors "attest to the intended use to be made of the goods" rather than submit end-use certificates. The agency did not detail enforcement measures.

"We've been engaged with the Canada Border Services Agency, engaged with the Department of Finance, engaged with members of caucus," Brock said. "They understand the issue."

Lobby records show Brock met with nine senior staff in three weeks including John-David Bridges, Canada Revenue director of policy; David Foster, director of policy with the Department of Human Resources; Andrew House, chief of staff at Public Safety Canada; and managers with Treasury Board.

"What was truly unusual in this case is they changed their policy without any justification," Brock said; "It was unfair; it was a cash grab."

Members of the Fair Treatment Coalition include Panasonic Canada Inc., Sony of Canada, Toshiba, Wal-Mart, Costco Wholesale Canada Ltd. and Sharp Electronics.

BY TOM KORSKI

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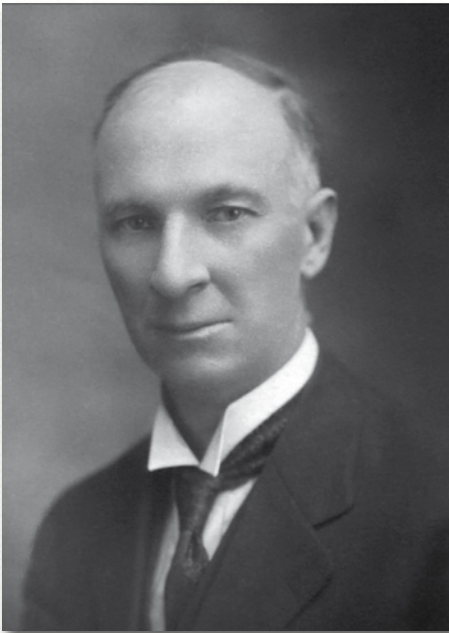


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Tom Hyland Blacklock

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.’”

BLACKLOCK’S REPORTER PUBLISHES DAILY ONLINE AT BLACKLOCKS.CA WITH A WEEKLY DIGEST OF NEWS AND SHARP-EYED FEATURES PUBLISHED EACH MONDAY, 50 WEEKS A YEAR.

Copyright 1395804 Ontario Limited

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Senator Thanh Hai Ngo

I KNOW HOW COMMUNISTS WORK

I was at an embassy function recently and listened to speeches on what we must do with North Korea. There was talk of goodwill and engagement and warm, empty gestures. It upset me.

Canadians share a kind of naïvety about this world; we shrink from frank discussion of human rights for fear of hurting people’s feelings, and prefer sanitized talk about trade rather than prison camps.

For me, this is a bitter pill. I know how communists work. My family fled Vietnam in 1975 and has never returned.

We lived in Saigon; my father worked for the Ministry of Foreign Affairs. I followed in his footsteps and worked in the department. I was young then, fresh from school after graduating from the Sorbonne in Paris. My parents did not belong to any political party.

When my country fell in ‘75 I was working as a press attaché at the Vietnamese embassy in Bangkok. To return home would have brought instant arrest; communists hated diplomats second only to South Vietnamese army officers. I was stateless, but managed to find my way to Canada.

I knew friends and colleagues who could not escape. They were not tortured right away. First they were instructed to report to a certain office; then they were sent to “re-education” camps to “retool” their thinking; then they were imprisoned, in chains.

Some survived; a few escaped. One colleague was tortured so badly he can barely walk to this day. Others hid in the villages and tried to erase their past. I lost contact with many of my friends after 1975.

Vietnam, China, North Korea: all have labour camps. All abuse human rights and rule of law. Perhaps these realities are too raw for Canadians. Instead, we presume common interests and points of goodwill that do not really exist. These are not *normal* societies as you and I know them; normal gestures are pointless.

Governments promote trade with communist countries, but there is no evidence this diminishes the power of police states or has ever closed a single prison camp. They fill their pockets



“These are not normal societies as you and I know them; normal gestures are pointless.”

with dollars, and we fill our marketplace with goods made by cheap labour – 50¢ an hour compared to ten or twenty dollars in Canada.

Trade is important, but my interest is freedom. If we are going to do business with these countries, we have the opportunity to protest the conditions of their people. I know it’s delicate – I am a former diplomat – but it can be done effectively.

