

In Greece, a new government pushes back against austerity

By Bruce Campbell

On January 25, a political earthquake brought the left-wing Syriza coalition to power in Greece with a sweeping mandate to end the six-year nightmare of economic austerity imposed by the European financial and political establishment.

Following the 2008 global financial crisis, the troika of the European Central Bank, European Commission and International Monetary Fund, backed by Germany, forced Greece to accept US\$275 billion in bailout loans. The money went largely to servicing existing debt, and it was conditional on implementing harsh structural adjustment reforms. Under troika-mandated austerity, the Greek government has been forced to cut its budget by 38%, achieved by gutting public services, laying off thousands of employees, and slashing retiree pensions by 40%,

among other measures. The Greek economy (GDP) shrunk by one-quarter, unemployment rose to 28% (almost 60% for youth), and average wages fell by 40%. Canada has never experienced anything comparable, not even in the depths of the Great Depression.

Despite increasing taxes on middle- and lower-income groups—income tax now accounts for 44% of Greece's GDP—the economic collapse has meant tax revenues have continued to fall.

Meanwhile, wealthy elites and large corporations have maintained virtual immunity from taxes through their access to offshore tax havens and corporate transfer pricing. This has driven up Greece's debt burden, from 125% of GDP at the time of the global financial crisis to 175% today. For the last two years Greece has been forced to run a primary fiscal surplus (before debt service payments) equivalent to 4.5% of GDP, all of it remitted to European public sector creditors.

The troika framed its blueprint as short-term pain for long-term gain, but it has been nothing of the sort. In effect, the punitive conditionality of the bailout package has been a recipe for long-term pain without a glimmer of recovery. Restructuring of the Greek debt was never in the cards. Leaked minutes from a May 2010 IMF board meeting revealed the true purpose of the loans: "[They] may be seen not as a rescue of Greece, which will have to undergo a wrenching adjustment, but as a bailout of Greece's private debt holders, mainly European financial institutions."

During the first eight years of the euro zone common currency, banks in the countries with balance-of-payments surpluses (mainly Germany) chose to recycle their wealth by lending irresponsibly to Greece and other deficit countries in southern Europe with little capacity to repay. It created the illusion of prosperity, or what has been described as Ponzi Growth. The 2008 global financial crisis, triggered by fallout from the subprime mortgage lending fiasco, exposed this fatal flaw in euro zone.

Greece was effectively insolvent but not allowed to declare bankruptcy for fear (in Berlin, Brussels and the banks) that it would set off a chain reaction in southern Europe. The troika insisted on bailing out failed banks with no conditions and no questions asked while making draconian demands on insolvent countries.

To justify their actions, policy-makers and much of the news media propagated a narrative of debtor country profligacy. A speedy return to growth could only happen if these sluggish economies took some strong medicine, to boost confidence among private investors and financial markets. As U.S. economist Paul Krugman commented after the election, "Both the European Commission and the European Central Bank decided to believe in the confi-

(Continued on page 17)



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Editorial

Over the last few years, a great evil has been descending upon our world, an evil which has been growing more and more powerful: violent jihadism...

— Prime Minister Stephen Harper on January 30.

We are going to destroy the basis upon which they [the wealthy and political elite] have built for decade after decade a system, a network that viciously sucks the energy and the economic power from everybody else in society.

— Greek Finance Minister Yanis Varoufakis.

The *Monitor* doesn't normally have a theme but this month there are two: the electoral transition in Greece toward a more meaningful democracy, and the discouraging shift in the opposite direction—in the form of unnecessary but politically useful anti-terrorism reforms—here in Canada.

We decided to feature the more positive of the two situations on our cover. Bruce Campbell's analysis of the meaning of Syriza's January 25 win, notably for Europe's austere social-democratic parties, continues on page 17. It's followed by an article from Asad Ismi on the possibility of a Greek exit from the euro zone, and a warning against it from Greece's "rock star" finance minister, the self-styled "erratic Marxist" Yanis Varoufakis.

The excerpt is taken from a speech Varoufakis gave in 2013, in which he disputes the idea, attributed to Lenin, that things must get much worse before they get better, that a more equitable social economy must grow out of depravity. The problem, he says, referring to Thatcher's England but applicable elsewhere, was that things clearly could just stay bad. Prolonged recession could actually reinforce the economic system that produces it while sucking air out of any progressive or left alternatives.


The irony is that things probably did have to be as bad as they were in Greece for Syriza to get elected. But this is not what Varoufakis is worried about. He and his government are concerned not to make things even harder for the Greek people. An even deeper and more painful financial crisis, triggered possibly by leaving the euro zone, would certainly benefit "Golden Dawn, the assorted neofacists, the xenophobes and the spivs" before it helps a progressive left, he says.

The Canadian and Greek economic situations generally are not comparable, though for many of Canada's working poor, the system throws up just as many barriers to the "good life," as Dianah Smith describes in a series of personal vignettes on page 29, with class and race important among them. Not surprisingly, the economy is still the most important priority in pre-election opinion polls, with the threat of terrorism at the bottom of most lists.

Like the Greek bailout negotiations, the debate over Canada's new security legislation—bills C-51 and C-44 in particular—is moving quickly. As I write this, C-44 is with the Senate. The legislation authorizes CSIS to operate abroad and in ways that might contravene foreign or international law, and that could put Canadian lives at risk, according to Canada's privacy commissioner. Bill C-51 creates a new offence of promoting terrorism, defined broadly, and gives CSIS agents more policing powers at home—powers they have not had since the spy agency's first recruits were still members of the disbanded RCMP Security Service.

Paul Weinberg calls them the "bad old days" of Canadian spying in his feature on page 24 about the RCMP's disruption of progressive organizations like Praxis in the 1970s. C-51, which many experts believe could bring those days back, was just being debated by the House of Commons when we went to print, with the NDP and Greens lining up against, and the Liberals saying they will support it and bring in accountability measures if elected. There is a detailed legal primer on C-51 by Clayton Ruby and Nader R. Hasan on page 21.

In the same section (page 27), Joyce Nelson draws the links between these new security laws and a private member's bill on protecting Canada's critical infrastructure, including, possibly, from environmental protestors—the "anti-petroleum" movement, as the RCMP refers to them in a recently leaked internal memo. My interview with Roch Tassé on page 14 touches on the evolution, across Liberal and Conservative governments since 2001, of the idea that Canada's economic security is equivalent to its national security, enforceable through all the same tools used to combat what we now call terrorism. *(Stuart Trew)*

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HENNESSY'S INDEX

The Appeal of Middle-Class Economics

52 – Percentage of Canadians who self-identify as middle class when asked to describe their “social and financial place in society,” according to a November 2014 Pollara poll.

73 – Percentage of Quebecers who said they were middle class—the province most likely to do so, followed by Alberta (57%), the Prairies (47%), B.C. (46%), Atlantic provinces (44%), and Ontario (43%).

57 – Percentage of men who said they think of themselves as middle class, compared to 47% of women.

67 – Percentage of Canadians earning between \$60,000 and \$100,000 who said they're middle class. For context, the 2012 after-tax median income of all families consisting of two or more people was \$71,700.

3 – Percentage of Canadians who considered themselves upper class, thank you very much.

36 – Percentage of Canadians who said they're working class, not middle class.

9 – Percentage of Canadians who considered themselves poor. For context, Statistics Canada said 16.3% of children under 17 lived in low-income households in 2012.

82 – Percentage of self-described middle class Canadians who own their home: home ownership is a very middle-class symbol in Canada.

49 – Percentage of Canadians who said they feel confident they can move up the socio-economic ladder through hard work, though the answer differs greatly depending on where you sit along the income ladder.

20 – Percentage of self-ascribed poor Canadians who said they are confident in merit-based social mobility, compared to 47% of the working class, 53% of the middle class, and 73% of the upper class.

45 – Percentage of Canadians who are optimistic about the future of Canada's middle class.

90 – Percentage of Canadians who don't feel financially secure.

Sources: “Only one-in-ten Canadians feels financially secure,” The Pearson Centre for Progressive Policy, January 14, 2015; “In Search of ‘The Middle Class’: Canadians Under Financial Stress,” The Pearson Centre for Progressive Policy, November 2014; and “Poverty In Canada: 1 In 7 Lived In Low-Income Families In 2012, StatsCan Says,” *The Canadian Press*, December 10, 2014.

Hennessy's Index is a monthly listing of numbers about Canada and its place in the world compiled by the CCPA's Trish Hennessy. For previous months, visit www.policyalternatives.ca/index.

Maximum wage to “lift all boats”

Perhaps in the upcoming election consideration should be given to a maximum wage as well as a minimum wage. If the maximum wage would be set at some multiple of the minimum wage, say 40 times or 100 times, then if the maximum wage went up so too would the minimum wage. Equally, an increase in the minimum wage would lead to an increase in the maximum wage. This, I suggest, would finally achieve the oft-stated promise of a “rising economic tide lifting all boats.”

M. Key, Sundridge, Ont.

Carbon taxes should be revenue neutral

The editorial by Seth Klein was very good until it addressed the question of what to do with the revenue from a carbon tax (“Now is exactly the right time to regulate oil and gas,” February 2015). I am a strong supporter of returning it equitably to the people. That way, it is carbon progressive; that is, those that emit the most will benefit the least.

A revenue-neutral tax is also consistent with the belief that governments are not skilful in designing a low-carbon economy, and it avoids the fear of a government grab for new taxes, which is anathema for Conservatives, Liberals and probably also NDP supporters. It is a most important first step and can be followed with other targeted approaches for specific emissions. I recommend a carbon fee and dividend approach, which is supported by James Hansen, the foremost climate change scientist and activist, and also by the Green Party.

D. Kerr, Collingwood, Ont.

Harris deserves an A grade

The first third of Richard Nimijean’s review of Michael Harris’s *Party of One* (February 2014) is about the book. The other two-thirds is about Mr. Nimijean as he marked Harris’s effort and gave it a C+ grade. The suggestions made to this good student appear to be notes for a book about Harper the reviewer will never write. *Party Of One* is the best book yet on Harper’s attack on the Canada that Canadians built from 1867 to 2007. It deserves to be read by as many thinking voters as possible.

R. Harlow, Mayne Island, B.C.

Science and human development

Of the many wrongs treated by Stephen Lewis in his Symon lecture (“A socialist takes stock,” February 2014), the muzzling of scientists is the most damning. Harper’s worst move was to

replace his science and technology advisor with the Science, Technology and Innovation Council, which reports to the Minister of Industry. As University of Toronto biochemistry professor Larry Moran has noted, the role of the council is to promote technology, not give advice. In other words, it is there to promote unlimited and unsustainable growth.

If, and it’s a big if, the Conservatives lose the upcoming election, the first thing a new leader should do is have the science and technology council report to the Prime Minister’s Office, and staff it with scientists devoted to maximizing the societal benefits of sustainable growth. Moreover, the council should be independent and include representatives from charities and NGOs, for they pursue the same goal as scientists by minimizing the societal costs of development.

B. Unitt, Brampton, Ont.

Celebrating our successes

Ed Finn needs to change his tune. His latest article (“Klein has shown us Goliath,” February 2015) is rife with cynicism as he casts doubt on the effectiveness of efforts by both politicians and environmental activists to fight climate change. He lauds Naomi Klein’s ideas in her latest book, all the while downplaying their potential impact as *This Changes Everything* slides from bestseller lists. What is the purpose served by expressing such a bleak outlook?

Up until now, readers of the *Monitor* have no doubt assumed it is better to know the dirty truth than to live in the bliss of ignorance. Understanding reality is, of course, key to solving the problem. But this assumes a solution exists; and once we pass the “tipping point” towards runaway climate change, there is, by definition, no more solution. What then? Does the progressive movement disband? Does the fight for justice and income equality disappear when we realize the planet can no longer, even theoretically, provide enough abundance for all to share?

I wonder, at what age would Finn have us transfer his gloomy outlook onto our children who inherit “ecological Armageddon?” And yet, for adults as well as children, the sort of fear emanating from Finn’s writing can be as paralyzing as that which comes from Stephen Harper’s mouth. For progressive voices to be effective, they must include motivation and encouragement, not reminders that most of our efforts are futile. What’s more, a positive approach is just as important today, while there is still time to avert collapse, as it will be later.

Organizations like 350.org seem to understand this and make sure at least half their Facebook postings report good news. Indeed, I’d much rather read about activists’ successful shutdown of the Toronto Stock Exchange on Divestment Day than about Finn’s inability to summon “more than a smidgeon of optimism.” We need to continually imagine the world we want, built on our successes, small though they may sometimes appear.

L. Maybam, Terrebonne, QC



A just transition for energy workers

“Just transition” is an approach to environmental policy-making developed by the labour movement that aims to minimize the impact of environmental policies on workers in affected industries and communities, and to involve workers in decisions about their livelihoods. A new report from the **Climate Justice Project**, co-authored by **Karen Cooling, Marc Lee, Shannon Daub** and **Jessie Singer**, draws on extensive interviews with resource sector workers in several industries to inform a strategy that ensures climate action doesn’t worsen already high levels of economic insecurity in resource-dependent communities.

“Participants cited cases of families having faced extreme instability due to lost incomes, including drug and alcohol addiction, increased domestic violence, divorce and the impact of stranded assets (for instance, when a factory in a resource-dependent town closes, the local residential housing market becomes glutted with properties, which forces down property values),” says the report, *Just Transition: Creating a green social contract for B.C.’s resource workers*.

Based on these interviews, the authors propose broad parameters for what a just transition strategy could look like in B.C., including levying a fund on the oil and gas industry, increasing public ownership of resources and considering other alternative modes of development, investing in apprenticeships and advance training programs, extending income security (EI) for up to four years, and more worker and family supports for when a person loses his or her job.

The Climate Justice Project is a five-year research project led by the CCPA–BC and the University of British Columbia that studies the social and economic impacts of climate change, and develops innovative green policy solutions that are both effective and equitable.

Why capture carbon when you can eliminate it?

SaskPower opened its \$1.5 billion



Boundary Dam Carbon Capture and Storage (CCS) Facility to much fanfare, with Premier Brad Wall hailing the project as “another Saskatchewan first.” A new report from CCPA–SK questions whether the rewards from such an investment outweigh the risks. Authors **Brian Banks** and **Mark Bigland-Pritchard** conclude the massive investment in CCS technology would have been much better spent on new, less expensive renewable sources of energy that would have reduced greenhouse gas emissions much more efficiently.

Ontario school boards short-changed

Ontario has been putting pressure on the Toronto District School Board to make cuts amidst swirling controversy about trustee spending. But what’s at the heart of the problem? CCPA research associate **Hugh Mackenzie** has been tracking the flawed provincial funding formula for education since former premier Mike Harris first implemented it in the late-1990s. In a new report, *Harris-Era Hangovers*, Mackenzie summarizes the chronic underfunding that school boards across Ontario (Toronto in particular) have been struggling with for almost two decades. Until the province fixes the funding formula itself, Mackenzie predicts more headaches for Ontario trustees.

Budget busting in B.C.

On February 17, as B.C.’s finance minister wrapped up his budget speech in the provincial legislature, CCPA–BC economist **Iglika Ivanova** posted “11 things you need to know about BC Budget 2015” on the Policy Note website. As the infographic on this page suggests, the budget was lopsided in the

interests of big earners, corporations and polluters while underfunding public services, increasing Medical Service Plan premiums, and all but admitting defeat on the BC Jobs Plan.

“We ended 2014 with a nearly \$1 billion surplus. The economy is projected to grow by 13% over the next three years (nominal GDP). The government can no longer plead poverty and can certainly afford to begin implementing the \$10/day child care plan, a comprehensive poverty reduction plan,” wrote Ivanova. “Unfortunately, Budget 2015 prioritizes recording a large surplus over real action on pressing economic, social and environmental problems. This is a shortsighted budget that lacks vision and leadership.”

Great expectations for The Rock

In January, the CCPA’s Nova Scotia office released a report by **Deatra Walsh, Mary-Dan Johnston** and **Christine Saulnier** called *Great Expectations: Opportunities and Challenges for Young Workers in Newfoundland and Labrador*. The report, which draws on the experience and insights of youth and employers, follows up on extensive research undertaken to develop a Youth Retention and Attraction Strategy for the province. It identifies clear tensions between the needs and expectations of young workers and employers.

“While it is true that young workers’ expectations of high wages and rapid advancement in work they find fulfilling may be unrealistic given the current economic climate, so too are employers’ expectations that young workers will be ready and able to commit to positions with little security and minimal training, especially if pay is low and benefits are absent,” explained Walsh, the primary author on the report.

For more blogs, reports, commentary and infographics from the CCPA’s national and provincial offices, visit www.policyalternatives.ca. You can also join the conversation on Facebook, and follow us on Twitter @ccpa.



Investor–state claims out of control

By Scott Sinclair

Over the last two decades, Canada has been sued more times than either Mexico or the United States under the controversial investor–state dispute settlement (ISDS) mechanism in the North American Free Trade Agreement (NAFTA). The situation is getting worse.

As explained in our latest update and commentary, *Democracy Under Challenge: Canada and Two Decades of NAFTA’s Investor–State Dispute Settlement Mechanism*, the number of ISDS cases against Canada is rising sharply, with over 70% of all NAFTA claims since 2005 being brought against the Canadian government. From 1995–2005, there were 12 claims against Canada while in the last 10 years there have been 23, or nearly double. As of January 1, 2015, 45% of NAFTA claims (35 cases) were made against Canada compared to 22 against Mexico and 20 against the U.S.

It is apparent that the federal government’s strong ideological commitment to ISDS, and its willingness to settle and pay compensation, is encouraging investor–state claims against Canada. As a result, Canada has now been sued more times through investment arbitration than any other developed country in the world.