When I was in the company of diplomats at that embassy function in Ottawa, I told them what I’ve now told you. We cannot be bullied by North Korea. We cannot be cajoled into giving them aid that will be confiscated by the Party, or hectoring into treating them as a functioning society.

Human rights must be a cornerstone of diplomacy, and Canada should never remain silent when others lose their freedoms.

(*Editor’s note:* the author is a Conservative member of the Senate human rights committee, and founder of the Ottawa Vietnamese Non-Profit Residence Corporation).

Feds Win Big Farm Subsidy Case

The Department of Agriculture has won a multi-million dollar dispute over farm subsidies paid to Hutterite colonies. The judgment turned on a narrow definition of eligibility under a grant program, AgriInvest.

Prairie lawyers argued in Federal Court the department unfairly disqualified Hutterites from doubling up subsidies for separate corporate entities run by the same colony under the *Farm Income Protection Act*. The ruling saved the department \$342 million in payments to a total of 152 Hutterite colonies across the West.

The test case involved the River Road Hutterian Brethren, a prosperous colony of 22 families near Milk River, Alta.

Documents showed that, acting on the advice of a management consultant, the colony established a corporation separate from its farming operation, River Road Equipment Co. Ltd. Colony



elders then sought separate subsidies for both the colony and equipment firm through AgriInvest.

Under the program, farmers who deposit one percent of net sales in a savings account are eligible for matching government funds to a maximum \$22,500.

The agriculture department disqualified the Hutterite colony's second application, concluding the farm operation

and equipment company were one and the same.

In dismissing the Hutterites' claim, Federal Court Justice Michael Manson remarked: "Such an outcome cannot be said to be unreasonable."

"The applicants were formerly one business entity, then reorganized to become two taxable entities, and the (department) restricted the benefits the applicants received under the AgriInvest

program to what they received prior to the reorganization," wrote Manson.

The Hutterites' lead counsel, Scott Spencer of Robertson Stromberg LLP in Saskatoon, declined an interview.

Court was told that, in addition to the River Road Hutterian Brethren, 151 other colonies adopted similar corporate structures in applying for AgriInvest subsidies. Justice Manson noted the two-tier organization "was undertaken for legitimate business reasons", and was unrelated to eligibility for farm subsidies.

"The purpose of (AgriInvest) is to provide income protection for farmers," Manson added.

 BY STAFF

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"WE WERE SIMPLY LOOKING FOR A SMALL LEVY..."

Regulators at the Copyright Board of Canada have rejected a fee on secure digital memory cards despite an appeal from songwriters and publishers.

The board told *Blacklock's* the proposed tax on micro SD cards was not feasible on terms proposed by the Canadian Private Copying Collective, representing owners of intellectual property. The collective requested that memory card fees be collected retroactively for the first ten months of 2012 prior to enactment of new copyright rules.

"It would have triggered a hearing and been costly to everybody, knowing it could only apply for ten months and yield a limited amount of royalties for the artists," said

Gilles McDougall, the board's secretary general.

The board separately opted to maintain its current compact disc copyright fee at 29¢.

"The board recognizes that CDs are becoming used less and less often, but are still being used by individuals," said McDougall. "We will maintain the status quo until CDs have become obsolete."

The Private Copying Collective agreed there was no cause to raise the CD tariff, but said it remained opposed to the regulators' decision to waive copyright fees on micro SD cards.

"The board simply declined," said collective vice chair David Basskin, of the Canadian Musical

Reproduction Rights Agency. "It is a shame; we had evidence that copies were made and that we were legally entitled to collect the fees."

The copyright owners' proposal would have seen a 50¢ fee on micro SD cards of 1 gigabyte or less, with a \$1 tax on memory cards up to 7G and \$3 over 8G. The proposal was opposed by 21 corporate petitioners including the Retail Council of Canada, Samsung Electronics Canada, Panasonic, and other memory card manufacturers that described the proposed fees as "excessive."

"We simply were looking for a small levy," said Basskin. "People are willing to pay upwards of \$100, maybe \$150 for an iPod; they would have



no problem paying a dollar on a blank card."

The Copyright Board estimates 4.3 million blank compact discs are used annually in Canada to copy 112 million music tracks.

 BY KAVEN BAKER-VOAKES

Feds Publish Death Threat File

Newly-released documents expose the dark side of public life with the publication of an entire file of death threats against Prime Minister Stephen Harper.