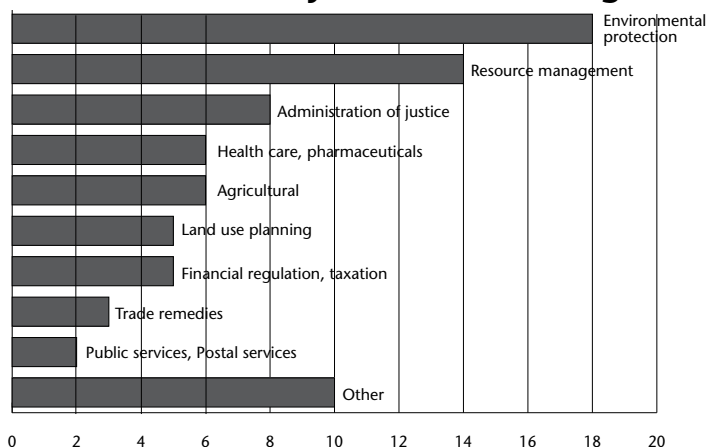
It was not supposed to play out this way, at least that’s what NAFTA’s proponents claimed when the agreement was signed. ISDS was needed, they said, to address concerns about corruption in the Mexican court system. But most investor–state challenges since 1995 have involved public policy and regulatory matters: 63% of claims against Canada relate to environmental protection or resource management measures.

Currently, Canada faces nine active ISDS claims on a wide range of government measures that allegedly interfere with the expected profitability of foreign investments. These include challenges to a ban on fracking by the Quebec provincial government (Lone Pine Resources); a decision by a Canadian Federal Court to invalidate a pharmaceutical patent on the basis that it was not sufficiently innovative or useful (Eli Lilly); provisions to promote the rapid adoption of renewable energies (Mesa Power); a moratorium on offshore wind projects in Lake Ontario (Windstream Energy); and the decision to block a controversial mega-quarry in Nova Scotia (Clayton/Bilcon).

Canada has already lost or settled six ISDS claims, paid out damages totaling over \$170 million, and incurred tens of millions more in legal costs. Mexico has lost five cases and paid damages of US\$204 million (\$257 million). The U.S. has never lost a NAFTA investor–state case, implying a bias among arbitrators that is likely related to concern about how Congress would react to having its sovereignty challenged in this way.

Proponents of ISDS in trade and investment agreements suggest Canada’s financial losses are not significant enough to be a problem. But as the number of cases against Canada increases, so too does the average amount of relief sought. The total amount of compensation sought by foreign investors in the

NAFTA claims by measure challenged



nine active ISDS cases against Canada is a staggering \$6 billion.

The pervasive threat of investor–state challenges under NAFTA Chapter 11 has the further effect—intended by its adherents—of putting a chill on public interest regulation. Canadians and their elected officials should be deeply concerned. Unfortunately, compared to other parts of the world, there is surprisingly little political debate about the corrosive influence of ISDS on public policy and democracy in Canada.

As Naomi Klein argues persuasively in her latest book, meeting humanity’s global challenges, including reining in multinational financial firms or addressing the existential threat posed by rapid climate change, will require more, and more assertive, government intervention and regulation. Extreme investor rights agreements, including NAFTA’s Chapter 11, are relics of an era when market fundamentalism—the belief in the virtues of fully liberalized markets—was the prevailing political wisdom. It is time to move on.

Scott Sinclair is a senior research fellow with the CCPA and director of the centre’s Trade and Investment Research Project.

* * *

Small business tax cuts: Been there, done that

By Kaylie Tiessen

In the prelude to the 2015 federal election, NDP Leader Thomas Mulcair is talking about job creation in southwestern Ontario. He’s promising more small business tax cuts and credits as his entry point. It’s the political norm these days to promote low business taxes, but in reality the idea is already old hat.

About a year ago, Canada’s Department of Finance released a report outlining the changes in effective tax rates for small businesses (or Canadian-controlled private corporations, CCPCs, as they are called in tax language) between 2000 and 2011. It showed that at both the federal and provincial level these taxes have decreased dramatically since 2000: a small business with \$500,000 in taxable income now pays less than half the combined federal and weighted average provincial corporate income tax it

would have paid just 13 years ago.

This dramatic decrease is the result of two changes. First, the business limit—the ceiling on the corporate income eligible for the small business deduction—increased from \$200,000 in 2000 to \$500,000 in 2009. This resulted in more (and higher-earning) businesses being eligible for the deduction.

The second change over this period was a reduction in the tax rate applied to small businesses across Canada. The weighted average provincial and territorial rate decreased from 6.9% in 2000 to 4.3% by January 1, 2014. The federal small business tax rate was 13% in 2000 but by January 1, 2014 it had dropped to 11%. During this same time period, Ontario's small business tax rate dropped from 7% to 4.5%; B.C.'s from 5.13% to 2.5%; Saskatchewan's from 8% to 2%. Small businesses in Manitoba went from paying a 7% provincial tax rate 13 years ago to nothing at all (at the provincial level) today.

In this context, the federal New Democrats now want to lower the small business tax rate even further—to 10% immediately and 9% as soon as finances permit. It echoes an Ontario NDP promise to lower the small business tax from 4.5% to 3% if elected in the recent provincial election (they weren't). It was an ill-advised proposal then and it is again now.

The cuts are promoted as an incentive for small businesses to reinvest their earnings and create jobs. It is not exactly working out that way.

Data from Statistics Canada (Labour Force Survey estimates, Table 282-0011) reveal that between 2000 and 2013 the number of incorporated self-employed individuals in Ontario increased by more than 40%. Across Canada 43% of all self-employed individuals are incorporated. Furthermore, the share of self-employed individuals with no employees increased from 12% to 20% over the same time period.

More than 50% of incorporated small businesses in this category (i.e., without employees) were involved in the following sectors: construction, professional, scientific and technical services, finance, insurance, real estate, health care and social assistance. It appears that the combination of federal and provincial business tax changes is inducing self-employed, high-income earners (e.g.,

doctors, lawyers, accountants and small consultancies) to incorporate to take advantage of lower tax rates.

As CCPA-ON researcher Hugh Mackenzie pointed out in a recent Behind the Numbers blog, we don't normally think of these people as small business owners. But they are able to pay a much lower marginal tax rate than the average wage earner simply by incorporating as a business (which is naturally attractive when the option is available). It provides a way for high-earning individuals and families to reduce their taxes as well as their contribution to public services that build equity and fairness into the economy.

This tax policy is one among many factors contributing to income and wealth inequality in Canada. It is also undermining fiscal health and the government's ability to pay for the services Canadians benefit from. After 14 years of the same old pattern, it is worth noting that more could be achieved through investing in public services than can be achieved through tax cuts that don't deliver their intended results.

Kaylie Tiessen is an economist with the CCPA-Ontario. Follow her on Twitter: @KaylieTiessen

* * *

What if First Nations (and their poverty) were counted?

By David Macdonald

Kudos to the *Globe and Mail* for its January 23 front page story highlighting the official unemployment rate does not count First Nations reserves. You heard that right: First Nations reserves, some of the poorest places in the country, are not included in official unemployment data.

As unbelievable as that sounds, the reality is worse. Reserves are routinely excluded from all regularly updated measures of poverty, wage growth, average incomes, etc. The exception to this rule is during a census (every four years). And, as a result of legislation making the long-form census voluntary, concerns have been raised about the future reliability of these data. Otherwise, reserves, some of the poorest places in Canada, are statistic-

free zones. Out of sight, out of mind.

As someone who works regularly with Statscan data, this was hardly news to me. But I'm glad the issue has finally gotten the attention it deserves. How can we have an accurate picture of what's happening in Canada when we're deliberately excluding some of the poorest parts of our country from our basic statistics?

So what might unemployment in Canada look like if reserves were included?

Since this data isn't collected monthly, the only reliable figures are from the first week of May 2011, when the National Household Survey (NHS) was conducted. The seasonally unadjusted unemployment rate for Canada was 7.6% at that point, which was close to the comparable Labour Force Survey (LFS) estimate of 7.5%. But on reserves it was a shocking 22%. Had reserves been included in the calculations, the Canadian unemployment rate would have been 7.8%, not the official 7.6%.

When reserves are included in the calculations, the employment rate (i.e., the proportion of the working age population that has a job) falls from 61.1% to 60.9%—pretty incredible considering people on reserves make up only 1% of the Canadian population.

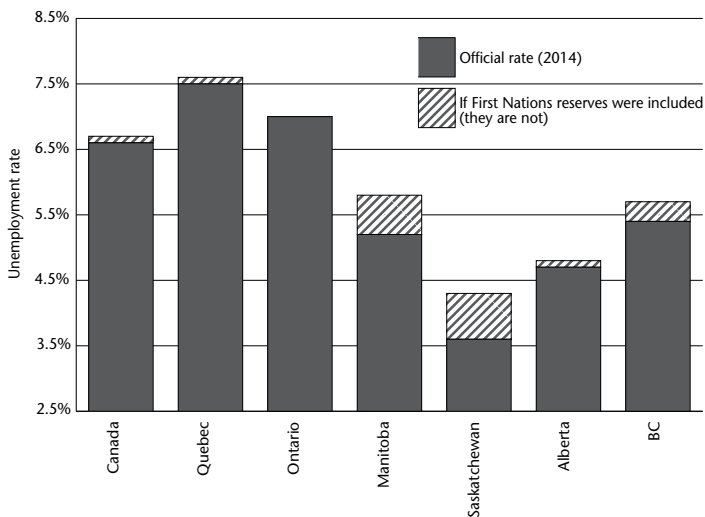
That's for 2011. But what would it look like today?

The graph shows that when reserves are included the unemployment rate is a little worse than the official statistics indicate for Canada, Ontario and Quebec. But it is substantially worse for the Prairie provinces and British Columbia. If everyone were counted, including people living on reserves, the unemployment rate in December 2014 would have jumped from 5.2% to 5.8% in Manitoba, from 3.6% to 4.3% in Saskatchewan, and from 5.4% to 5.7% in B.C.

What if the jobless on reserves were counted? Excluding the poorest places in Canada from basic data collection may paint a rosier picture but certainly not a truthful one.

Canada has a responsibility to First Nations peoples who live on reserve; they deserve to be counted. Yes, that will cost more money. But not including people on reserves in data gathering ignores the appalling poverty that successive governments have both facilitated and

What if the jobless on reserves counted



allowed to deepen for generations in this wealthy country.

Notes for stats nerds: These calculations are approximations. The on-reserve designation was imputed by using band membership crossed with non-CMA locations from the NHS Individuals PUMF. It is clearly not perfect and should be treated as a proxy. This approach, while fast, overestimates the number of people on reserves. I'm applying differences in non-seasonally adjusted figures from 2011 to seasonally adjusted LFS data from Dec 2014. Those differences may not hold, although there is really no way of knowing since reserves aren't included in the LFS.

Regular data collection should happen on reserves, but the blame for this not happening should not be placed entirely at the feet of Statistics Canada. It's more expensive to collect data on reserves, particularly if they are remote. Austerity-driven budget cuts have significantly strained the department's resources.

David Macdonald is a senior economist with the CCPA. Follow him on Twitter @DavidMacCdn.

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The case against a revenue-neutral carbon tax

By Marc Lee

I'm a fan of carbon taxes, but increasingly they come with the term "revenue-neutral" attached. Advocates of neutrality, many of them from B.C., are promoting this province's carbon tax in other jurisdictions, including Ontario. They base their arguments on a naive view that once you put a price on carbon (to change marketplace incentives) all becomes well. In reality, revenue neutrality is a bug, not a benefit, of B.C.'s carbon tax framework.

First of all, while economists love the idea, most ordinary people simply don't get it. To be revenue neutral, a carbon tax must somehow flow back out of government coffers, typically as an income tax cut, or else as tax credits or a fixed dividend. In some cases people don't believe this is going to happen as promised, and in B.C. they would be right: two-thirds of carbon tax revenues have been used to support corporate

income tax cuts.

More importantly, while people may not like paying taxes, when they do they want to see that money build stuff. That is how people understand taxes. And we will need to build a lot of stuff to get us off fossil fuels: walkable and bikeable communities, public transit, energy-efficient buildings, zero-waste systems, renewable energy, forest conservation and other stewardship measures, etc. You can't buy any of this with a tax cut.

The ability of many economic actors to respond to a carbon price is constrained by circumstances. If you live in the suburbs you often don't really have an option but to keep driving. If you are a renter you have no control over investments in your home's energy efficiency. Even if you are a concerned homeowner the area of energy efficiency is plagued by market failures (e.g., lack of information) such that profitable investments go unrealized in favour of the status quo.

Big-picture climate action requires that we act together to make systemic changes and infrastructure investments to reduce our emissions. Carbon pricing is part of the answer, but regulations and public investment are also needed. Too many carbon tax advocates tend to pit carbon taxes against those other measures.

The case for revenue neutrality is often made on the grounds that people won't support a carbon tax otherwise. Here's what Washington Governor Jay Inslee had to say about that as his state considers a more aggressive climate action plan:

My conclusion is that a revenue-neutral proposal does not give you additional support either in the legislature or in the public. It actually has diminished support. That's from a guy who's been in this business for 22 years, and both won and lost elections. It's important to listen to people, and I've listened to people and that's the conclusion that I've reached.

Advocates of revenue neutrality also make unsupported claims about the benefits of tax cuts, especially personal income tax cuts. In particular, the claim these will be beneficial by lowering the tax-based disincentive to work is just plain wrong. Even in economic theory the impact is ambiguous (e.g., there are both income and substitution effects in response to a tax change). People cannot easily alter their hours of work in response to personal income tax rates, and studies show that their impact on work effort is basically zero. In fact, the top 1%, facing the highest top marginal tax rates, tends to work longer hours.

If you want to maximize the economic benefit of those carbon tax revenues, public spending is widely recognized to be the better approach. Multipliers for public investment are much higher than for tax cuts. That is, they have a bigger impact on employment, and provide a bigger boost to GDP. So to the extent that carbon taxes are part of the answer, they are more effective, economically *and* in terms of affecting the change we want, if revenues are used to support climate action initiatives.

Some perspective on effectiveness also comes from the collapse of market prices for oil, a price impact that far outweighs any carbon pricing on offer. Historically, price swings due to market forces swamp carbon pricing efforts. Vancouver provides a good example, as the price of gas fluctuates, even on a weekly basis, by more than the amount of the carbon tax. If we were to boost gas prices back to June 2014 levels, we would be looking at

a carbon tax of more than \$200 per tonne.

Finally, revenue neutrality is bad public finance. We will need to fund public services well after we solve our carbon crisis, and this takes stable revenue sources, income and sales taxes being the main options. Economists often neglect this in models, which assume that government intervention in hypothetically perfect markets makes things worse by deviating from the fantasy equilibrium. This includes results from computable general equilibrium (CGE) models, presented as empirical fact when in reality they just take bad theory and put numbers to it.

Supporters of the revenue-neutral B.C. model also tend to gloss over the provincial government's obsession with natural gas exports, which, if successful, would pump hundreds of millions of tonnes of CO₂ into the air each year. If we are to stay below an average 2°C rise in global temperatures—the requirement for avoiding the worst impacts of climate change—major constraints on carbon will be needed, and a large portion of our fossil fuel reserves will have to stay in the ground. Under these circumstances, we must be asking what type of carbon pricing scheme helps us meet this challenge consistent with Canada's plausible share of the global carbon budget.

Income transfers do need to be part of it because carbon taxes are regressive; they hit low-income households more than high-income households. That's why I support an enhanced credit for low- to middle-income households. It would be similar to how Old Age Security and the Canada Child Tax Benefit reach a high percentage of households but direct the most income to those who need it the most.

Proponents of the naive market view have come up with some catchy slogans like "tax what you burn, not what you earn." I'll give them that. But their approach is too rooted in neoclassical economics, and it is biased towards individual- or firm-level decision-making in response to price changes. To have fair and effective carbon pricing we need to give up on revenue neutrality.

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Municipal headaches

By *Eve-Lyne Couturier*

Municipal taxes. Just thinking about them can cause headaches. For most of the year, we nearly forget how they help finance our town or city. When the tax bill comes, we open it with trembling hands, wondering about the magnitude of this year's hike. For many households, especially the elderly or young families, this annual letter can spell an end to the home-owning project. Wages rarely follow the staggering rise in the price of real estate. At the same time, since the property tax is the only means our municipalities have of financing their activities, we often get stuck with a form of tax-based urban planning, in which municipalities favour real estate speculation in a way that hurts the financial health of households and local business.

Hence, the property tax fails on at least two counts: it does not respect the ability to pay taxes, and it encourages cities to make planning decisions aimed at fostering real estate growth. There's also a third disadvantage: a property tax partly disconnects tenants from their municipality. Even where rents take into account municipal taxes (and landlords are allowed to pass on 100% of the annual hike) we still sometimes hear that municipal elections are strictly a landowner's affair, since they are the ones receiving the tax bills.


Bearing these critiques in mind, in January IRIS (Institut de recherche et d'informations socio-économiques) published a study on municipal taxation. If property tax is not working properly, we asked, then what are the alternatives? In fact, throughout the world, cities employ a variety of tools for collecting revenue from their residents. Scandinavian countries rely primarily on an income tax. Hungarian and Chilean municipalities collect sales tax that makes up more than half of their tax revenue. In OECD countries, the average distribution is roughly 40% from income taxes, another 40% from property taxes, and 20% from sales taxes. However, in Canada, as in all English-speaking

countries (as well as Israel), almost all municipal revenue is derived from property taxes (97.4% in Quebec). There is room for some rebalancing here.

In our opinion, there are five guiding principles that should orient efforts to make the municipal tax system more just and equitable: municipal autonomy; inter-municipal solidarity; progressiveness; the reduction of speculative real estate; and encouraging environmentally sustainable behaviour. From these principles, we arrived at an option for municipal taxation that is supported by a municipal income tax combined with a form of taxation that takes into account real estate value and, to some extent, ecological considerations. Our proposal is tax neutral; we are not attempting to increase or decrease tax revenues for municipalities but to find a fairer way of collecting them.