The Prime Minister received his first written threat within days of taking office in 2006, and has since received 108 threatening notes and hate-filled emails – the equivalent of one every three weeks, according to records released through the *Access to Information Act*. Death threats are referred to police for investigation. The Prime Minister's Office does not comment on security matters.

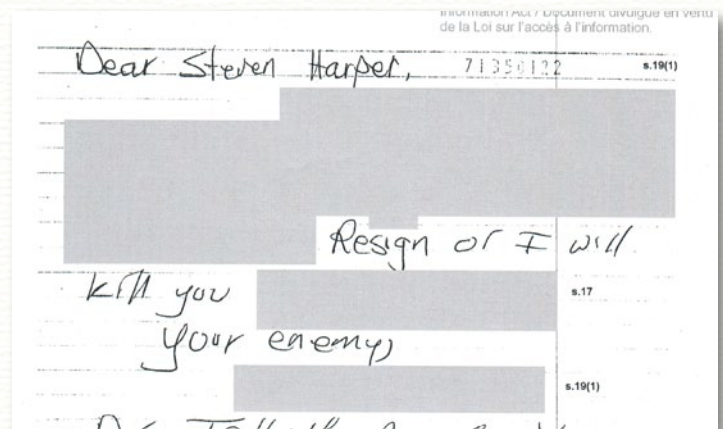
The majority of threats were typically misspelled, laced with profanity and overwhelmingly English. Of all written threats to Harper's office in the past seven years, only four percent were written in French.

Harper once joked that hate mail was an occupational hazard – “I can live with all these threats as long as they don't come from my caucus,” he

told reporters in 2006 – but later described the incidents as unnerving: “Unfortunately we live in an era where the Prime Minister of Canada faces strong security threats; I'm not informed about all of them. Obviously there's always been potential threats to people in high office, but when we're dealing in an era of global terrorism and these kinds of things, there are a disturbing number of threats to the country and specifically to whoever occupies the office of prime minister.”

A review of hate mail shows only a small number involve public policy issues: “Get out of Afghanistan”; “There will be blood on your hands if you do not reverse the decision to close the St. John's Marine Centre”; “110,000 people have signed a petition to end the terrible abhorrent seal slaughter and yet you chose to side with the killers!”

A larger number of threats came from pension and tax complainants, and unhappy passport and visa applicants:



“I am sick do death of having to explain myself to stooges on the ground.” The office also received unintelligible threats, as in: “How dare you kill of javascript”; “Is your name written in the Lamb's Book of Life?” “When I click on MSN search engine and write a name, for example ‘CNN’, then the results come up; but when I click on the CNN thing, it takes me to another place. Please stop doing this to me!”

Death threats against the Prime Minister have resulted

in two cases sent to trial. A Guelph, Ont. woman, Robin Gallant, was found not criminally responsible due to mental illness last May 5 after she contacted Harper's constituency office as many as twelve times a day, repeatedly threatening assassination. And in 2010 an Allan, Sask. man, Donald Lorenz, was sentenced to 12 months of house arrest after phoning a threat into Harper's office from a Saskatoon mall.

 BY TOM KORSKI

TRADE VERSUS HUMAN RIGHTS

Canada should use its pending foreign investment agreement with China as leverage on human rights abuses, says an MP.

Irwin Cotler, former Liberal justice minister, urged that the Government of Canada intervene in the case of Wang Bingzhang, a pro-democracy advocate jailed by the Chinese government for the past decade. The Mount Royal, Que. MP said China's human rights record contradicts the “framework” of relations with Canada.

“We have a whole set of joint commitments,” said Cotler; “Keeping (Wang) in solitary confinement in prison is really, in my view, breaching the whole framework of Canada-China relations and is a standing insult to those relationships.”

The Department of International Trade signed the *China-Canada Foreign Investment Promotion and Protection Agreement* on Sept. 9, 2012 but has not

yet ratified the terms designed to protect against discriminatory investment policies. Cabinet was expected to ratify the pact quickly, but concerns over the \$15.1 billion takeover of Calgary-based Nexen by the China National Offshore Oil Corp., a state-run enterprise, delayed that decision.

Alex Neve, secretary general of Amnesty International Canada, said human rights issues appeared of secondary importance during trade negotiations with China.

“I think the state of play around the agreement is a perfect example of where we need to turn that around (and) make sure that human rights considerations start to come to the fore in the exchanges, the negotiations, the implementation – anything to do with that agreement,” said Neve. “The investment agreement is a perfect example of one very concrete way to do so.”

The trade department refused comment on the Wang case.

According to his family, Wang was kidnapped in Vietnam in 2002 and tried in China the following year. He is currently serving a life sentence for “terrorism” and “espionage”.

Wang studied in Canada in 1979-82 at McGill University. His son, Times, told reporters on Parliament Hill that the experience influenced his father's outlook.

“When he got here, he saw that the democracy and values of Canada were exactly what his country needed,” he said. “And he decided that he would give up his career in medicine; as he said while medicine could cure the disease of individuals, it could not cure the disease of nation.”

China is one of 11 countries that have concluded *Foreign Investment Promotion and Protection* negotiations with Canada, with a further 20 agreements ratified.

 BY ALEX BOUTILIER

Police Notebooks Private, Says Court

Police notebooks are exempt from public scrutiny following a Supreme Court dismissal in the case of a Toronto man involved in a subway scuffle.

Kemal Direkoglu sued police alleging he was assaulted by constables at a train station on Valentine's Day 2003. Direkoglu subsequently sought access to handwritten accounts of the incident by police under Ontario's *Freedom Of*

Information Act.

"I find it unusual that a case like this would go to the Supreme Court," said Col. (Ret'd) Michel Drapeau, adjunct professor in access law at the University of Ottawa. "It involves energy and time to have pushed this so far."

Toronto Police Service declined to release officers' notebooks – a decision upheld by the provincial privacy commissioner and Ontario

Court of Appeal. Supreme Court judges said they would not hear testimony in the case.

Drapeau noted the Supreme Court typically weighs cases of national importance or pressing public policy.

"In this case I don't see where the issue of national interest is," said Drapeau. "Is there a necessity to interpret this particular clause in the municipal *Information Act*? I don't think so. Is there something to correct from

the decision of the *Access to Information* and Privacy Commissioner of Ontario? I don't think so."

Direkoglu claimed he was injured by police and alleged assault, malicious prosecution and conspiracy. He subsequently sued police in 2005 and represented himself in court after being denied Legal Aid representation.

 BY DALE SMITH

FEDS PROBE UNION BENEFITS

Cabinet's Treasury Board is examining how much public servants earn compared to workers in the private sector.

The board, headed by MP Tony Clement, former industry minister, confirmed it is budgeting up to \$1.77 million for a series of comparative studies on pay and benefits.

"They can commission whatever studies they want; we don't think it's a particularly effective use of resources," said David Orfald, director of planning and organizational development at the Public Service Alliance of Canada.

The alliance represents some

180,000 federal employees.

The Treasury Board declined *Blacklock's* request for an interview. It proposes to compare hourly wage rates and staffing levels between the private sector and "core" public services in federal departments.

Orfald noted that existing agencies like the Public Service Labour Relations Board have research capabilities: "It would be a lot more effective if, instead of contracting out some private researcher, they gave the board the resources it needs to produce studies that are done with the involvement of both parties."

This is not the first time the Treasury Board scrutinized public and private employee compensation and benefits. In 2006 James Lahey, then-associate director of the Treasury Board Secretariat, published a comprehensive study of salaries considered the most detailed of its kind, *Expenditure Review of Federal Public Sector*.

The study concluded there was "likely a small premium" in government salaries compared to the private sector in the 2002-3 period, and cautioned the rate of growth in government salaries had outstripped industry: "If this pattern of faster growth persists,

federal salaries on average will surpass those in the private sector by an increasingly significant margin."

Employee salaries and benefits for the Government of Canada totaled \$25 billion annually at the time of the 2006 study, but had declined in five of the previous ten years with successive austerity campaigns.

"In recent years there's been a lot of restraint imposed on public sector wage rates," said Orfald. "We think public sector salary increases are lagging behind what's taking place in the private sector."

 BY ALEX BOUTILIER

DUST BOWLS IN THE FORECAST



Scientists warn of hotter, drier summers in whole regions of the Prairies with a bleak long-range forecast for Alberta.

Research by the University

of Alberta anticipates "drier and drier" conditions as rising temperatures speed evaporation of what rainfall does occur.

"We are not talking about a lot of change in precipitation – in fact there may be a slight increase," said Dr. Richard Schneider, author of the study. "The story here is the effect of the warm temperatures driving moisture off the ground, which is important to vegetation."