Even though tax revenue would be levied mainly by the provincial government, each town and city would still be able to determine the tax rates imposed on residents. These sums would then be redistributed to cities, one part as a direct payment and another allocated through an equalization mechanism calculated by municipal governments themselves. In this way, the first two principles of fair taxation would be respected. Since tax bills would be based mainly on income, this option is also more progressive than when only assets are taken into account. By diversifying the sources of tax revenue, we also satisfy the fourth principle, since increasing the value of houses would no longer be the main driver of municipal taxation, and tax-based urban planning would lose its appeal. Finally, ecological taxation (e.g., a carbon tax) would encourage certain behaviours and discourage others. Once again, the objective is not to bring more money into municipal coffers but to create friendlier and more sustainable cities.

Could we implement these changes tomorrow morning? Probably not. However, we have to start thinking about these options today, to question the framework we've been caught in for too long when it comes to our cities. We can do better by doing differently. Maybe just talking about it will help lighten our collective headache.

Eve-Lyne Couturier is a researcher with IRIS, a Montreal-based progressive think-tank. 

How small towns are driving Canada's digital future

By Cynthia Khoo and Steve Anderson

"If you want it done right, you have to do it yourself." In a bold take on this adage, more and more municipalities across Canada have taken it upon themselves to ensure affordable, citywide Internet access through community-based networks known as municipal broadband, typically operated by local governments, public utilities, co-operatives, non-profits or public-private partnerships. Recent developments in the United States highlight their significance and potential role in galvanizing Canada's otherwise lacklustre digital policy.

In January, U.S. President Obama delivered a landmark speech in favour of municipal broadband from the small industrial town of Cedar Falls, Iowa—a town notable for its ultra-fast 1 Gbps (1,000 Mbps) municipally owned Internet service. Shortly after, the U.S. Federal Communications Commission (FCC) redefined "broadband" Internet to mean a minimum speed of 25 Mbps, a forward-looking national standard that showed an understanding of people's needs in the digital era. Meanwhile, New York State is investing US\$500 million to provide 100 Mbps Internet to every resident and business by 2019.

By comparison, Canada's most recent stride forward in digital strategy arrived last April in the form of Industry Canada's Digital Canada 150, which ostensibly aims to deliver a minimum of 5 Mbps Internet service to 98% of Canadians by 2017. Put bluntly, the federal government's most prominent aspiration for Canada's digital future maxes out at one-fifth of the U.S. legal minimum. Canada's bottom-third OECD ranking for upload and download speeds (Ookla Net Index, 2015) only adds to the dismay.

In contrast to this federal timidity, pioneering municipalities have sensed which way the data is blowing.

Olds, Alberta became Canada's first gigabit town after big carriers refused to collaboratively expand services. Taking matters into its own hands, Olds launched a municipal Internet utility called O-Net offering its 8,600 rural residents 1 Gbps Internet that is symmetrical—both uploads and downloads are that fast—and unlimited (no data caps).

Stratford, Ontario's municipal data utility, Rhyzone Networks, serves seven rural communities. Rhyzone established Stratford's reputation as a technological innovation hub, inspired the University of Waterloo Stratford Campus, and invigorated rural medical care.

In New Brunswick, Fredericton and Moncton boast free, citywide municipal Wi-Fi. Meanwhile, QNet, in Coquitlam, British Columbia, leases excess fibre capacity to anyone, resulting in local residents being offered unlimited Internet plans for just \$20 a month.

Megabit for megabit, these cities are punching above their weight. Their initiative demonstrates how municipal broadband is rooted in sound policy and can have significant benefits.

For municipalities, increased cost-effectiveness, efficiency, economies of scale, revenue, and savings ensue, not least

for other municipal services that can use the enhanced connection to improve their own functionality for residents. QNet, for instance, saved Coquitlam approximately \$360,000 per year in telecommunications costs, and generated a \$75,000 surplus in 2013.

Municipal broadband also stimulates the local economy by attracting and retaining small businesses, while cutting their expenses and enabling them to compete with global enterprises, and creating employment such as the 700 jobs that emerged in Stratford. Furthermore, all generated value remains within the community itself through spending or reinvestment, instead of flowing out toward distant head offices.

In terms of the public good, municipal broadband promotes universal Internet access, particularly in low-income or rural communities that are underserved or passed over as insufficiently profitable by private Internet providers. Municipalities taking up the broadband slack recognize that Internet access is now an essential service in every sense of the term, and should not be left to private enterprise alone.


Where private companies do provide Internet service, they lack the accessibility, responsiveness, transparency and accountability to the public that a community-based broadband network has. We frequently learn this the hard way, such as when Telus blocked its own union's website from Internet subscribers during a 2005 strike, or when Bell Mobility charged northern subscribers fees for a 911 service it never set up.

Opponents argue that municipal broadband burdens taxpayers with risk that could be allocated to businesses, and constitutes unfair competition that interferes with free-market efficiency. They also argue that municipalities lack the competency to manage the complex systems required and will be less responsive to technological change.

However, Canadian incumbent carriers—themselves beneficiaries of government subsidies—sorely need the competition that municipal broadband could provide. Any public project carries risks. Municipalities have demonstrable track records managing transit, sewage, water, roads and other complex critical infrastructure, all of which, theoretically, could be privatized but are not, for overriding policy reasons in view of the public interest.

As a form of local activism, it may be no coincidence that small cities and rural towns are leading this particular technological charge. O-Net Accounts Director Nathan Kusiek told one CKFM reporter, "[W]e've had interest from communities probably on a weekly basis asking us how we've done this, how they would do it, if we can help them, so there are several communities that are in talks with us."

Perhaps Industry Canada could give them a call as well.

Cynthia Khoo is a policy research intern with OpenMedia.ca, a community-based organization that safeguards the open Internet. Steve Anderson is the executive director of OpenMedia.ca. 

Supreme Court affirms workers' constitutional rights

By Larry Brown

On January 30, the Supreme Court of Canada reaffirmed that a strong base of fundamental rights for union members is a cornerstone of Canada's democracy protected by our Constitution. In a five-to-two majority decision, the Court ruled that the right to collective bargaining, including the right to strike, is a constitutional right for all workers in Canada, regardless of whether they work in the private sector or the public sector.

The case involved a Charter challenge to two labour laws passed by the Brad Wall government in Saskatchewan in June 2008, with a focus on Bill 5, the Public Service Essential Services Act. Bill 5 used the language of "essential service employees" to effectively take away the right to strike from almost all public sector workers in the province.

According to the Supreme Court, "the conclusion that the right to strike is an essential part of a meaningful collective bargaining process in our system of labour relations is supported by history, by jurisprudence, and by Canada's international obligations." It therefore declared the Public Service Essential Services Act to be unconstitutional.

The Court said some restrictions on the right to strike for workers who genuinely perform essential services may be justifiable. But it added that in these cases, the means chosen by the government to deal with the issue must be "minimally impairing, that is, carefully tailored so that rights are impaired no more than necessary." In order for such a limitation to be acceptable, there must be an "independent review mechanism" to determine whether services are truly essential. There must also be a "meaningful dispute resolution mechanism" to resolve any bargaining impasse for workers who cannot strike.

This means a government, as employer, cannot unilaterally declare a group of workers to be essential; there must be a legitimately independent process to determine who is actually providing a service that, if interrupted, "would threaten serious harm to the general public or to a part of the

population." And if the decision about who is providing an essential service would result in a loss of the effective right to strike for some employees, there must be some kind of independent arbitration to deal with any bargaining impasse.

This is now the base for collective bargaining in Canada. It does not derive from statute, but out of the very Constitution of the country.

Though it is a response to Saskatchewan law, the Court's decision applies to the entire country, including all provincial governments. It will have implications in Nova Scotia, for example, where the new Liberal government has been intentionally trampling the rights of public employees. The provinces will have to be much more respectful of the rights of their employees than they have been in the recent past.

The Court ruling also applies federally—to a government with a track record of attacking the rights of its employees. It will affect Bill C-4, which amended the Public Service Labour Relations Act to give the federal government the "exclusive right" to determine which services are essential, and the number of positions required to provide those services. The bill is exactly the kind of law that the Supreme Court has ruled to be invalid.

Bill C-4 also radically altered the arbitration system. The list of factors that an arbitration board or Public Interest Commission must consider when deciding on compensation issues is being reduced to retention and ability to pay, again as unilaterally defined by the government. No one could read the Supreme Court decision and come away thinking this sort of predetermined arbitration would be considered as fair and independent. The federal government will now have to revise its legislation to bring it into conformity with the Constitution of Canada. Anything less would be contempt of court.

There were two other recent Supreme Court decisions that should result in a serious rethinking by the federal government.

In 2009 the Harper government

passed the Expenditure Restraint Act, which imposed caps on salary increases for federal government employees, prohibited any additional compensation increases (e.g., allowance, bonus, differential or premium), and prohibited any changes to the classification system that resulted in increased pay rates. In several cases, the legislation overturned previously negotiated collective agreements containing wage increases above the imposed salary caps.


Unions challenged this latter provision, saying that retroactively changing collective agreements in this fashion was an infringement on the rights of public employees. Provincial courts in Quebec and British Columbia found the law to be acceptable. These lower court decisions were appealed to the Supreme Court.

In a very unusual move, the Supreme Court has referred these cases back to the provincial courts that ruled against the unions. Lawyer Peter Engelmann of Sack Goldblatt Mitchell LLP said, "If the court was signaling that the appeals will be unsuccessful they could have just denied leave, but they didn't do that." It seems clear the Supreme Court was saying that, based on its recent rulings, the lower courts needed to revisit their decisions about the federal law.

The Court also recently overturned a long-standing ban on unions in the RCMP. The government is reportedly still studying that decision.

The Constitution includes the right of working people to choose and join an effective union that is independent of their employer. And it includes the right of that union to engage in collective bargaining, with the right to strike being a necessary part of that process.

How many times, in how many ways, must the Supreme Court rule on this before federal and provincial governments realize that they are not above the law?

Larry Brown is the national secretary-treasurer of the National Union of Public and General Employees, and the president of the Canadian Centre for Policy Alternatives. 

B.C. doctor wants you to fear medicare

By Dr. Duncan Etches and Dr. Michael C. Klein

On March 2, the Supreme Court of British Columbia is scheduled to hear a case that could severely undermine a medical care system that has served Canada well, and is still the envy of many other countries.

The story began when, after hearing about possible double-billing and other illegal charges, the B.C. Ministry of Health agreed to audit the Cambie Surgery Centre, a private surgical clinic in Vancouver headed by Dr. Brian Day. In spite of Day's talk of openness, Cambie seriously resisted this audit. And in 2009, in apparent retaliation, he and several colleagues filed a counterclaim against the provincial government, alleging the Medicare Protection Act violates the Charter of Rights and Freedoms.

This effectively postponed the audit. But when the Medical Services Commission finally got access to the books, government auditors found that the Cambie clinics had broken the law by massively overbilling patients and the province for services covered by the B.C. Medical Services Plan. In a period of just one month, Cambie had illegally billed patients over \$500,000.

Why the Cambie case is important

The purpose of the Medicare Protection Act, like parallel legislation to implement the Canada Health Act in all other provinces, is to "preserve a publicly managed and fiscally sustainable health care system for British Columbia in which access to necessary medical care is based on need and not an individual's ability to pay." Day, on the other hand, claims he is a defender of the patient's right to receive timely quality care, insisting that long wait times for some medical procedures justify the establishment of a parallel private system for those who can afford to pay.

Day's case is similar to a recent challenge in Quebec against the province's former ban on private health insurance. In what is known as the Chaoulli decision, the Supreme Court of Canada narrowly found that the law violated the Quebec Charter of Rights and Freedoms, and that, *in Quebec only*, long wait times justified private payment. Because the Cambie case is challenging the Canadian Charter of Rights and Freedoms, if Day wins, medicare across the country would be in great danger.

Patients are understandably concerned about wait times. In some situations, for some surgical conditions, they can be too long and that needs to be fixed. Fortunately, many delivery models now exist in Canada and B.C. that have streamlined the process, hastening access to care, and they have done so under the publicly financed system. Rather than relieving the wait times, private payment by those who can afford it would only compound the problem.

Following the money

At first glance, it might seem logical that allowing patients to pay privately at for-profit clinics would take paying patients off public wait lists, allowing others to move up the list faster.

This is not how it would work.

The core of the problem is that our supplies of surgeons, nurses and operating time are limited. Because many surgeons work in both the public and private systems, when they are at for-profit clinics they are less available in public hospitals. Wait times would naturally go up for the majority of patients who cannot afford private care.

This is described as the "crowding out" phenomenon. We can witness it in action in Australia and Quebec, where a parallel private tier for health care has increased wait times for all but those who can afford to avoid them.

Currently, B.C. patients wait one week for heart surgery compared to 15 weeks for hip surgery and 19 weeks for knee surgery. The longest waits in B.C. are for orthopedic procedures, since Day and his colleagues are not available to perform them when they are busy serving patients in their private clinics. In addition, the private system tends to skim off the easier cases, leaving patients with more difficult issues in the now underserved public system.

Myth of cheap, efficient private care

The Cambie Charter challenge has many economic consequences. Under NAFTA, when Canadian surgeons charge patients privately, U.S. surgeons could make a case to be allowed to do the same. In particular, NAFTA opens Canada up to multinational health insurance companies intending to sell private insurance products to cover the costs of privately funded physician services. Just as multinationals want access to our minerals, water and fossil fuel resources, so too do they want access to our health care sector.

The high cost of private health insurance is only half the equation. Evidence from the U.S. shows that delivery of for-profit medical care is much more expensive, with administrative overheads taking up about 30% of costs compared to about 10% in Canada. Paying shareholders requires "efficiencies" to be found constantly, either by sacrificing high-quality care for patients or by lowering worker wages.

The Cambie case also threatens medical education. We depend on public hospitals to train our future health professionals. For-profit facilities are much less involved with training future health professionals, as training takes time away from generating profits through higher patient turnover.

A moral dilemma

Unfettered private for-profit health care, both its delivery and financing, creates a serious social and moral problem, breaking the solidarity between rich and poor. Eliminating the protections of the B.C. Medicare Protection Act legitimizes greed.

Surgeons at the private clinics claim their primary interest is in helping the public by shortening wait lists, and this is why they are waging their Charter challenge. If that were the truth, they could be providing medically necessary services now, in their private clinics, at rates negotiated by

Canadian employers waste \$5 billion a year on inefficient drug coverage

By Alan Cassels, Sean O'Brady and Marc-André Gagnon

There is certainly plenty of waste in health systems, but one area that seems to have escaped close scrutiny is the waste in private drug plans in Canada.

Estimated at over \$5 billion a year, this represents over half of the annual prescription drug bill paid by private insurers in Canada—money that could be better spent on increasing salaries and improving other benefits such as dental care.

The biggest part of an employee's benefits package is their drug plan. Unlike public drug plans in Canada, private plans are notoriously inefficient, often covering higher priced drugs that do not deliver better health outcomes for users or using sub-optimal renewal intervals.

Why are private plans so inefficient in Canada? We can learn much about why companies squander money on prescription drugs by looking at how they negotiate drug plans with their employees and other players in the insurance universe. Our new study in health policy analyzes how drug plans are negotiated in the private sector.

By carrying out interviews with experts from private sector companies, unions, insurers and plan advisers, the study was able to delve into the experience of the interviewees to understand the basics of how things work in negotiating drug benefits in unionized settings.

Our findings show everyone keeps each other in the dark about the drug plans they negotiate. Employers who understand the technical details of their drug plans withhold data on drug spending from employees, thus garnering them an advantage in the negotiating process. Union experts may understand their drug plans are inefficient but they often lack sufficient detail of drug spending to convince employees about the need to introduce cost-containment measures.

Employers want their drug plans to be as competitive as those offered by other employers. So what happens when the norm is to cover all new drugs at any cost, even if the drugs do not provide additional therapeutic value? The end result is that everyone buys generous plans instead of increasing employee compensation.

Everyone we spoke with agrees about the need to educate employees and employers alike. Everyone agrees

(even insurers) that exorbitant drug costs are a big issue for Canadians.

Insurers could publicize a need to change this irrational norm of covering everything, since covered drugs often do not provide additional therapeutic value for money. One solution would be to proactively implement managed drug formularies. However, the financial incentives of insurers are not aligned with those of their clients because inefficient drug plans are unfortunately very profitable for insurers.

The problem is insurers are paid as a percentage of the drug bill. So the bigger the bill, the more they make—a principle that absolutely counters the drive to root out and eliminate waste in the compensation package. Sometimes drug companies explicitly target private drug plans for their products because such plans do not implement restrictions to yield value for money.

During our study, we also learned that unless unions and employers demand drug plans that deliver only drugs that are safe and cost-effective, they will remain incapable of cutting out wasteful spending on drugs. Because of the lack of trust and of information sharing between unions and employers, it is unlikely to happen soon.

Most of the interviewees agreed a universal pharmacare program in Canada makes sense and we need to move in that direction.

It is time to seriously consider what can be done to reform drug coverage and eliminate wasteful spending on prescription drugs. The system will not change by itself. Tackling the wastefulness of private drug plans would not only increase the disposable income of all Canadians, it would reduce labour costs and increase the competitiveness of Canadian enterprises.


Sean O'Brady is a PhD student at the School of Industrial Relations, University of Montreal. Marc-André Gagnon is an assistant professor with the School of Public Policy and Administration, Carleton University. Alan Cassels is an expert advisor with EvidenceNetwork.ca, a researcher with the faculty of human and social development at the University of Victoria, and a research associate with the CCPA-BC. This article ran in the Vancouver Sun on February 10.

the government and Doctors of BC. But, in fact, these surgeons are charging far more for similar services than they do in the public system, revealing their more important motivation behind the Cambie case: making more money.

Private for-profit delivery alone is not currently unlawful, so long as it is administered through the public system. British Columbia and other provinces can and do contract out some services

to private for-profit clinics. The key, however, is that those clinics and their surgeons receive the same fees for providing care privately as they would in the public system. Day and colleagues want to unilaterally decide their fees; they want to be able to set rates far greater than what they customarily charge under medicare. If Cambie wins, we all lose.

Dr. Duncan Etches is an experienced

family practitioner nearing the end of a long and distinguished career as a teacher and leader in medical professional affairs. Dr. Michael C. Klein is a professor emeritus in family practice and pediatrics at the University of British Columbia, a former head of family practice at BC Women's Hospital and BC Children's Hospital, and currently Senior Scientist Emeritus at the Child and Family Research Institute in Vancouver. 