"Depending on how the warming goes we are going to see a drier and drier landscape," said Schneider.

The report *Alberta's Natural Subregions Under A Changing*

Climate: Past, Present and Future, commissioned by the Alberta Biodiversity Monitoring Institute, projected a minimum 2° Celsius rise in temperatures over the next century.

"If you look at water bodies right from the southern prairies to the Canadian Shield, if we have roughly the same rainfall going in and more evaporating off then water levels will decline; its basic physics," Schneider said.

Under climate change models, the most extreme scenario would see a 6.5° temperature rise resulting in near-complete losses of boreal forests in northern Alberta.

"You will have a change in character in the forest," said Schneider. "Our forests are a complex mixed forest; you will remove the mixed character."

The researcher urged that agriculture and forestry planners work climate-change scenarios into long-range forecasting.

"Warming and drying will mean fire will become a really big issue moving forward," Schneider said. "We should make sure trees that are planted now are good for the next hundred years."

 BY KAVEN BAKER-VOAKES
[PHOTO CITY OF TORONTO ARCHIVES #1244-2181]

War And Hockey

War and hockey play prominent themes in Department of Canadian Heritage plans for the nation's 150th anniversary, according to federal records.

Documents detailing cabinet's sesquicentennial planning note the "over-arching theme" of observances will be Canada as a "strong and free" country forged in combat. Heritage Canada detailed no plans to mark achievements in science, engineering, invention, business, labour, arts, literature or federal legislation.

"These are all about Canada projecting itself as a world power," said Dr. Lorne Holyoak, president of the Canadian Anthropology Society. "This is Canada as a powerful nation state; it's pretty clear that's the story they want to tell."

A government-commis-

sioned survey by Leger Marketing found 53 percent of respondents "want to focus on our problems and challenges," according to documents released through the *Access to Information Act*. However, plans for the national birthday feature a succession of observances like the 2014 centennial of the First World War "to honour those who served"; the 2015 bicentennial of John A. Macdonald's birth; the 2016 anniversary of the Fenian Raids of 1866; and the 175th anniversary of Wilfrid Laurier's birth in 2017, along with the centennial of the Battle of Vimy Ridge that "saw Canadians defend the values upon which our country was founded – freedom, democracy and the rule of law," the department reported.

"This represents a certain view of Canadian history,"



said Holyoak; "The picture is incomplete; previous governments have also tried to create a narrative connected to a vision of Canada they wanted to create."

First War observances make no mention of the *War Measures Act*, conscription, centennial of the *Income Tax Act* in 2017 or hundredth anniversary of the National Research Council. Other milestones deleted from Heritage Canada planning include the bicentennial of the Métis victory in the Battle of Seven Oaks; the 75th anniversary of unemployment insurance; and the fiftieth anniversary of the Canada Pension Plan.

"It's pretty clear what story they are trying to tell," said

Holyoak; "Does it matter? Yes, because it is being used to create an idea of Canada that is propaganda."

Plans include a celebration of the birth of the National Hockey League, but no mention of the 125th anniversary of the Children's Aid Society. The government will observe the centennial of the Battle of the Somme in 2016, but failed to note that year marks the 125th anniversary of the birth of Nobel laureate Frederick Banting, co-discoverer of insulin.

The department acknowledged petitions from Canadians to restore British honours for the 150th anniversary, as well as rewrite the national anthem; expropriate Earncliffe, the former Ottawa home of John A. Macdonald that is now owned by the U.K. embassy; and hold hockey tournaments.

 BY STAFF
[PHOTO LOUISE IMBEAULT]

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I Like Me

The Department of Finance is giving itself high marks for accounting though it's missed its own deadline to balance the budget three times.

Deputy Finance Minister Michael Horgan, in a memo marked "SECRET", praised the treasury's forecasting prowess despite overestimating revenues in three of the past five years. Horgan's report *Fiscal Forecast Accuracy* was released through the *Access to Information Act*.

"Fiscal forecasting over the previous six years has been an extremely challenging task," wrote Horgan, who prepared the report for Finance Minister Jim Flaherty in preparation for the 2013 budget.

Flaherty has pledged that cabinet "is committed to balancing the budget in 2015 – period." The finance minister earlier promised to balance the budget in 2009, and didn't; then promised to balance it by 2016, a target subsequently revised – twice.

"There is no inherent bias in the revenue projections," wrote Flaherty's deputy, who noted that budgeting is hard: "Even if the economic and policy environment were certain, risks to the revenue projection would remain due

to the difficult in translating economic information into previous projections."

The confidential memo found "no apparent trend" in forecasting, but acknowledged a previous Liberal cabinet underestimated its budget surplus in 10 of 11 years, while the current cabinet overestimated revenues in 2008, 2009 and 2012.

The self-assessment comes as the Parliamentary Budget Office continues to press federal agencies that missed deadlines to provide documentation on this year's revenue and spending plans. The 2013-14 budget aims to reduce the deficit by more than \$7 billion, though the Department of Finance has not detailed cuts or revenue adjustments totaling that amount.

The budget watchdog earlier reported five departments flatly refused to provide the data it requested – agriculture, fisheries, human resources, labour and transportation.

And other branches of government failed to comply with requests for more information, including the departments of aboriginal affairs & northern development, Canadian heritage, defence, environment, foreign affairs, industry, justice, natural resources, parks, public safety and public works, as well as the



Canadian International Development Agency; Canada Air Transport Security Authority; Canada Border Services Agency; Canadian Security Intelligence Service; Communications Security Establishment Canada; Correctional Service of Canada; Marine Atlantic Inc.; National Research Council; Office of the Public Sector Integrity Commissioner; Parole Board of Canada; Privy Council Office; RCMP, Telefilm Canada and VIA Rail.

 BY TOM KORSKI

IT'S 80% CHEAPER IN LUXEMBOURG

Telecom regulators are reviewing rates and terms Canadians face for wireless roaming fees, ranked among the highest in the industrialized world.

The Canadian Radio Television and Telecom Commission issued a notice to more than twenty mobile phone carriers, requesting details of agreements on roaming charges; a breakdown of the top U.S. roaming traffic areas; and corporate roaming revenues since 2007.

Chris Seidl, the commission's executive director of telecommunications, told *Blacklock's* the review is the most extensive of its kind by the CRTC.



In a letter to telecom companies, Seidl noted: "Over the past year, the commission has been made aware of concerns with respect to the rates, terms and conditions associated with wireless roaming."

A 2011 study rated Canadian roaming charges three times higher than the OECD average, typically \$25 for 1 MB of data at the least expensive locations, compared to \$22 in the U.S.; \$20 in Mexico; \$16 in Chile; \$15 in Israel; \$13 in Japan and Poland; \$12 in Australia; \$11 in Japan; \$10 in Korea, New Zealand, Spain, Turkey and the Slovak Republic; \$9 in Germany and Estonia; \$8 in Austria, Belgium and Hungary; \$7 in the Czech Republic, the Netherlands and Switzerland; \$6 in Denmark, Ireland, Portugal, Slovenia, Sweden and the U.K.; \$5 in Finland, France and Norway; and \$4 in Greece, Iceland and Luxembourg.

"There is a strong case for the implementation of measures that seek to empower or protect consumers, as data roamers can be expressed to the phenomenon of so-called 'bill shock'," noted the research International Mobile

Data Roaming by the OECD's Directorate for Science, Technology & Industry.

Howard Maker, federal telecom complaints commissioner, said consumer anger has been fueled by surprise charges on "accidental roaming" in border communities, and roaming by international travellers.

"The most common issue is the bill shock: 'I went to the U.S. or Europe and now have a bill for \$4000,'" said Maker. "We have seen a lot of those complaints; they are problematic because of the big numbers."

The commissioner noted his office received more than two thousand complaints over roaming charges last year, adding: "My sense is those numbers have gone up significantly."

Maker continued, "This is exactly why our organization, the Commissioner for Complaints for Telecommunications Services, was created – to be an independent avenue of recourse for consumers who have issues."

The CRTC instructed all telecom providers to forward roaming data and revenues by a Sept. 27 deadline.

 BY KAVEN BAKER-VOAKES

Eat Generic?

The Department of Public Works is urging that federal agencies use generic terms, not brand-name labels, when contracting millions of dollars' worth of food and drink.

The department's *National Food And Beverage Procurement Strategy* recommends that federal buyers avoid specifying brand-name products when drawing up a "core list" of purchases from suppliers. The policy noted that brands may occasionally be unavoidable as shorthand for listing requirements.

Public Works officials were unavailable for comment.