The misuses of national security

In July, after nearly a half-century of defending human rights and civil liberties in Canada and abroad, Roch Tassé will retire, leaving his current post as co-ordinator of the International Civil Liberties Monitoring Group (ICLMG), which he has held since its creation in 2001.

The Franco-Ontarian began his life in activism as a social worker and community organizer in Ottawa's eastern townships, spending four years in the 1970s with the federally sponsored Company of Young Canadians, a creation of the Trudeau government "to co-opt the activism of the radicals in the late 1960s," he jokes over a coffee in early February. After the project was disbanded, Roch became the editor of a newspaper serving the francophone community outside of Quebec, where he worked until 1985. That was the year he took responsibility for Inter Pares's Central America program, which brought him to Nicaragua, El Salvador, Guatemala and eventually Chiapas, Mexico where civil wars had displaced entire communities and state repression was the norm. With a network of NGOs, Roch took part in UN-brokered peace negotiations in the late-1980s that saw the return of refugees, and the reconciliation of warring factions, among them the Contras and Sandinistas in Nicaragua.

With relative stability in the region came international investment. In 1999, Roch spent a few years doing contract work for MiningWatch and other groups monitoring the impact of Canadian mining companies in Central and Latin America, "which was almost as bad as being in the war zones," he tells me. Our conversation about his life, career (and retirement) inevitably focused on the new wave of anti-terrorism legislation introduced over the past few months, and what the ICLMG is doing to challenge it.

Stuart Trew: What attracted you to the International Civil Liberties Monitoring Group?

Roch Tassé: ICLMG was created in 2001. I applied and got the job. I was not a lawyer. The committee told me, after I was hired, that it was on the basis of my coalition experience while working for Inter Pares. Soon after I got the job, the first big issue was Maher Arar, and working for a year on his repatriation to Canada. We did it jointly with others, of course, like Amnesty International and unions. But ICLMG was, I think, a key player. Then we got the O'Connor Commission going, and that went on for two-and-a-half years. ICLMG had intervener status during the commission. I sat in every frickin' public hearing. For me it was all legal training, watching the work of the commission and learning the issues, and socializing with the lawyers. I learned more about national security operations and agencies and how they work, their deficiencies and strengths, through all the witnesses who appeared at the O'Connor Commission.

A lot of the work we're still involved in is a result of the O'Connor Commission. We're still calling for oversight and review of national security agencies, basically the implementation of Justice O'Connor's recommendations. There is a new generation of parliamentarians, some very

young, who have no idea what the O'Connor commission was all about. There are policy advisors to the Minister of Public Safety who don't even know who Maher Arar is. There is no historical memory (or much) on the Hill. And now with the new legislation adopted after October's Ottawa shootings—Bill C-44 and Bill C-51—it almost feels like we're back in 2001, with a new wave of anti-terrorism measures, when people have not even digested the impact of the first wave in 2001.

ST: Can you describe a bit the impact of this first wave of terrorism law?

RT: A lot of what happened to Maher Arar, Abdullah Almalki and others was just the behaviour of the security agencies post-9/11, with or without new powers in law. They abused their powers. For example, through information sharing, which led to the rendition and torture of several Canadian individuals. But the first wave of legislation created a paradigm of dealing with terrorism as an enemy, and the concept of the war on terror was born. Destroying a building was always a crime. But suddenly if it was motivated by religious or political motivations they call it terrorism. The massacre at the École Polytechnique in Montreal, where a crazy guy killed 14 women, was not an act of terrorism. A lone wolf who shoots one guy on Parliament Hill is called terrorism. It's a concept that can be manipulated for political reasons, easily. And we've seen the slippery slope in government documents over the years, and in CSIS reports, not explicitly changing the definition, but naming some threats to Canada under anti-terrorism documents. For example, environmental activists are seen as people opposed to the national interests of Canada. The association between economic interest and national interests has been expressed more clearly than ever before by this government.

ST: What do you think are the most important factors contributing to that first legislative response?

RT: When you have technology that can make surveillance so easy, it must have been extremely tempting for all police and intelligence agencies to have access. That's one factor from before September 11, 2001. Then we had the big market burst of the IT industry in the mid-90s, when a lot of the companies controlling these new technologies needed to rebuild their markets, so the opportunity to offer massive surveillance technology was salvation for them. A third factor is obviously the pressure from the U.S. government on all its allies, including Canada, after 9/11 to adopt laws similar to the PATRIOT Act. Within weeks we had written and adopted anti-terrorism legislation very similar to the U.S., and one wonders still how they were able to draft it so quickly. Then you had the political motivation, what I call political theatre, under pressure from allies [but also] from the public, who were scared after 9/11.

I remember being in a parliamentary committee over the Public Safety Act, which followed [in 2003] the first Anti-Terrorism Act, where MPs were challenged by witnesses on why

they need these powers, since it would not prevent the next attack, and they responded, “You might be right, but the public would never forgive us if we did not introduce new measures.” So the MPs were admitting they had doubts these measures would do anything to protect the public. It was more the theatre, the optic, and I believe C-51 is another case. It won’t necessarily provide more security. And in this case, it’s very electorally based: the manipulation of fear, getting political capital out of showing you’re going to be harsh against terrorism.

ST: Roxanne James, parliamentary secretary to the Minister of Public Safety, recently said the government knows what’s in Canada’s best interests, and that increased oversight of security agencies would create “needless red tape.” What do you make of this attitude?

RT: The government refused to invite the federal privacy commissioner to the hearings on Bill C-44. The new commissioner had expressed publicly some concerns and the government didn’t want to hear those concerns. They actually turned him down, and all the civil liberties organizations. Not a single one was invited to testify.

The most serious impact of all these measures...is that they take away legal standards or legal procedures from the courts and give them to ministers. Like the security certificate process, where you don’t charge people, you get a minister with the power to issue a security certificate for someone’s detention. Or the no-fly list, where you don’t go in front of a judge to get a warrant to put a person on the list—it’s at the discretion of the minister—and where under the legislation just introduced they’ve widened the criteria to put somebody on the no-fly list, with no redress, no recourse.

This tendency to take everything out of the judicial system and put it in the hands of ministerial, arbitrary decision-making powers—it’s the executive taking away both from the legislative and the judicial. We’re really moving away from the three pillars of the balanced Canadian system. We resemble more and more the republican model of the United States, where all the power is in the hands of the presidency and the executive.

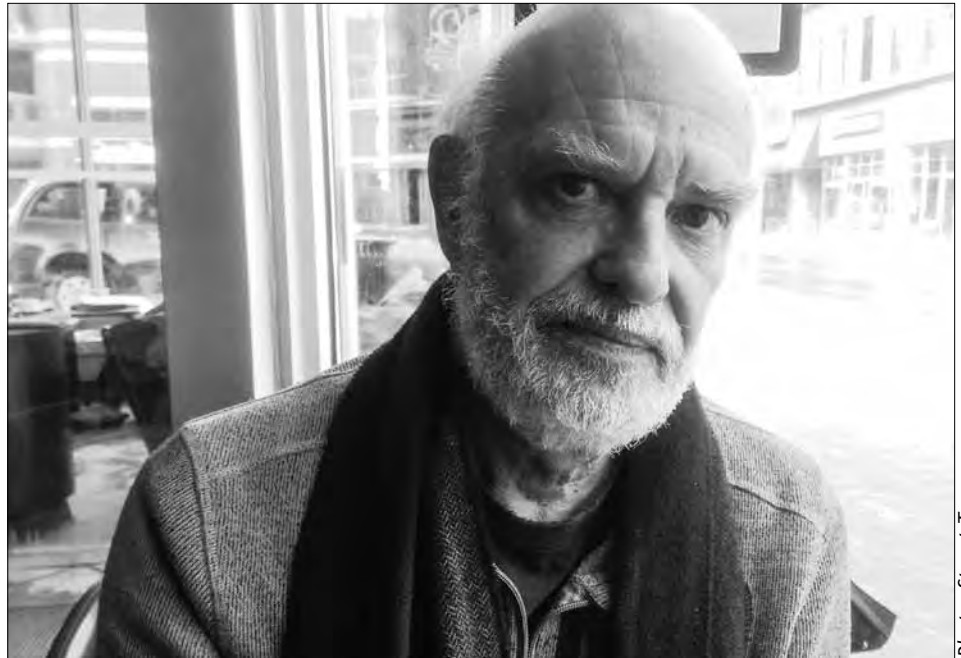


Photo: Stuart Trew

ST: Let’s say a new government is elected in October. What does it need to do to make things right?

RT: At the minimum, the introduction of very robust oversight and review on all agencies would have to be a priority, to mitigate the potential dangers of abuse.

Ideally, a new government should abrogate the Anti-Terrorism Act and many of the new acts that have passed since. This might be possible in some cases. The new bill last week (C-44) granted CSIS, for the first time, police powers. CSIS was created as a result of the McDonald Commission, because of all the abuses that were done by the RCMP when the RCMP did both functions—intelligence gathering and policing—without oversight. A lot of these abuses happened in the ‘70s during the FLQ crisis: burning barns, disrupting meetings, stealing all the membership lists of the Parti Québécois to find out which federal employees belonged to the PQ, surveilling NDP activists in the 1974 election. This bill last week gives CSIS police powers that are exactly what the RCMP had before. If that is not abrogated, we’ve gone 40 years backward in the security regime of this country.

Plus, what was the origin of the abuses after 9/11 that led to the rendition and torture of Canadians? Information sharing with foreign states. The government is expanding that with almost no limits. Once information is in the hands of another country there’s

nothing Canada can do to protect the rights of its people, so with more information sharing we’re putting a lot more Canadians who travel abroad at risk. The risk in 2001 was to be rendered to torture. The risk today is being the victim of a drone assassination conducted by the United States. So the implications are even worse than in 2001. It’s like we haven’t even learned from the O’Connor and Iacobucci Commissions.

A new government must also factor in the Edward Snowden revelations. The massive spying operations of CSEC have to be reined in. We need a parliamentary committee on national security that could re-examine the whole function and mandate of CSEC. It has never been examined seriously by parliamentarians, most of whom don’t even understand what it does. It’s almost a state within a state right now and that needs to be addressed.

Fundamentally, the next government must redress for all past abuses. We still have Almalki, Ahmad El-Maati, Muayyed Nureddin, Benamar Benatta and others who have shown through litigation against this government and in past commissions of inquiry that their rights have been violated. The next government has to address these cases. Apologize, redress, compensate financially. Omar Khadr has to be dealt with as a child soldier for the first time. I suspect both opposition parties would be very receptive to correcting those abuses. 🇩🇪

A missed opportunity for “Three Amigos” to talk about human rights in Mexico

By Jim Hodgson, Tara Ward, and Brittany Lambert

Prime Minister Stephen Harper’s decision to delay this year’s North American leaders summit does Mexican President Peña Nieto a huge favour. Postponement of the meeting, originally slated for Ottawa in February, allows Peña Nieto to avoid a forum in which he could be questioned about the human rights crisis that has only grown under his administration.

On September 26, police opened fire on a busload of education students from Ayotzinapa in Iguala, Guerrero. Six were killed, and another 43 students forcibly disappeared. The DNA of just one of the students has been identified from a bag of ashes, while the whereabouts of the rest is still unknown.

This event, and the bungled investigation that has followed, illustrate the shocking levels of collusion between elected officials, public security forces and organized crime in Mexico. They also underscore the lack of political will to address escalating violence. The situation has led to unprecedented mobilizations, with hundreds of thousands of citizens repeatedly taking to the streets to protest endemic violence, impunity and corruption in Mexico.

The “Three Amigos” summit, an annual meeting of NAFTA leaders, was the moment for Canada to publicly ask hard questions and apply pressure for change.

The federal government could have urged Mexico to set up a full, impartial investigation into the Ayotzinapa case. The official investigation in Mexico has been sluggish and limited, failing to properly address allegations of complicity by armed forces and others in authority. It has relied primarily on testimonies from gang members who allege corrupt police officers handed the students over to them at the behest of the local mayor, so they could be killed and their bodies burned in a garbage dump.

However, investigative journalists from the University of California, Berkeley and *Proceso* magazine have found evidence that key witnesses in the government’s investigation were tortured, and that federal armed forces may have been directly involved. Additionally, scientists at the National Autonomous University of Mexico determined that it is impossible that 43 bodies could have been burned at the Cocula garbage dump as claimed. They urge an investigation of private and state-owned incinerators.

Canada has lost an opportunity to push the Mexican president to address the pervasive links between criminal groups and government officials, security forces, and police—links that are exposed by this crisis. The summit in Ottawa could have also been a forum to impress upon Peña Nieto the importance of respecting freedom of expression and assembly.

The Mexican government’s reaction to the protests that erupted after the disappearances has been troubling. Police have used disproportionate force against demonstrators



“They took them alive. We want them back alive. Solidarity with the 43 disappeared students.” (Photo: Sortica)

and resorted to arbitrary arrests and ill-treatment of those in custody. Several Mexican states have adopted or sought to adopt laws expanding the use of force by police during demonstrations. And there are disturbing reports that Mexico’s intelligence agency is investigating human rights defenders and lawyers who counsel the families of the disappeared Ayotzinapa students, calling them “subversive” and “dangerous to governance.”

Mexico and Canada are tied together by trade, investment, security co-operation and tourism. Since NAFTA came into force, Canadian investment in Mexico has grown exponentially. Canada is now the largest foreign investor in Mexico’s mining sector with greater mining assets in Mexico than in any other country in the world. Yet while the rest of the world has been speaking out, the Canadian government has maintained a public silence about the horror that took place last September and the conditions that make such murders and disappearances possible.

The postponement of the summit cannot be an excuse for delaying action to address Mexico’s growing human rights crisis. Canada must add its voice to those countries calling on the Mexican government to get serious about stopping the violence, impunity and entrenched corruption that have become commonplace in what is now being characterized as a narcostate.

Canada cannot let business interests in Mexico prevent it from taking a stand on human rights.

Jim Hodgson and Tara Ward are co-chairs and Brittany Lambert the co-ordinator of the Americas Policy Group, a working group of the Canadian Council for International Co-operation that is focused on development and social justice issues in the Americas. This article originally appeared in Embassy Magazine and is reprinted with permission. 

(Greece, continued from page 1)

dence fairy—that is, to claim that the direct job-destroying effects of spending cuts would be more than made up for by a surge in private-sector optimism.”

The repeated failure of Greece to respond to the plan brought repeated cash infusions and new rounds of onerous conditionality. The Angela Merkel-led German government (supported by a large majority of the population, according to polls) is the power behind the extreme austerity program. This ideological intransigence and astonishing callousness in the face of an ongoing humanitarian crisis is a sad case of a country forgetting its own history. Harsh debt repayment conditions imposed on Germany after the First World War planted the seeds of Nazism, and ultimately led the continent straight back into war. More positively, Merkel should recall how in 1953 a large portion German debt was written off, with repayments tied to the country’s growth performance. (Greece estimates that it is owed \$200 billion in reparations from Germany for the destruction wrought by the Nazis.)

Reforming Greece, warning Canada

Greece’s new finance minister, Yanis Varoufakis, a former professor of economics at Athens University and the University of Texas, is charged with negotiating a new deal for his country. Several years ago I became aware of his critique of European austerity policies, notably his *Modest Proposal for Resolving the Eurozone Crisis*, co-written in 2010 with economist and former British MP Stuart Holland, and now in its fourth iteration, co-written by professor James Galbraith. It puts forth a set of practical policy proposals that would stem the crisis without breaking existing euro zone rules, without the core countries having to pay more for the debts of the periphery, and without any further erosion of national sovereignty.

I invited Varoufakis to speak at an Alternative Federal Budget roundtable on Parliament Hill in January 2012, to bolster our own efforts to challenge the Harper government’s austerity agenda. He gave a commanding performance, shredding any argument for severe cuts, and suggesting Canadians take note. Among other things, he compared the

economic crisis to climate change—it has global consequences but they are felt in distinct ways depending on where you live.

“Canada has been having a relatively good crisis compared to my home country,” he said. But things looked different if you compared Canada’s performance to its closest economic twin, Australia, which in 2008 shirked austerity to pursue a more successful stimulus program over a longer period. As a result, Australia had a more positive employment and GDP-per-capita performance than Canada.

Varoufakis argued presciently that the Harper government would be making a mistake by emulating Britain’s response to the crisis, a combination of loose monetary policy (low interest rates) and fiscal austerity (major spending cuts). He called the idea of expansionary austerity a fairy tale that would depress economic recovery. More generally, he said a Canadian recovery that was dependent on global imbalances—namely, the export of primary products to claim a part of Chinese surpluses—would be inherently unstable.

Sadly, but not surprisingly, the economist’s wise counsel for Canadian policy-makers has not been heeded. As a result, according to senior finance department officials Scott Clark and Peter DeVries, writing in *iPolitics*, “The Harper government’s austerity-led growth strategy of deficit elimination, smaller government and policy ‘abstinence’ has failed dismally.”

Since the election in Greece, Varoufakis has vowed to put an end to the “fiscal water boarding” that has inflicted unimaginable pain and suffering on Greek society. The finance minister has said that Greece’s debt repayment needs to be tied to its ability to restore growth—a position supported publicly by U.S. President Obama. And he has ruled out Greece taking a new infusion of cash, saying it was time to end the country’s debt addiction cold turkey.

Varoufakis wants the primary surplus to be reduced to 1.5% of GDP, which would provide the necessary fiscal space for a national stimulus program. In early February he was reportedly negotiating with the International Monetary Fund to swap Greece’s sovereign debt for growth-

linked bonds, and will likely do the same with the European Central Bank and European creditor governments.

The Syriza plan

The Syriza government has pledged to end corruption, reform the bureaucracy, end the tax immunity for wealthy Greeks and halt the fire-sale privatization of public assets. In its first week in power, the government scrapped the privatization of Greece’s main ports and the state electricity company. The Syriza program also includes measures to alleviate poverty, such as food stamps, reconnecting electricity to homes that had been cut off, rehiring public sector workers, tax cuts for all but the rich, a big increase in the minimum wage and pensions, and a moratorium on private debt payments to banks above 20% of disposable income.