"Suppliers of comparable products need to have a means to recommend alternatives, while respecting the

legitimate need of government departments to manage their product list," the department reported. "There is a cost to Canada to order products that will not be used, and for suppliers to offer products that will not be ordered."

Suppliers with legitimate complaints over "brand exclusivity" are entitled to forward samples to federal taste-testers, the department noted.

The government buys more than \$149 million worth of food and drink annually.

Public Works said the purchase policy was intended to ensure "maximum competition and access to suppliers", noting it did not affect supplies for specialty use like combat rations, military field kitchens, foreign aid or meal allowances for travelling officials.

Under the policy, departments must detail "core list" and "off list" requirements



in detail – such as sugar by the serving packet instead of 5 kg bag.

BY ALEX BOUTILIER

MISSING FROM THE MENU



The environmental impact of food production is secondary to producers and consumers alike, according to research by the Conference Board of Canada.

Surveys of food executives, farmers and shoppers determined the eco-impact of the trade is rated of lesser importance than costs, sales and taste.

"There are risk gaps everywhere along the supply chain and they all need to be addressed," said Dr. Jean-Charles Le Vallée, senior research associate with the board's Centre for Food in Canada.

The study *Addressing The Environmental Impacts Of The Food System*

noted widespread damage, from the landfilling of food discarded as waste to contamination of lakes and groundwater from agricultural chemicals.

"You need to clean up that water quality," said Le Vallée; "It would be very high on the list of issues that must be addressed first."

Researchers cited federal statistics that up to 60 percent of wells tested in agricultural districts show "unacceptable" levels of bacteria and nitrates, while 23% of surface water samples from the Great Lakes are contaminated with nitrates.

"There is a perception by farmers

that it is expensive to implement an environmental management plan," said Le Vallée. "The return is greater than the cost of investment."

A centre survey of 1,186 producers, processors and distributors in the food supply system found environmental performance was rated of lesser importance than cost reduction, customer satisfaction, food safety and higher sales.

A companion survey of 1,056 Canadian householders also determined shoppers rate environmental issues as secondary: "Consumers, it seems, do not let environmental concerns trump concerns over nutrition, quality, safety or price."

Households are the leading cause of food waste in Canada, estimated at \$28 billion annually.

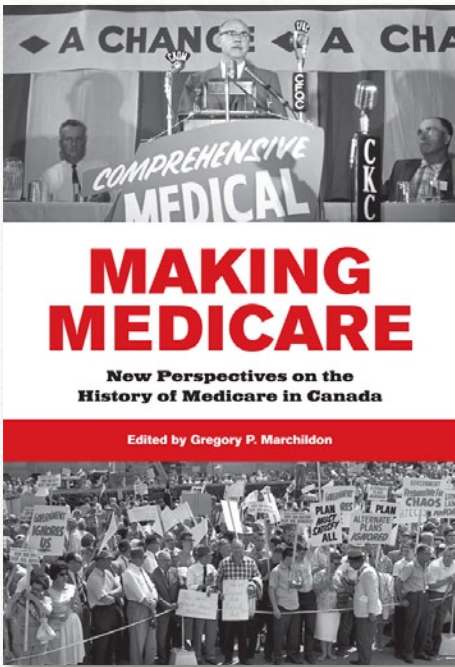
"If we reduced food waste we wouldn't need to produce so much," said Le Vallée.

Reasons given by shoppers for throwing out food included expiry of "best before" dates (29 percent), excessive purchases (23%), big package sizes (24%) and finicky eaters in the family (13%).

"Much consumer waste could be eliminated," the centre reported; "The major reasons for food waste relate to household knowledge, skills and behaviour."

BY KAVEN BAKER-VOAKES

REVIEW: IT BEGAN IN OLD PERLICAN



After nearly a half-century of national medicare, people agree (mostly) that the system works (generally). It is a fact of life and death in Canada. Yet, as editor Gregory Marchildon notes, the story of universal health insurance is little known.

“Why have historians devoted so little attention to the history of medicare?” asks Marchildon. There is no single inventor, no drama, no arresting narrative. It is the story of patchwork initiatives that evolved over generations.

Making Medicare fills the void. Contributors in a series of essays recount the Canadian struggle for public health insurance. The result is insightful and surprising – like the story of the “cottage hospitals” of Newfoundland & Labrador.