Support for anti-austerity approaches has come from an unlikely quarter. The expat Canadian Mark Carney, now governor of the Bank of England, argued in a recent speech for an end to hardline euro zone budgetary policies, and a rapid movement toward a fiscal union that would transfer resources from rich to poor countries.

Syriza’s election victory offers lessons for Europe and indeed globally. Firstly, it has dealt a blow to the neoliberal obsession with austerity that prevails among European policy elites. How big a blow, and the extent to which resistance spreads to other countries, remains to be seen. But on the whole this is good news. Second, it demonstrates that a new progressive political force can emerge from outside the established political order—one that rejects the conventional rules of the game, in this case to take up a bold anti-austerity plan connected deeply to the aspirations of the Greek people.


Third, it raises hopes for a realistic humanistic path out of the mess in which Europe finds itself, a path that would allow the debtor countries of southern Europe to escape their austerity trap and begin a sustainable recovery. The alternative is that, in the face of continued misery, populations will turn increasingly to right-wing, nationalist and racist parties, from the National Front in France to Golden Dawn in Greece. These groups are bent on dismantling Europe, not mending it.

Finally, Syriza's win, on a platform of radical change, is a warning to the established social democratic parties in Europe and beyond that have been apologists for, and at times enforcers of, austerity. Witness the fate of the Greek socialist party Pasok, reduced to less than 5% of the popular vote. Podemos, the Spanish left-wing party that grew out of the country's *indignados* movement, is only a year old but polls show it in very good position ahead of this spring's elections.

The challenges facing the new Greek government are enormous. The forces acting against what it is trying to do are formidable. Will the political earthquake that brought

Syriza to power mark the beginning of the end of the scourge of austerity? Or will this movement be stillborn in the face of European intransigence and a callous disregard for democracy, with the consequence of prolonged suffering and uncertainty for the future of the euro zone?

This is a fast moving story, with Greece's new finance minister as the chief author. We will be watching it unfold with great interest.

Bruce Campbell is the executive director of the Canadian Centre for Policy Alternatives. 

Mrs. Thatcher's Lesson

By Yanis Varoufakis

I moved to England to attend university in September 1978, six months or so before Margaret Thatcher's victory changed Britain forever. Watching the Labour government disintegrate, under the weight of its degenerate social democratic programme, led me to a serious error: to the thought that Thatcher's victory could be a good thing, delivering to Britain's working and middle classes the short, sharp shock necessary to reinvigorate progressive politics; to give the left a chance to create a fresh, radical agenda for a new type of effective, progressive politics.

Even as unemployment doubled and then trebled, under Thatcher's radical neoliberal interventions, I continued to harbour hope that Lenin was right: "Things have to get worse before they get better." As life became nastier, more brutish and, for many, shorter, it occurred to me that I was tragically in error: things could get worse in perpetuity, without ever getting better. The hope that the deterioration of public goods, the diminution of the lives of the majority, the spread of deprivation to every corner of the land would, automatically, lead to a renaissance of the left was just that: hope.

The reality was, however, painfully different. With every turn of the recession's screw, the left became more introverted, less capable of producing a convincing progressive agenda and, meanwhile, the working class was being divided between those who dropped out of society and those co-opted into the neoliberal mindset. My hope that Thatcher would inadvertently bring

about a new political revolution was well and truly bogus. All that sprang out of Thatcherism were extreme financialization, the triumph of the shopping mall over the corner store, the fetishization of housing and Tony Blair.

Instead of radicalizing British society, the recession that Thatcher's government so carefully engineered, as part of its class war against organized labour and against the public institutions of social security and redistribution that had been established after the war, permanently destroyed the very possibility of radical, progressive politics in Britain. Indeed, it rendered impossible the very notion of values that transcended what the market determined as the "right" price.

The lesson Thatcher taught me about the capacity of a long-lasting recession to undermine progressive politics, is one that I carry with me into today's European crisis. It is, indeed, the most important determinant of my stance in relation to the crisis. It is the reason I am happy to confess to the sin I am accused of by some of my critics on the left: the sin of choosing not to propose radical political programs that seek to exploit the crisis as an opportunity to overthrow European capitalism, to dismantle the awful euro zone, and to undermine the European Union of the cartels and the bankrupt bankers.

Yes, I would love to put forward such a radical agenda. But, no, I am not prepared to commit the same error twice. What good did we achieve in Britain in the early 1980s by promoting an agenda of socialist change that

British society scorned while falling headlong into Thatcher's neoliberal trap? Precisely none. What good will it do today to call for a dismantling of the euro zone, of the European Union itself, when European capitalism is doing its utmost to undermine the euro zone, the European Union, indeed itself?

A Greek or a Portuguese or an Italian exit from the euro zone would soon lead to a fragmentation of European capitalism, yielding a seriously recessionary surplus region east of the Rhine and north of the Alps, while the rest of Europe would be in the grip of vicious stagflation. Who do you think would benefit from this development? A progressive left, that will rise Phoenix-like from the ashes of Europe's public institutions? Or the Golden Dawn Nazis, the assorted neofascists, the xenophobes and the spivs? I have absolutely no doubt as to which of the two will do best from a disintegration of the euro zone.

I, for one, am not prepared to blow fresh wind into the sails of this postmodern version of the 1930s. If this means that it is we, the suitably erratic Marxists, who must try to save European capitalism from itself, so be it. Not out of love for European capitalism, for the euro zone, for Brussels, or for the European Central Bank, but just because we want to minimize the unnecessary human toll from this crisis.

Excerpt from a lecture by Varoufakis at the 6th Subversive Festival in Zagreb in 2013, as adapted by the Guardian U.K. on February 18, 2015.

Grexit option looms with bailout expiry

By Asad Ismi

In a stunning victory on January 25, the leftist Syriza party won Greece's national elections by a wide margin, earning just short of a majority of seats in parliament. Syriza campaigned on a promise to end the austerity measures (privatization, wage constraints, public service layoffs, etc.) that were a condition on 240 billion euros (\$339 billion) of European loans to help pay down Greek debt. Syriza promised the electorate they would renegotiate the bailout conditions and reduce total Greek debt, now at 323 billion euros (\$456 billion), by up to half. Newly elected Greek Prime Minister Alexis Tsipras made good on that promise by insisting the current bailout package, which ends on February 28, will not be extended on Europe's harsh terms.

"Syriza's victory came like a breath of fresh air and has given the Greek people their dignity and pride back having been fleeced by EU bankers and the establishment," said Cyprus-based author and news commentator Andreas C. Chrysafis. "The Syriza Party has risen out of the ashes of despair and Tsipras and his group have provided the last glimmer of hope to the people of Greece."

Sixty per cent of Greece's debt is owed to European Union governments, 10% to the International Monetary Fund (IMF) and 6% to the European Central Bank (ECB), all of which are collectively known as the troika. In return, these institutions demanded draconian economic and social reforms that were dutifully carried out by the previous Greek government over the past five years. They included especially severe government cutbacks in health care and education spending, privatizations, the slashing of wages (by 50% in some cases) and pensions, higher taxes, and the mass firing of public servants, including 35,000 doctors, nurses and other health workers. As a result of these cuts, the Greek economy has shrunk, the health care system has collapsed, and infant mortality has risen by more than 40%.

Public protest against the impoverishment of Greeks to the benefit of European creditors is directly



Photo: © European Union

Greece's Yanis Varoufakis at a February 11 meeting of EU finance ministers.

responsible for bringing Syriza to power. The party is a coalition of eurocommunists, social movements and anti-globalization activists. Yanis Varoufakis, Greece's new finance minister, has said austerity "turned this nation into a debt colony." Syriza has promised to restore the minimum monthly wage to 751 euros (\$1,060), rehire dismissed public sector workers, restore collective wage agreements, subsidize food and electricity for the poorest Greeks, and reverse privatizations.

Similar European austerity programs imposed since the 2008 crisis have devastated Spain, Portugal, Italy, Ireland and Cyprus, subjecting the continent to three recessions in five years. Recognizing this failure, the ECB recently initiated a limited fiscal stimulus, similar to the one launched in the U.S. in 2008, but it may be too little too late.

"The Federal Reserve, the central bank of the United States, is a neoliberal

entity, but it has acted very differently from the ECB and European authorities since the 2008-2009 world financial crisis and recession. As a result of these differences in policy, euro zone unemployment is more than twice that of the U.S. and the euro zone has had several more years of unnecessary recession," explained Mark Weisbrot, economist and co-director of the Washington, D.C.-based Centre for Economic and Policy Research, in an interview.

The Nobel Prize-winning economist Joseph Stiglitz also blames the EU for Greece's predicament.

"Greece could be blamed for its troubles if it were the only country where the troika's medicine failed miserably," he wrote in a February 5 commentary. "But Spain had a surplus and a low debt ratio before the crisis, and it, too, is in depression. What is needed is not structural reform within Greece and Spain so much as structural reform

of the euro zone's design and a fundamental rethinking of the policy frameworks that have resulted in the monetary union's spectacularly bad performance."

The structure of the euro zone makes Greece's problems harder to deal with, according to Stiglitz, because monetary union means "member states cannot devalue their way out of trouble, yet the modicum of European solidarity that must accompany this loss of policy flexibility simply is not there."

Philippe Legrain, who was an economic advisor to the president of the European Commission (the EU's executive arm) from 2011 to 2014, agrees with Stiglitz regarding European culpability. In a pre-election article this January, he pointed out that the bailout benefited European banks, not Greece, and violated the EU's own treaty rules. Legrain wrote:

Greece's reckless borrowing was financed by equally reckless lenders. First in line were French and German banks that lent too much, too cheaply...

By the time Greece was cut off from the markets in 2010, its soaring public debt of 130 per cent of GDP was obviously unpayable in full. It should have been written down as the IMF later acknowledged publicly. Austerity would then have been less extreme and the recession shorter and shallower. But to avoid losses for German and French banks, euro zone policy-makers, led by German Chancellor Angela Merkel, pretended that Greece was merely going through temporary funding difficulties. Breaching the EU treaties' "no-bailout" rule, which bans euro zone governments from bailing out their peers, they lent European taxpayers' money to the insolvent Greek government, ostensibly out of solidarity, but actually to bail out creditors...

So whatever you think of Syriza's left-wing politics, it is justified in demanding debt relief from the EU.

The EU does not see it this way. Amply displaying the lack of European solidarity that Stiglitz mentioned, the EU has so far refused to renegotiate the terms of its bailout loans with Greece. Varoufakis has visited seven European capitals since Syriza's victory, meeting other finance ministers and offering concessions, but he has been rebuffed at each step.

Varoufakis then attended a meeting of euro zone finance ministers on February 11 and 16 to present his proposals, which included a retraction of an earlier demand for a debt write-down, replaced by a scheme involving growth-linked bonds that would be used to repay the Greek debt. These bonds would be paid only when the Greek economy started showing growth. Varoufakis also agreed to enact 70% of the EU's austerity conditions. In return, he asked for a bridging loan to meet Greece's debt obligations once the austerity-based loan expired on February 28.

The February 11 and 16 meetings collapsed with no agreement. Austerity is Greece's only option as the EU sees it. The EU finance ministers, led by Wolfgang Schäuble of Germany and his Dutch counterpart Jeroen Dijsselbloem, insisted that Greece renew the bailout agreement before February 28 and fulfill all accompanying austerity conditions. The ministers gave Varoufakis an ultimatum: agree to an extension of the bailout by the end of the week or lose all loans. The Greek finance minister stood firm, rejecting the

ultimatum and holding out for a better deal.

If the bailout ends on February 28 (the *Monitor* went to print in mid-February), the Greek government will forgo an additional 7.2 billion euros (\$10.2 billion), and will, therefore, not be able to make debt payments due in March, which could force Greece out of the euro zone.

"The Eurogroup stand was expected... The northern states never wanted to help Greece at all except within the boundaries of the existing harsh bail-in troika loan resolutions, which have destroyed the nation," said Chrysafis. "The Eurogroup acted like a school teacher reprimanding a naughty student who dared to speak out. This is the start of the demise of the EU, which demands absolute obedience to its terms for poisoned loans."

"One reason the EU does not want Greece to leave it, is that the most likely outcome would be that Greece, after an initial financial crisis, would recover more rapidly than the rest of the euro zone, and other governments would also want to leave," argued Weisbrot. "If Syriza succeeds, either inside or outside of the euro, it will likely have an important effect on most or all of the euro zone. Popular sentiment...already, correctly, sees the austerity of recent years as a failure. If Syriza can provide a successful alternative, this will encourage others to demand one.

"The most obvious place for contagion is Spain, where the leftist Podemos party, formed only about a year ago, recently shot up to first place in the polls," he added. "The institutions of the euro zone will have to change their policies to allow for faster growth and more employment or the euro zone could eventually dissolve."

Chrysafis suggested Europe was trapped.

"If the EU fails to agree to renegotiate the Greek debt sensibly, Greece will raise the money elsewhere. Russia has already offered a US\$10 billion (\$12.4 billion) loan to Greece," he said.

"EU citizens have had enough of EU incompetence and policies that bring stagnation rather than prosperity. The EU has brought ruin and unemployment to millions of citizens, especially the young, and they simply no longer trust it. I will not be surprised to see the gradual erosion and downfall of the EU in the next 10 years."

On February 10, Greek Defence Minister Panos Kammenos, leader of the right-wing Independent Greeks with which Syriza formed a coalition government, proposed alternative financing solutions from outside the euro zone.

"We want a deal. But if there is no deal, and if we see that Germany remains rigid and wants to blow Europe apart, then we will have to go to Plan B. We have other ways of finding money," he said. "It could be the United States at best, it could be Russia, it could be China or other countries."

Kammenos said that Greece would prefer to leave the euro if membership means submitting to a "Europe under German domination."

According to Nikos Chountis, Greece's deputy foreign minister, "There have been proposals, offers I would say, from Russia for economic support as well as from China, regarding help, investment possibilities."

Asad Ismi covers international affairs for the *Monitor*. 

Overly broad and unnecessary anti-terrorism reforms could criminalize free speech

By Clayton Ruby, C.M., and Nader R. Hasan

Six Muslim young adults stand in front of a mosque late at night in heated discussion in some foreign language. They may be debating the merits of a new Drake album. They may be talking about video games, or sports, or girls, or advocating the overthrow of the Harper government. Who knows? There is no evidence one way or the other. Just stereotypes. But the new standard for arrest and detention—reason to suspect that they *may* commit an act—is so low that an officer may be inclined to arrest and detain them in order to investigate further. And now, officers will no longer need to ask themselves whether the arrest is necessary. They could act on mere suspicion that an arrest is *likely* to prevent any terrorist activity. Yesterday, the Muslim men were freely exercising constitutional rights to freedom of expression and assembly. Today they are arrestable.

Overview: The Anti-Terrorism Act

Bill C-51, the Anti-Terrorism Act, 2015, would expand the powers of Canada's spy agency, allow Canadians to be arrested on mere suspicion of future criminal activity, allow the Minister of Public Safety to add Canadians to a "no-fly list" with illusory rights of judicial review, and, perhaps most alarmingly, create a new speech-related criminal offence of "promoting" or "advocating" terrorism. These proposed laws are misguided, and many of them are likely also unconstitutional. The bill ought to be rejected as a whole. Repair is impossible.

New offence of promoting terrorism

Bill C-51 creates a new criminal offence that likely violates s. 2(b) of the Charter. Newly proposed s. 83.221 of the Criminal Code provides as follows:

Every person who, by communicating statements, knowingly advocates or promotes the commission of terrorism

offences in general—other than an offence under this section—while knowing that any of those offences will be committed or being reckless as to whether any of those offences may be committed, as a result of such communication, is guilty of an indictable offence and is liable to imprisonment for a term of not more than five years.

The new offence will bring within its ambit all kinds of innocent speech, some of which no doubt lies at the core of freedom of expression values that the Charter was meant to protect. As Professors Kent Roach and Craig Forcese point out, the new offence would sweep within its net the following scenario:

Take just one hypothetical: An academic or foreign affairs columnist opines "we should provide resources to Ukrainian insurgencies who are targeting Russian oil infrastructure, in an effort to increase the political cost of Russian intervention in Ukraine." The speaker says this knowing that her audience includes support groups who may be sending money to those opposing Russian intervention.¹

Providing resources to a group, one of whose purposes is a "terrorist activity," is a terrorism offence. And causing substantial property damage or serious interference with an essential service or system for a political reason and in a way that endangers life, to compel a government to do something, is a "terrorist activity." This is so even if it takes place abroad. So a criminal prosecution of the columnist in the hypothetical situation described above is a real possibility under the new law. It is constitutionally unacceptable and dangerous.

The new offence is broader than existing terrorism offences in the Criminal Code in that it does not require an actual terrorist purpose. So someone can be guilty of this offence—like the

columnist—despite completely innocent purposes, such as attempting to provoke democratic debate, or proposing a solution to an intractable international conflict. The speaker's purpose does not matter; they are liable if they are reckless as to the risk that a listener "may" thereafter commit an unspecified terrorism offence.

Criminal culpability would extend beyond the speaker of the impugned words. Like all criminal offences, a person can be guilty if they aid or abet the individual who actually commits the offence. Not only the columnist, but also their editors, publishers and research assistants become criminals.

It should be noted that there are other "promoting" and "advocating" offences in the Criminal Code. The Code contains a prohibition on willful promotion of hatred.² It also contains a prohibition on advocating sexual activity with underage children.³ But hate propaganda and sexual activity with underage children are much narrower than the vague reference to "terrorism offences in general." In addition, unlike willful promotion of hatred, which contains an express exception for communications made in private, the proposed new offence can be applied to statements made in private. This is all the more concerning given the Canadian Security Intelligence Service's (CSIS) expansive anti-terror wiretap and surveillance powers.⁴

Another truly bizarre aspect of the new offence is the use of the term "terrorism offences in general—other than an offence under this section." The Criminal Code already contains 14 broadly worded terrorism-related offences. "Terrorism activity" is a defined term under s. 83.01 of the Criminal Code, but this is broader. It applies to more speech than speech advocating or promoting terrorist activity, or the 14 terrorism offences in the Criminal Code. The new offence is meant to include speech promoting and advocating "terrorism in general," a deliberately opaque and unknowable term.

Even if the government exercises

restraint in laying charges and arresting people, the result is an inevitable chill on speech. Students will think twice before posting an article on Facebook questioning military action against insurgents overseas. Journalists will be wary of questioning government decisions to add groups to Canada's list of terrorist entities.

New CSIS powers

CSIS was created in 1984 by an Act of Parliament. To that point, security intelligence in Canada was the purview of the Royal Canadian Mounted Police (RCMP) Security Service.⁵ However, in the 1970s there were allegations that the RCMP Security Service had been involved in numerous illegal activities. In 1977, as a result of these allegations, Justice David McDonald was appointed to investigate. The McDonald Commission published its final report in 1981, with its main recommendation being that security intelligence work should be separated from policing, and that a civilian intelligence agency should be created to take over from the RCMP Security Service.⁶ CSIS was created to be that civilian intelligence agency. At the time of its creation, CSIS was subject to general oversight review by a new body, the Security Intelligence Review Committee (SIRC), which has been starved of resources, as well as by the Office of the Inspector General, which was abolished and disbanded in 2012.

The idea behind CSIS was that abuses of power were less likely to occur if intelligence gathering was separated from law enforcement. Bill C-51 erodes the distinction between CSIS's traditional intelligence gathering role by giving it broad new powers to engage in law enforcement-type activities. Under Bill C-51, CSIS would be able to take "measures" to reduce threats to the security of Canada. For example, s. 12.1(1) of the proposed act states,

If there are reasonable grounds to believe that a particular activity constitutes a threat to the security of Canada, the Service may take measures, within or outside Canada, to reduce the threat.

The power under s. 12.1 is broadly defined, giving CSIS virtually unfettered authority to conduct any operation it thinks is in the interest of Canadian security. The definitions are so broad that they could apply to almost anything, including measures to disrupt or interfere with non-violent civil disobedience. Only the following activities are explicitly excluded from these new powers, as per s. 12.2(1) of the act:

In taking measures to reduce a threat to the security of Canada, the Service shall not

(a) cause, intentionally or by criminal negligence, death or bodily harm to an individual;

(b) wilfully attempt in any manner to obstruct, pervert or defeat the course of justice; or

(c) violate the sexual integrity of an individual.

These limited exclusions leave CSIS with incredibly expansive powers, including water boarding, inflicting pain (torture) or causing psychological harm to an individual. The government has pointed out that in order for CSIS to take measures under s. 12.1, CSIS must first apply for a warrant. Under the warrant

provision, a judge may issue a warrant if satisfied that there are reasonable grounds to justify the belief that the requested measures are required to enable CSIS "to reduce a threat to the security of Canada," and are "reasonabl[e] and proportiona[te]."⁷

This is an odd standard, which judges will find difficult, if not impossible, to apply. The ordinary standard for issuance of a warrant is based on reasonable grounds to believe that a criminal offence has been committed (in the case of a warrant to arrest)⁸ or reasonable grounds to believe that the search of a place will afford evidence of an offence (in the case of a search pursuant to judicial warrant).⁹ These are determinations that can be made objectively, based on the evidence, by an impartial judicial officer. By contrast, whether a given measure would proportionately "reduce the threat to the security of Canada" is not like these other tests. It amounts to asking judges to look into a crystal ball to determine if Canada will be safer in the future if a CSIS officer takes some measure. This is not a determination that judges are equipped to make. The limits will vary with the judges chosen by CSIS, not with the evidence.

The expansion of CSIS's powers is troubling given the RCMP's notorious history of commingling intelligence gathering and law enforcement. It is also troubling for the additional reason that there is very little oversight of CSIS activities. At present, CSIS is accountable only to the SIRC. CSIS has a budget of over \$500 million annually.¹⁰ SIRC has an annual budget of \$3 million and is staffed by four part-time committee members.¹¹ It no longer has a director general who watches the watchers. By contrast, spy agencies in other countries are supervised by powerful parliamentary or congressional committees. The sweeping new powers, coupled with the woeful lack of oversight, risks turning CSIS into a dangerous "secret police force."

Preventive arrest powers

The current anti-terrorism sections of the Criminal Code already contain provisions for preventive arrest, preventive detention and preventive restraints on liberty. Preventive detention is at odds with our legal tradition of only prosecuting and punishing crimes that have been committed already, and only after those offences have been proven by the prosecution beyond a reasonable doubt. Preventive detention—i.e., detention on the suspicion that someone may or will commit a crime at some point in the future—is the opposite of that legal tradition and is inconsistent with the constitutionally protected right to be presumed innocent until proven guilty.¹²

Prior to the enactment of the 2001 anti-terrorism provisions, the only other preventive detention scheme in the Criminal Code was the dangerous offender regime.¹³ But to be found a dangerous offender or a long-term offender under Part XXIV of the Criminal Code, an offender must have been already convicted of a serious personal injury offence, and there must be evidence that the individual constitutes a threat to the life, safety, or physical and mental well-being of other persons based on evidence of repetitive or persistent serious criminal behaviour.¹⁴ By contrast, the anti-terrorism Criminal Code provisions permit the arrest and detention of individuals, who have not been convicted or even charged with any offence, based on what they might do.

The current preventive detention scheme is already constitutionally suspect. The proposed amendments in Bill C-51 will further lower the threshold for preventive arrest and detention, increasing the risk that entirely innocent people will be swept up on mere suspicion. Under the current s. 83.3(2) of the Criminal Code, a peace officer is empowered to lay an information and bring an individual before a provincial court judge if the officer:

(a) believes on reasonable grounds that a terrorist activity will be carried out; and

(b) suspects on reasonable grounds that the imposition of a recognizance with conditions on a person, or the arrest of a person, is necessary to prevent the carrying out of the terrorist activity.¹⁵

Where exigent circumstances exist, or where laying the information would be impractical, the individual may be arrested without a warrant.¹⁶

The new measures would allow law enforcement agencies to arrest somebody if they suspect that a terrorist act “may be carried out,” instead of the current standard of “will be carried out.” Bill C-51 also substitutes “likely” for “necessary” such that s. 83.3(2) would now enable a peace officer to lay an information or effect a warrantless arrest if the officer:

(a) believes on reasonable grounds that a terrorist activity will **may** be carried out; and

(b) suspects on reasonable grounds that the imposition of a recognizance with conditions on a person, or the arrest of a person, is **necessary likely** to prevent the carrying out of the terrorist activity.¹⁷

Both changes result in a significant lowering of the standard for arrest and detention.

The changes to the law are significant in two respects. The substitution of “may” where it currently says “will” is a significant watering down of the standard. “Will,” when coupled with “reasonable grounds to believe,” denotes evidence-based probability,¹⁸ whereas “may” denotes mere possibility.

The shift from “necessary” to

“likely” is equally important. Necessity in this context suggests that the police officer suspects that no measure other than arrest will prevent a terrorist act. Likelihood is not necessity. Under the new provision, the police officer need only suspect that the arrest is more likely than not to prevent terrorist activity.

Canadians do not want government to arrest individuals based on religious and ethnic stereotypes. But under the new standard, it will be nearly impossible to challenge their decisions.

No-fly list powers


Bill C-51 codifies the Minister of Public Safety’s power to put Canadians on a so-called no-fly list, which prevents them from getting on an airplane. The minister can add anyone to the no-fly list on mere suspicion that he or she will engage in an act that would threaten transportation security or travel by air for the purpose of committing an act of terrorism.¹⁹

Putting someone on the no-fly list is a significant restraint on liberty. And once on the no-fly list, the procedure to have one’s name removed from the list is complex and difficult. Someone on the no-fly list has the right to appeal the minister’s decision to a judge of the Federal Court, but it is a very narrow and futile appeal. It is not nearly enough for the individual to show that the minister was wrong to put them on the no-fly list; they must also show that the minister has acted *unreasonably*.²⁰

Moreover, the review procedure in Bill C-51 for challenging the no-fly list designation incorporates the procedure from the Immigration and Refugee Protection Act’s byzantine security certificate regime. This means the minister can ask the Court to hold part of the hearing in secret—the individual challenging his or her no-fly list designation, their lawyer and the public are excluded from the courtroom when the government presents its case.²¹ The judge hearing the appeal can base his or her entire decision on evidence that was presented during the secret portion of the hearing.

In 2007, the Supreme Court held that this procedure was unconstitutional under s. 7 of the Charter when applied to the judicial review of the detention of a non-citizen detained pursuant to a security certificate.²² Although being

put on the no-fly list is a less serious restraint on liberty than being subject to a security certificate, s. 7 of the Charter is still triggered, and thus the core protections of s. 7, such as the right to know the case to meet, should apply. The currently proposed procedure unequivocally violates that right.²³

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There's a reason we put limits on spying within Canada

By Paul Weinberg

This is a cautionary story of what might happen if we return to the bad old days of the RCMP Security Service, which was caught disrupting and using dirty tricks against a wide range of unsuspecting groups before it was eventually disbanded, its spying responsibilities handed to a newly formed Canadian Security Intelligence Service. It is important to remember this period in light of proposed legislation that would expand CSIS's investigative powers as well as the types of activities its agents, and the RCMP, will consider as threats to the country.

* * *

Let's start in late 1968, at the height of '60s idealism, when two University of Toronto professors, Stephen Clarkson and Abraham Rotstein, kick-started a Toronto-based research institute called Praxis. Their intent was to spark political discussion and debate within the wider community (outside academe) on issues like poverty and democracy, through research, pamphlets, books and public seminars.

"Very briefly the idea is to create an Institute of Social Studies whose *raison d'être* would be to encourage research and long-range imaginative thinking on the various aspects of the future development of our society," Clarkson wrote in the minutes of an initial "brown bag" Praxis discussion.

In some ways, then, Praxis is a precursor to the Canadian Centre for Policy Alternatives, but with a less secure funding base. Clarkson and Rotstein's creation lived solely on grants, first from the *Toronto Star* newspaper and later from consulting and research contracts with government. The money flowed until 1972 when Praxis was forced to shut down.

There is some indication from RCMP files at the Library and Archives Canada that the Security Service was pushing government managers to avoid Praxis, that the organization was spied on, and that Canada's national police had a murky and still not fully explained relationship with those who broke into the group's Toronto offices in December 1970. The background for all of this, gleaned from more than 6,000 pages from those archived documents, is the subject of this story.

Researching the researchers

During its short existence, Praxis was always small, largely made up of researchers, community organizers and graduate students. It quickly became a magnet for cutting-edge work on housing and welfare, leading to contracts with clients such as Canada Mortgage and Housing and the Manitoba government.

Praxis was at the same time plugged into the late-1960s upsurge of citizen advocacy by and in support of low-income groups. So it was not surprising that the research organization was recruited by the federally funded National Council of Welfare to organize a controversial national poor people's conference in Toronto for January 1971. Statements by the delegates about capitalism and the plight of the poor garnered a lot of press and only intensified the suspicions of the RCMP Security Service.

Attention from the Mounties came early. In 1969, Clarkson innocently wrote a letter to the Department of External Affairs in Ottawa requesting that employees, particularly diplomats, consider taking a year off for research and study (a sabbatical) at Praxis.

"This would have to be conditional on our accepting the man [*sic*] and the project as sufficiently interesting. But there is a need to let top grade diplomats return to academic reality and this might provide a useful experiment," Clarkson wrote.

The proposal created a bit of a furor in Ottawa. The department official who received Clarkson's inquiry turned it over to W.L. Higgitt, a senior officer at the RCMP Security Service, who urged co-operation in order to find out what Praxis was up to.

"It would be a considerable advantage for the government if the currents and possible direction from the subversive elements within the corporation could be established," Higgitt wrote in an April 14, 1969 memo.

But what really raised the research institute's profile was its campaign in March 1970, expressed during a packed meeting in Toronto, to run an alternative slate of candidates to the board of the city's Social Planning Council (SPC). The objective was to encourage the rather stuffy social agency to engage in a more ambitious range of research into social problems. Howard Buchbinder, a new hire at Praxis, took the lead. His background as a former community organizer in the U.S. War on Poverty, and a popular (at least among students) radical social work professor from St. Louis, probably helped him nail the job.

"The primary area of activity seems to be centred around that of attempting to infiltrate, dominate or take over control of the Metro Toronto Social Planning Council," said a somewhat conspiratorial-minded RCMP source inside Praxis.

Praxis was, in the minds of the Security Service, an *éminence grise*, manipulating well-meaning activist groups behind the scenes. One anonymous analyst described the research institute as the "central nervous system" for the extra-parliamentary opposition (EPO)—a term borrowed from the New Left—of disloyal and whistle-blowing civil servants in the federal government.

What also had the Mounties concerned, according to historian Kevin Brushett, author of *The Uncomfortable Few: The Company of Young Canadians and the Politics of Youth, 1965–1975* (forthcoming), was the propensity of certain government ministers in the early years of the Trudeau government, Gerard Pelletier being one of them, to encourage young people to join the civil service as "shit-disturbers," to introduce fresh ideas and innovation. Journalist Sandra Gwyn called them the "guerrilla bureaucrats."

Break and enter

This obsession with Praxis took on a darker hue one wintery Toronto evening. On December 18, 1970, unknown (and still unidentified) burglars crept into the back of a semi-detached

house at 373 Huron Avenue, which served as an office for Praxis, making off with a load of internal documents. The records of other groups based in the same dwelling, including the Just Society (a welfare recipient group) as well as a community group fighting the proposed Spadina expressway, were also taken.

In addition to theft, the intruders set fire to the house, causing the landlord, the University of Toronto, to have the damaged structure torn down almost immediately. There is still only greenspace where the house once stood.

Two sets of stolen Praxis documents ended up in the hands of the RCMP Security Service in early 1971. One came from right-wing *Toronto Telegram* journalist Peter Worthington, who had, in the weeks prior to the burglary, written a series of articles critical of a "radical" research institute living off federal government contracts. His references to a "microbe" like Praxis, "getting inside the establishment structure," could have come right out of RCMP literature on the EPO.

To discourage federal government managers from hiring Praxis, the Mounties circulated copies of Worthington's articles to specific federal cabinet ministers, including Robert Andras, minister of state for urban affairs. RCMP Security Service inspector G. Belgalki started a December 1, 1970 memo this way:

"Dear Bob, Attached for your information are two articles by Peter Worthington on the Praxis Corporation, set up at 373 Huron Street, which clearly define the objectives of this organization providing they can get government funds to carry on."

The inspector then ramped up the hyperbole.

"[Praxis] are very vociferous and they are backed by a great many people who have not taken the time to find out what is behind their activities and the innocents are sucked in to act as shields who believe they are serving the cause of democracy in the interests of poor people in our society."

The plot thickened when, after the Praxis break-in, Worthington found himself in possession of the stolen documents—a gift from the burglars themselves—which he delivered to

4 The Varsity
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Varsity member: Dennis McLean (1969) and more than 100 other students who were arrested in 1969 and 1970 for their role in the burning of the University of Toronto. Dennis McLean was arrested in 1969 and 1970 for his role in the burning of the University of Toronto. Dennis McLean was arrested in 1969 and 1970 for his role in the burning of the University of Toronto. Dennis McLean was arrested in 1969 and 1970 for his role in the burning of the University of Toronto.

U of T silent, while activist groups burn

Something is happening just outside the university campus, which the university cannot afford to ignore.

The night of December 18 there was a fire at 373 Huron St., in a U of T-owned building rented to a group of organizations working for social changes in Canada. The groups included The Toronto Women's Liberation Movement, the Metro Tenants' Association, the Stop Spadina Save Our City Coordinating Committee, and the Praxis Research Institute. Until recently the Just Society movement, an association of poor people, also used the building.

With differing emphases, all these groups have been working to lay the basis for fundamental social changes — changes which would put the real power in our society back in the hands of the Canadian people.

That means fighting to end the oppression of women, fighting to achieve cheap housing for Torontonians, and fighting to stop the destruction of the city by developers and politicians with an eye only to profit and efficiency.

There is no evidence that the fire was an accidental one. There is considerable evidence that it was the direct result of the atmosphere of repression and hysteria which groups and organizations — from the federal government in Ottawa down to the Toronto press and fanatic groups like our own home-grown Edmund Burke Society — have been promoting.

The hostility with which the press treated last weekend's Poor People's Confer-

and unsubstantiated attacks he has mounted on Praxis.

It was no surprise, for instance, to find Worthington, the weekend of LaPorte's murder, writing virulently that Canada's campuses were hotbeds of violence and extremism which ought to be purged if social upheavals were to be avoided.

Worthington warmly endorsed the remarks of retired RCMP security and intelligence chief W. H. Kelly, that, without political purges in universities, the campuses could become "incubators of terrorism."

The technique ought to be quite familiar to us, if we have learned anything in the last couple of months. The way in which federal politicians were able to raise the spectre of "insurrection" and of thousands of armed FLQ members, in order to crush a wide range of democratic community organizations in Quebec, provides a textbook example.

Peter Worthington took a page right out of Jean Drapeau's book, when he mounted his campaign against Praxis just as the organization was beginning to organize workshop-style conferences at which people could discuss how to begin to achieve their social aims.

The fire and looting, of course, occurred the same day one of Worthington's slanderous attacks appeared in print.

And let's not forget Prime Minister Trudeau, who picked up on Kelly's rhetoric when he suggested early last month that university campuses will have to be increasingly under po-

occupants, or to help find alternate accommodation for its occupants.

The university's callous stand on this issue is just another example of its traditional attitude to groups outside the parameters of the ivory tower.

Two summers ago, U of T tore down an outstanding second hand bookstore, Volume One, at the corner of Harbord and Spadina — for parking space.