In 1936 Newfoundland, then a British colony, opened its first public hospital in the fishing village of Old Perlican. In time nearly two dozen cottage hospitals were established across the island.

The timing was desperate. Newfoundland had bankrupted itself in 1934. Half the province was out of work, and debt payments comprised 65 percent of the island budget. Newfoundland was so broke its premier offered to sell Labrador to the Government of Canada for \$110 million.

Instead the colony suspended its constitution and surrendered its sovereignty to Britain.

“The unforgettable thing about Newfoundland for most of those years before Confederation is that we were poor,”

wrote Joey Smallwood. “We were a poor people, a poor country; the poorest in North America.”

The island had the highest infant mortality rate in the English-speaking world. Tuberculosis was epidemic. Harold Horwood, a member of Smallwood’s cabinet, later recalled that with cod and molasses few Newfoundlanders actually starved, but were malnourished and underfed: “Outport Newfoundlanders had always lived off the land, and they continued to do so, right through the 1930s. Most of them were very poor; their houses were unpainted; their clothing wore out and could not be replaced; thousands of children had no boots or shoes, and some of them stayed out of school because of lack of clothes.”

Outside St. John’s, there were only five hospitals in all Newfoundland – including two clinics owned by paper mills, and a mining company hospital in Buchans. The alternative to public hospital insurance was no insurance at all.

Under U.K. administrators, the island adopted a public health system modeled on a program in the Scottish Highlands. The cottage hospitals had up to 30 beds; each had a doctor on government salary; families paid an annual premium of \$5 for unlimited medical care.

It was “one of North America’s earliest efforts at publicly-funded health care,” notes Making Medicare. The system survived Confederation through to the introduction of Parliament’s 1957 Hospital Insurance and Diagnostic Services Act that subsidized all provincial insurance plans.

Today only a handful of cottage hospital buildings remain in Newfoundland.

And the Old Perlican hospital, first of its kind? It was rebuilt and renamed in 1986, and remains in service.

BY HOLLY DOAN

Making Medicare: New Perspectives on the History of Medicare in Canada edited by Gregory P. Marchildon; University of Toronto Press; 336 pages; ISBN 9781-4426-13454; \$39.95



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“ZOMBIES”

a poem by Shai Ben-Shalom

Dead organisms
buried,
decomposed,
turned into crude oil,
waiting.

Until they are brought to the surface,
eager to make contact
with today’s living organisms,
drag them across the boundary
that separates life
from death.

The list is long –
Exxon Valdez;
the Persian Gulf;
BP Deepwater Horizon –
but revenge-seeking zombies
are looking for more
than just fish,
ducks,
otters.

In the late night hour,
a tanker train
starts its way
to Lac-Mégantic.

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

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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, re-appointed 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

Fr chet, Jean-Denis – of Ottawa, appointed Parliamentary Budget Officer, Aug. 30

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, with a salary in the range of \$104,600 to \$123,000, Sept. 30

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

Lemay, Joanne – of Ottawa, appointed Ambassador to Romania, August 23

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, re-appointed Federal Ombudsman for Victims of Crime, with a salary in the range of \$121,700 to \$143,100, Aug. 16

Paradiso, David – of Ottawa, appointed interim chair, RCMP External Review Committee, with a salary in the range of \$139,900 to \$164,500, Aug. 1

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

Saccomani, Bruno – of Ottawa, appointed Ambassador to Jordan, with a salary in the range of \$131,200 to \$154,300, August 30

Taylor, Richard – of Ottawa, appointed Deputy Commissioner, Civil Matters Branch, Competition Bureau, Sept. 16

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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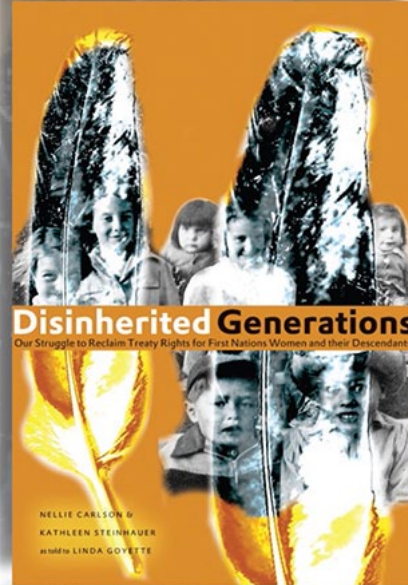


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