Last spring U of T in a situation almost parallel with the 373 Huron affair, refused to spend \$2,000 on repairs to a cooperative daycare centre housed in a university building on Sussex Ave. That error in judgement was corrected by a prolonged overnight visit of hundreds of students and faculty to Simcoe Hall, where they threatened to remain unless the university agreed to help out the daycare centre.

But what is even more appalling is the apparent disinterest U of T President Claude Bissell has displayed in the whole atmosphere of

repression infecting Canada.

He made no public statement on the suspension of civil liberties in October, and the subsequent crackdown on the people of Quebec.

A man of reason, and a leader of opinion in English Canada, Claude Bissell did not feel compelled to articulate any objections to the actions of the federal government in Quebec and of governments — like the B.C. and Quebec Governments for instance — which took the opportunity to impose strict political control on teachers and faculty.

Bissell's incredible disinterest in these challenges to the independence of the university and to the Canadian traditions of freedom of thought and learning, is difficult to comprehend.

The university should be a place where free exchange of opinion can always take place.

But it should take place there especially if it attempts in an analytical way

to examine the problems facing Canadians and begin to resolve them.

U of T took a half-hearted step in that direction when it (or at least its faculty, students, and president) opposed the Spadina Expressway.

It is time now for U of T to come to the aid of the groups who have been terrorized out of their accommodation.

U of T should be standing solidly behind all of these groups — supporting them both in the public eye and in working for fundamental social change.

Concretely, this would mean providing physical facilities and helping them with their work — as an integral part of the university's responsibilities.

It would also mean speaking out publicly to demand that the police move to protect such groups from right-wing harassment, and to support any legal charges Praxis, or others, might wish to lodge against Peter Worthington.



the receptive Mounties after the Metro Toronto Police refused to take them.

Worthington kept all this close to his chest for several years until writing about it in a *Toronto Sun* column on February 4, 1977 that was headlined, "I gave RCMP Praxis files." It explained how "a couple of guys arrived one morning" at the *Telegram* (the columnist's former newspaper) bearing a large stack of files weighing 20 to 30 pounds that were "unceremoniously shoved in my arms."

"I went through them and they related to Praxis, Just Society, Stop Spadina, Metro Tenants and the Poor People's Conference," wrote Worthington.

The second batch of stolen Praxis files was given to two RCMP officers, G.K. Grant and Ron Pankew, by an intermediary in the vicinity of the RCMP office near Jarvis Street in Toronto. Pankew had been previously in touch with the go-between, who turned out to be an informant for the Mounties

inside the Edmund Burke Society who was suspected of carrying out the break in and arson.

One of the officers, Grant, wrote a June 13, 1977 memorandum about the Praxis experience. He described masquerading as a member of an extreme-right group from New York State in order to get a meeting with one of the possible burglars, who turned out to be a "hardened, 'street-wise,' young, political thug." Grant noted the "radical right" group (i.e., the Burkers) in Toronto was quite capable of carryout violent acts.

"It was also my position that the revelation of the original informant's identity to the MTPD (Metro Toronto Police Department) would place him in extreme jeopardy at the hands of the boy and his confederate(s)."

Memoranda on a burglary

Seven years later, the RCMP Security Service was in trouble from revelations

of illegal acts and dirty tricks against Quebec separatists and the Canadian left in the late-1960s and early-1970s. Trudeau established a royal commission, led by Judge David McDonald, to investigate solutions for a wayward Security Service. Its findings would lead to the establishment, in 1984, of a civilian spy agency (CSIS) limited to collecting intelligence and analysis.

In the run-up to the McDonald hearings, and certainly justifying their outcome, the RCMP Security Service panicked, destroying records of its operations involving the disruption of certain groups. This was done to avoid what had happened to the FBI in the U.S., where public revelations of a similar though much larger covert counter-intelligence program, better known as COINTELPRO, had recently surfaced.

"As the McDonald Commission found, this was clearly an attempt to destroy evidence of wrongdoing," said Reg Whitaker, security analyst, professor, and co-author of the 2012 book *Secret Service: Political Policing in Canada from the Fenians to Fortress America*.

The RCMP asked Superintendent John Venner, operations manager for the Security Service in Toronto, to investigate allegations that the Mounties had either instigated the burglary and arson at Praxis or encouraged surrogates to do the deed. After some inquiries, Venner determined the crime had been committed by freelancers without support from any police force.

But other issues still loomed. Namely, that the Security Service had accepted, and retained for seven years, the proceeds of a crime without informing the victim and owner of the stolen goods.

"Superintendent Venner stated that the Security Service could very well be destroyed over this issue (Praxis Affair)," said Grant in his June 1977 memorandum. He and Pankew were especially worried that they might take the fall for their role in the Praxis affair rather than the higher-ups in the Security Service.

Grant wrote that the two of them were being coached on what had transpired in early 1971, and had been asked to undergo a "tailored" half-hour question-and-answer process that felt at times, he said, like a rehearsal for a future appearance before the McDonald inquiry.

"[We] would be supplied with questions and the corresponding answers. This was what the Force [blank space] wanted to hear," Grant wrote. "Our primary concern was that we were being counselled to participate in what we considered to be a scheme to obstruct justice."

Grant said he and Pankew were also informed that a civil action pursued by former Praxis staffer Buchbinder against the illegal holding of Praxis property by the RCMP Security Service would be effectively blocked. The "judicial system would place barriers in the way, making it impossible for Buchbinder to lay charges," wrote the officer.

One of the senior officers, who was also a legal advisor, dubbed the process a "bureaucratic containment," according to Grant. "He said it was sort of sad that the system could do this." (In the end, neither Grant nor Pankew had to testify before the inquiry.)

Competing versions of events

On July 4, 1977, Venner issued a counter-memorandum suggesting Grant had "distorted the facts very seriously several times." Venner did not challenge any of the details reported by Grant on the pickup of the Praxis documents or the encounter with one of the burglars. But he disputed any suggestion of coaching statements or fixing the judicial process.

Grant and Pankew were wrong to state "I was somehow trying to shift all the blame to them and thereby spare others, senior to them, from any criticism," Venner wrote.

"It is hard to know what to make of the 'he said, he said' recriminations, in terms of which of these guys was telling the truth or any approximation of it," Whitaker told me. But he said it's clear that once the RCMP had the stolen Praxis documents, they were going to make use of them.

"The Mounties knew they had a problem, receiving and retaining stolen documents, not to speak of potential connection, via their undercover sources, with arson. Covering their asses in the face of several investigations was their prime directive," said Whitaker, adding he has not seen any evidence of direct Mountie involvement in the Praxis break-in.

But veteran Toronto lawyer Paul Copeland, a former Praxis counsel during its unsuccessful legal actions against the RCMP Security Service, does not rule out the possibility. He finds the June 1977 statement by Grant credible.

"It is probably an accurate rendition of what the RCMP was doing. I am surprised about how nervous they were. The conspiratorial nature of this is unbelievable. I don't think the security mindset in CSIS and the RCMP today has changed a whole lot," he said.

One thing the two men—Grant and Venner—agreed on in 1977 was that the RCMP's priority was protecting its informant inside the Edmund Burke Society, thus no charges could be laid against the Praxis burglars by Toronto police. "You don't burn a source," was how Venner put it. Copeland finds this unacceptable.


"I am not surprised that they claim they did not want to expose the informant. Given the activities of the Burkers, in my view they should have arrested them and, if necessary, put their informant in the witness protection program."

Much later, in 1998, the federal government agreed to pay an undisclosed amount to the former Praxis board as a settlement in the case, perhaps acknowledging, in a subtle way, some responsibility for what happened in late 1970.

The final word comes from an unrepentant Worthington, who, in an email to me a few years ago, denied he might have inspired the Praxis burglars, or that he knew them:

I don't think the police—local or RCMP—were in the least interested in catching the burglars. I didn't know them, and was mainly anxious to distance myself from whoever did [the Praxis break-in]. Just didn't want to know. And the cops never questioned me—just were happy to accept the documents which, as I remember, didn't amount to much.

G.K. Grant and Peter Worthington are deceased. Pankew and Venner declined to be interviewed for this story.

Paul Weinberg is a Hamilton-based freelance writer. His work appears in rabble.ca and [NOW magazine](http://NOWmagazine.com). 

Government's anti-terror laws target anti-pipeline foes

By Joyce Nelson

Since October's shooting and attack on Parliament Hill, the Harper government has introduced or passed four pieces of legislation that impinge on civil liberties in ways that almost certainly contravene legal protections in Canada's Charter of Rights and Freedoms. Though the government claims these reforms are meant help security agencies confront new terrorist threats to Canada, they could be used to hassle and spy on a larger group of people at home and abroad, in particular those opposed to the government's energy agenda. Equally worrying is that the laws are being introduced without any corresponding oversight of security activities.

In the order they were introduced, there is Bill C-13, highly unpopular and long-delayed online spying legislation that passed the Senate in November and received royal assent December 9. The bill creates legal incentives for Internet service providers to voluntarily intercept and hand over personal information on their customers to law enforcement agencies that request it, even when they don't have a warrant. David Christopher with the group OpenMedia says "important parts of this legislation have already been ruled unconstitutional by the Supreme Court."

Then came Bill C-44, tabled in Parliament in the immediate aftermath of the Michael Zehaf Bibeau attacks, which expands CSIS's surveillance reach, removes legal hurdles to agents operating abroad (even in contravention of foreign or international law), grants anonymity to CSIS informants, and alters the conditions under which a person's Canadian citizenship can be revoked. Bill C-44, which was deemed "highly problematic" by the Canadian Civil Liberties Association (CCLA), passed third reading on February 2 and was with the Senate at time of writing.

Where the government's security and energy agendas more clearly overlap are in Bill C-639, introduced as a private member's bill by Conservative MP Wai Young on December 3, and Bill C-51, the Anti-Terrorism Act 2015, tabled on January 30. Both refer to the protection of "critical infrastructure," disruption to which would "produce serious adverse economic effects," and are obviously aimed at ongoing protests against tar sands expansion and pipeline projects.

Threats to critical infrastructure

Young's private member's bill, which is supported by Harper's justice minister, Peter MacKay, creates a new Criminal Code offence for anyone who "destroys or damages any part of a critical infrastructure; renders any part of a critical infrastructure dangerous, useless, inoperative or ineffective; or obstructs, interrupts or interferes with the lawful use, enjoyment or operations of any part of a critical infrastructure."

This language could criminalize peaceful and (currently) lawful protests if they interfere, even temporarily, with "critical infrastructure," defined broadly in the legislation as "including services relating to energy, telecommunications, finance, health care, food, water, transportation, public safety, government and manufacturing, the disruption of which could produce serious adverse economic effects or endanger the health or

safety of Canadians." The bill imposes a mandatory minimum sentence of two to 10 years and fines of \$500 to \$3,000.

Toronto lawyer Ed Prutschi told the *National Post* in December the fact that energy infrastructure was included in this definition has one obvious purpose: "It would have application for pipeline protests." He noted the legislation doesn't necessarily require any damage to have been done, just that a person be in the way, as many people were during a protest in Burnaby last year against Kinder Morgan's Trans Mountain pipeline expansion. As the *Post* noted, Young is the MP for Vancouver South, which is adjacent to the mountain.

From November 19 to 27, at least 100 protesters were arrested for crossing a police line in a municipal conservation area on Burnaby Mountain where Kinder Morgan crews have been doing preliminary work—before approval of the project—in preparation for tunneling. Bill C-639 would appear to offer the police a bigger stick for discouraging these protests, since participants could face new fines and jail time just for exercising their right to dissent.

Authoritarian tactics

The BC Civil Liberties Association (BCCLA) considers the Conservative private member's bill a direct attack on our constitutional and Charter rights, suggesting Canada is "borrowing tactics from dictatorial governments." Executive Director Josh Paterson slammed the bill during a meeting in Bangkok in December where he was participating in an investigation of political rights violations in the context of natural resource development.

"We are at the United Nations to cry foul on Canada's latest attempt to criminalize peaceful protest," Paterson said in a news release. "Now striking flight attendants and kids protesting pipelines on Burnaby Mountain could be considered criminals? Either of these lawful protests could count as a crime under this law if they interfere with something of economic value. That is simply ridiculous and it violates the fundamental freedoms of Canadians."

Paterson further stated: "We are meeting in Bangkok with representatives from non-democratic countries where protest is a serious crime... Canada has not only broken with our own constitution in criminalizing protest, spying on First Nations, and denouncing community groups, it's also breaking its international commitments to protect the freedom of expression and freedom of assembly of Canadians."

RCMP critical infrastructure team

In Young's media release presenting Bill C-639, Minister MacKay claimed it was "the product of extensive, cross-Canada consultation, consistent with our Government's priority to create safer communities." But the bill is obviously based on a March 2011 report written by the RCMP's Critical Infrastructure Intelligence Team, which consulted primarily with private energy companies.

The document, recently obtained by Carleton University

criminologist Jeff Monaghan, warned, "Environmental ideologically motivated individuals including some who are aligned with a radical, criminal extremist ideology pose a clear and present criminal threat to Canada's energy sector." It said Canada's law enforcement and security agencies "have noted a growing radicalized faction of environmentalists who advocate the use of criminal activity to promote the protection of the natural environment."

This is from the same RCMP team that spied on Quebec residents opposed to shale gas development, among other groups.

The RCMP report, and Young's proposed legislation, dovetails with the Canada-U.S. Beyond the Border Action Plan, the result of perimeter security and economic integration talks launched by Canada and the United States in late 2010. The protection of shared critical infrastructure is listed as a priority in security documents on the government's Beyond the Border website.

"Canada and the United States share a significant quantity of critical infrastructure assets and systems, including pipelines, the electric grid, and transportation systems," they say. "It is imperative that our countries work together to protect these assets. To effectively do this, our governments will require a close collaboration with the private sector, as they own much critical infrastructure in question."

The plan mentions a pilot project between New Brunswick and Maine, "to learn how best to work together on each of the elements." But according to news reports, that pilot project has been delayed since July 2013 because the U.S. has requested that its cross-border police officers be exempt from Canadian law. Internal RCMP briefing notes regarding this "sovereignty issue" apparently stymied the project temporarily.

On October 28, U.S. Secretary of State John Kerry was in Ottawa to express his government's condolences for the killings of two Canadian soldiers during separate attacks the previous week. Reinforcing the importance of policy alignment, Kerry said the U.S. and Canada would "work quietly and carefully" to strengthen security between the two countries, "making certain that every possible stone is turned over, every possible policy is

reviewed because our obligation is obviously to protect our citizens."

Bill C-51

Kerry's October meeting in Ottawa, and the Burnaby Mountain pipeline protests afterwards, provided convenient cover for the introduction of Bill C-639. Then came the *Charlie Hebdo* shootings in Paris in January. Just weeks later, the government tabled more alarming security legislation: Bill C-51, the Anti-Terrorism Act 2015.

Harper's proposed update to the existing anti-terrorism legislation grants CSIS the authority to block Canadian websites. The bill further defines "terrorist propaganda" as "any writing, sign, visible representation or audio recording that advocates or promotes the commission of terrorism offences in general...or counsels the commission of a terrorism offence."

The CCLA says the bill "broadens CSIS's powers significantly" and "may criminalize legitimate speech," noting a "potential chilling effect on academics and journalists and bloggers," who could face up to five years in prison. The chilling effect comes from the vagueness of language in the bill, which allows government departments to share personal information related to activities that "undermine the security of Canada," defined quite broadly to include "interference with critical infrastructure," but also "interference with the capability of the Government of Canada in relation to...the economic or financial stability of Canada."

C-51 exempts "lawful advocacy, protest, dissent and artistic expression" as threats to the security of Canada, but as a *Globe and Mail* editorial asked in February, "how well do governments define those things in times of 'great evil'?" Privacy Commissioner Daniel Therrien expressed similar fears in his response to the legislation:

This Act would seemingly allow departments and agencies to share the personal information of all individuals, including ordinary Canadians who may not be suspected of terrorist activities, for the purpose of detecting and identifying new security threats. It is not clear that this would be a proportional measure that respects the privacy rights of Canadians.


The bill also lowers the threshold for "preventive arrests," makes it easier to place people on no-fly lists, gives authorities the power to hold suspected "terrorists" without charge for seven days, allows a judge to impose up to a year of house arrest on someone who has not been charged or convicted of a crime, and allows CSIS agents to "disrupt" threats to Canadian security, including "covert foreign-influenced activities."

Importantly, Bill C-51 would let law enforcement officials detain someone on the grounds they "may" have terrorist plans where currently the law allows for preventative arrests only when it is suspected they "will commit a terrorism offence." Micheal Vonn, the BCCLA's policy director, has warned "criminalizing people's words and thoughts is misguided and won't make Canadians any safer." Vonn and others have said the bill is "likely unconstitutional."

In Parliament on February 2, Green Party leader Elizabeth May asked Public Safety Minister Steven Blaney if the new anti-terrorism bill "will apply to nonviolent civil disobedience, such as that against pipelines?" He did not directly answer the question, saying only that terrorism "is a criminal act and those who go against the Criminal Code will meet the full force of the law." May told MPs they "must not allow the Conservatives to turn CSIS into a secret police force."

As of early February, the RCMP is still refusing to release what Commissioner Bob Paulson calls a "video manifesto" made by Zehaf-Bibeau days before his October 22 attack on Parliament Hill. The RCMP claims the video shows the shooter's political motives and contains a religious reference. On the basis of this unreleased video, the Harper government is claiming the shooting was a "terrorist act," rather than the actions of a deranged individual in need of help.

If the Harper government is so concerned about "home-grown terrorists," maybe it should shut down the tar sands. In mid-January, the *National Post* reported at least three "radicalized youth" (including Zehaf-Bibeau) headed to the tar sands "to earn money to finance their terrorist activities."

Joyce Nelson is an award-winning freelance writer/researcher and the author of five books. 

Vignettes of the working poor

By Dianah Smith

Brother

In a few weeks my brother may be heading to Alberta. Again.

He went out west last spring hoping, like many before him and undoubtedly many after him, to find some measure of security in full-time, well-paying, permanent employment. I knew he was struggling even with his three part-time jobs but I still worried when he first told me about his plans. "I just want one job," he explained as he prepared to leave that first time. If this worked out as hoped, he planned to settle down, buy a house and finally experience the as yet elusive "good life."

In Ottawa he saw mom and dad on a regular basis, was a member of a small congregation and hung out with friends that he'd known most of his life. I asked him if he was worried about being isolated. He shrugged off my question, saying that with all the money he would be making he could afford to come home once a month. Plus, he reminded me that he didn't have much of a life in Ottawa; he was tired of hustling; he was ready to give the finger to Ottawa and to never look back.

"Welcome to Fort Crack-Murray" was one of the greetings he received on the first day he arrived in Fort McMurray, Alberta. He laughed over the phone as he told me about the greeting. But I didn't laugh. I had no worries about him falling into drugs; he'd never been a drinker, didn't even smoke. But I really worried that he would be exploited, robbed or mugged. Physically, he was a big guy. Words such as "husky" and "hefty" would be good descriptors of my brother but he wasn't an aggressive or intimidating man.

We talked several times during his first week in Fort McMurray. He found housing—a room in a basement with a private bathroom but no kitchen. During the first week of two weeks of on-the-job training, things seemed to be going well. Over the next few weeks the phone calls became less frequent. When I asked about his contract or details about the company his answers became vague. Still, it came as a surprise that less than a month after he'd driven across the country to this new Mecca, he returned to Ottawa unimpressed, uninspired and slightly jaded.

As often happens, the delivery fell short of the promise. He said his training was inadequate. He didn't get the amount of shifts that he was promised and at times he felt that his safety was being compromised. When he complained, his supervisors were unresponsive. And, of course, everyone knew that he was totally dispensable.

He returned to three part-time jobs with the hope of increased shifts and eventually more steady work. That hasn't panned out. So, less than one year later, he is willing to try again.

Sister

After my sister's long-term relationship dissolved she took on a weekend part-time job. This was in addition to

her full-time job during the week. It meant she would be working seven days a week in order to "make ends meet." The weekend job consisted of folding hundreds of pieces of linens and towels. The workers, mostly older immigrant women recently arrived from Eastern Europe, Africa and the Caribbean, were stationed on an assembly line: a massive pile of towels and linens would drop from a cage that moved along a wire above these stations. The job was to fold all of this linen in record time and to bring these piles to another station. The cage would come by frequently, dropping pile after pile of freshly laundered towels and linens in front of each workstation. There were daily quotas, and if you were unable to meet it you would be let go.

My sister worked at this job for three years. She now says that her back, knees and feet are messed up because of the many hours of standing she did during each shift.

Mom

My mom is a writer, like me. But unlike me she doesn't have the luxury of time or the necessity of energy to pursue her creativity. At 62, she spends most of the day on her feet working in the dining room of a seniors' residence. She serves meals, clears the dining room, sets up for however many meal services will take place during her shift. She tells me that sometimes she's so tired at the end of a shift that when she gets home she doesn't make it upstairs to her bedroom. She falls asleep on the couch in her work clothes. Still she writes sporadically, on her days off, on rare evenings when she has energy or in the mornings before she goes to work. She has papers scattered all over her apartment, evidence of her stops and starts. She's looking forward to focusing on writing when she retires.

Dad

Although mom was always with us at night, as I kid I often didn't feel safe enough to fall into a sound sleep until dad was home. But his cleaning jobs were always evening or overnight shifts so staying awake was not always feasible. One early winter morning, I was startled out of sleep by a banging on our apartment door. I couldn't make out what was being said but I knew it was something serious by the formalness of mom's voice. The next morning I learned about the accident. Driving home from a late night shift, dad had fallen asleep at the wheel and driven his car into a concrete light post. When I returned home from school at the end of the day, I was frightened by how he looked: a bandaged head, swollen and bruised face, and one arm in a sling. He had trouble speaking because of the stitches in his tongue.

Many years later mom told me that he had "walked" home from the crash. He'd told her he didn't want to call the police or go to the hospital. He ended up not having a choice as the police followed his footsteps and blood trail in

the snow right to our apartment door, arriving not long after he did.

Me (then)

I grew up knowing intuitively not to ask for particular things because they were not possibilities: toys, new clothes, shoes, participating in after-school clubs, going to sleepovers or friends' houses. There were no seconds at the dinner table and the kitchen was off-limits between meals. Mom kept a mental inventory of what was in the fridge and cupboards, and my siblings and I were warned that we'd have to wait until the next payday to replace bread, milk, lunchmeat, etc. that didn't "stretch" for however long it was supposed to stretch for.

It was normal for my siblings and me to wear ill-fitting or worn-out shoes, clothes that we'd "grown out of" or needed to be "grown into." The need for a specific item—grey skirt and blue sweater for the school choir, for instance—was cause for stress. And a request to attend a meeting at school would elicit a monologue from mom. Memorable lines included whether teachers didn't understand that people had to work and that this "foolishness" could wait and was this meeting going to put food on the table?

As a kid, I knew we were poor but the feelings of shame (that somehow we were to blame for this poverty) only entered my life when my childhood circles expanded beyond my neighbourhood. A recommendation by my Grade 6 French teacher to enroll in a French immersion program led me to a predominantly white and middle-class junior high school outside of my neighbourhood. As a poor black kid attending a predominantly white, middle-class junior high and then high school not only did I feel different, I felt less valued in who I was as a person, and in my contributions academically and socially. Plaid, pinned-down collars and penny loafers dominated my junior high. My family shopped at Giant Tiger and Biway. Giant Tiger and Biway didn't sell Polo, Lacoste or Esprit. The Biway didn't even have a change room. As a kid, a logo or brand name did what a surreptitious swig from a micky did in adulthood: provided false courage that

helped you make eye contact, initiate conversations, believe for a moment that you were somebody.

In the senior grades of high school I noticed a kind of camaraderie between middle/upper-class students and teachers. They (teachers and students) spoke with authority about current events, stories in the papers, things that were happening in the world. The participants in these conversations were mainly students whose families subscribed to the *Ottawa Citizen* or the *Globe and Mail* and discussed news stories over breakfast or at dinner with their parents. Many of these students also went to Mont Tremblant during the Christmas break and Florida during the March break. There was no entry point to these side discussions; they weren't part of the lesson so there were no readings handed out or text to refer to. The assumption that "we should know these things" hung in the air. To not know these things or share these experiences meant that you remained on the fringes—literally and figuratively.

Mercifully, this humiliation/alienation was limited to the school day. At that time there were no cellphones, Facebook or Instagram. I can only imagine how the ability to constantly and instantly post about your activities, whereabouts, not to mention selfies and images of vacations, birthdays and bar mitzvahs adds to the sense alienation of today's economically disadvantaged young people.

A trifecta of circumstances contributed to my educational path. I hesitate to say educational "success" as I feel that word is loaded with many assumptions. When my siblings and I were reluctant to do our homework my Dad would often say, "Do you want to end up like your mother and me, cleaning up after people?" Despite their unfamiliarity with the Canadian education system and their limited educational achievements, my parents (similar to many immigrants) valued education and instilled that value in my siblings and me.

Falling in with the "right" crowd was also a significant influence. The right crowd was somewhere between nerds and geeks. Again, my parents always warned against "too much

friend and company." Our job was to focus on school, listen to them and our teachers and whatever other adults spoke to us.

Finally and maybe most significantly, beginning in junior high and continuing throughout high school, several adults took me under their wing. These adults, including teachers, librarians, guidance counsellors and social workers, "looked out" for me. By Grade 11, I was no longer living at home, due to many circumstances undoubtedly exacerbated by our economic struggles. Seeing a friendly face and knowing that there was at least one adult who had my well-being and interest at heart sometimes made the difference between hope and despair.

Despite all of this, teachers college wasn't something that I planned. I think this desire for academic "success," without knowing how to actually achieve it, may be a common experience for many poor people. Economically disadvantaged people are unfamiliar with how the system works and therefore don't know how to navigate much less "work" the system, as many economically advantaged people do. The poor often end up being casualties of the system with a few lucky exceptions.


Me (now)

A teaching degree, a creative outlet, and perhaps a bit of luck and good timing have (for the moment) saved me from joining the (swelling) ranks of the working poor. Unlike many recent bachelor of education graduates, I entered the teaching profession at a time when jobs were still available. I was hired as a full-time teacher within several months of graduating from the Ontario Institute for Studies in Education (OISE). With full-time work, my first priority was to pay off my student loans. I committed to putting half of my monthly salary toward my student loan payments. Growing up poor, I was used to living on very little, so living on half of my teaching salary wasn't a big challenge. I was in a shared living situation so also had very low expenses.

Working full time, I was able to pay off my debt within three years. Without

the weight of a large debt, I had room to breathe, and that breathing room allowed me to see that I actually did not enjoy teaching full time. Eventually, I transitioned to part-time teaching, and then resigned as a full-time teacher and transitioned to occasional teaching. As an occasional teacher, I don't have the benefits, wages or security of a full-time teacher. However, I do (usually) make enough to cover my living expenses, and have some comforts.

Work that pays a living wage has allowed me to have the kind of life that has eluded my immediate family, one with dignity, choice and opportunity to dream. It has also allowed me time for reflection. I was able to look at my life, and to understand that my and my family's challenges were not about personal failure. There were and still are systemic and structural obstacles that create, sustain and entrench economic disadvantage. In the end, it's our society that suffers the greatest loss with fractured families, hollowed-out communities, and individuals who are not able to reach or even explore their full human potential.

Dianah Smith is a writer currently completing her first novel; an arts educator facilitating writing workshops in schools and community settings; a program co-ordinator with a community arts festival; and an occasional teacher with the Toronto District School Board. This article appears in the winter 2015 issue of Our Schools / Our Selves, which is available for purchase at the CCPA Bookstore: www.policyalternatives.ca. 

Canadian Centre for Policy Alternatives

Annual Report
2014



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The Good News Page

Compiled by Elaine Hughes

After years of negotiation, an agreement has been reached between First Nations, the B.C. government and the Nature Conservancy of Canada to protect ancestral burial grounds of the Cowichan, Tseycum, Penelakut, Tsawout, Tsartlip and Pauquachin peoples against development on Grace Islet, off Salt Spring Island in British Columbia. (*The Tyee*, January 16)

On January 2, New Orleans became the first U.S. city to find homes for all of its 50,000 known homeless veterans. The program is being hailed as a model for the rest of the country. (*The Christian Science Monitor*, January 9)

In early January, Gerhld Acosta, a hitchhiker looking for a ride home from his job at a paper mill in southwestern Uruguay, got the surprise of his life when the occupants of the SUV that stopped to pick him up turned out to be President Jose Mujica and his wife, Senator Lucia Topolansky. Such encounters with Mujica, often nicknamed "the world's poorest president," are not rare. He recently donated 90% of his salary to charity, saying, "I do fine with that amount; I have to do fine because there are many Uruguayans who live with much less." (*Huffington Post*, January 29)

Cree Instructor Dorothy Thunder has partnered with Antti Arppe, a linguistics professor at the University of Alberta, to produce an electronic Plains Cree-to-English dictionary. They are hoping it will be ready within a year. (CBC, February 2)

In mid-2013, New Yorker Robert Lee, the son of Korean immigrants, launched Rescuing Leftover Cuisine, a non-profit that combines the goals of preventing high-quality food from being wasted and putting an end to hunger. Since then, his organization has partnered with more than 30 local restaurants and markets to secure food donations, while building a volunteer network of more than 1,400 people to hand-deliver food

to homeless shelters across the city. The organization has saved and shared more than 45,000 pounds of food at a cost of just 10 cents per pound. (*Huffington Post*, January 30)

University of Copenhagen plant ecologist Jacob Winer has found the amount of weeds in corn, grain and bean fields can be reduced by modifying sowing patterns and planting seeds closer together. Herbicide use is curbed simply by out-competing the weeds for space. (*Seed Daily*, January 15)

A new study shows that protective legislation, a change in public attitude, and land-sharing conservation practices can result in increased numbers of brown bears, wolves, Eurasian lynx and wolverines throughout mainland Europe. (*The Guardian U.K.*, December 18)

A rare Sierra Nevada red fox, a distinct subspecies of the common red fox, was caught on camera on December 13 and again on January 4 in California's Yosemite National Park. It was the first sighting in the park in more than a century. (*The California Aggie*, February 10)

Forty years ago, the bald eagle population of New Jersey numbered one single nesting pair. People took action, passed the Clean Water Act and the Endangered Species Act, and banned DDT. In 2014, the state now boasts 156 eagle pairs with 115 of those pairs successfully breeding, producing 201 young. (NorthJersey.com, January 23)

Citing better field patrolling and monitoring as possible reasons, campaigners fighting to protect India's tiger population are encouraged by the increase from 1,706 animals in 2011 to 2,226 in 2014. (*The Guardian U.K.*, January 20)

A herd of 30 wild bison has been let loose in Illinois' Nachusa Grasslands to restore natural grasslands to the Prairie state. It's the first time the animal has

been east of the Mississippi in 200 years. (*OnEarth* magazine, January)

Stanford solar physicists have devised artificial intelligence techniques that could provide advance warning of gigantic solar flares and their impacts on Earth's communication and power systems. (*Space Daily*, January 15)

In 2004, a fire destroyed the diesel power plant on the tiny Caribbean island of Bonaire (pop. 14,500), off the coast of Venezuela. Today the community is on the way to being powered entirely by renewable energy, with 12 wind turbines producing 11 MW of wind power, battery storage of 6 MWh, five diesel generators for backup, and a biodiesel (algae) plant in the works. (Rocky Mountain Institute blog, January 7)

St. Kitts and Nevis, also in the Caribbean, wants to "harness the power of the sun," in the words of the island nation's prime minister, Dr. Denzil Douglas. The country's first solar farm was commissioned in 2013 and the groundbreaking for its second installation took place in early January. (*Inter Press Service*, January 13)

It turns out people want to save energy to save the planet, not to save money. After receiving emails about the amount of pollution they were creating, and how that's been shown to cause childhood asthma and cancer, one of the control groups in a recent UCLA study cut its energy use by 8%. The health message was most effective in households with children at home, which cut their power by 19%. (*The Daily Climate*, January 12)

2014 was a "massive" year for renewable energy, suggests a report by World Wildlife Fund Scotland, with enough wind power generated on December 10 to supply 6.34 million homes for the day. (*The Scotsman*, December 22)

According to Statistics Canada, crime in Canada has fallen to its lowest point since the 1960s. (*The Toronto Star*, January 28)

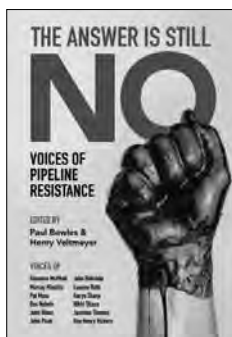


Extracting stories of resistance

The Answer Is Still No

By Paul Bowles and Henry Veltmeyer
Fernwood Publishing (2014), 156 pages, \$22.95 (paperback).

Reviewed by Angela V. Carter, assistant professor at the University of Waterloo



The Northern Gateway pipeline is one of several proposals for transporting tar sands bitumen from Alberta to non-U.S. markets, in this case to Asia via the port of Kitimat on British Columbia's northwest coast. The tremendous opposition to this particular Enbridge project, expressed in recent testimony to the government's Joint Review Panel, intrigued two university professors, Paul Bowles and Henry Veltmeyer, who set out to understand the pipeline resistance movement. They travelled from Prince George to Prince Rupert, interviewing activists and community members along the pipeline's suggested route through B.C.

The Answer Is Still No is the result of those conversations—10 chapters covering a dozen interviews bookended by an introduction and afterward that draw on the authors' combined expertise in economics and international studies. Bowles and Veltmeyer provocatively conclude that despite the Harper government's unambiguous support for pipeline projects, and the corporate pressure to see them completed, "there is one certainty: the Enbridge pipeline will never be built." Why? Because "the people of northern British Columbia and their supporters elsewhere will not let it happen."

In one chapter, Jasmine Thomas from the Saik'uz First Nation (50km west of Prince George along the Trans-Canada Highway) captures the perspective of Indigenous organizations working to protect the Fraser River watershed. Thomas emphasizes the scope and diversity of strategies used by First Nations, from lobbying for changes to the federal government's review processes, to raising awareness at shareholder meetings of Canadian banks, to learning from the experiences of communities confronting the negative impacts of oil projects in Ecuador and the Gulf of Mexico. Thomas describes how First Nations women have led the B.C. resistance from the grassroots. What they call "anti-Enbridge headquarters" is essentially "four of us women sitting in a living room." She underscores the important relationship that has developed between First Nations communities and non-governmental organizations that recognize the fundamental importance of First Nations leadership and sovereignty.


In another chapter, John Ridsdale, chief of the Tsayu Clan and a co-ordinator at the natural resource department of the Office of the Wet'suwet'en, describes the attempts by pipeline companies to gain consent, by dividing opinion in First Nations communities, for example, or avoiding a cumulative impact analyses of their projects. Ridsdale also covers how the federal government has supported extraction

through regulatory changes (e.g., the retreat, in the 2012 federal budget, from protecting the vast majority of Canadian lakes), contrasting the shortsightedness of corporations and government with his community's long-term commitment to protecting its lands and waterways. Like Thomas, Ridsdale reflects on how this pipeline debate is unifying disparate groups and people, including recreational fishers, agricultural and forestry workers. "Enbridge did us a favour," he says. "For them to bring us together like that was amazing."

The interview with Nikki Skuce of ForestEthics provides another window into the pipeline fight. She explains how environmental organizations have learned from the experience of opposing other extractive projects in the region. For example, the most recent debate on coal-bed methane taught activists the value of creative strategies of resistance; of using a blend of public debates and information sessions, public pressure on corporate boards, support for concerned municipalities, lobbying at different levels of government, and direct action. In the Enbridge pipeline case, Skuce credits First Nations and other northern communities and community organizations (versus national or international NGOs) with leading the resistance. While the larger NGOs are present, and there are often divergences of opinion and sometimes conflict, overall the relationship is co-operative. Successful resistance to other projects has built a sense of empowerment, she says.

In contrast to typical academic work, Bowles and Veltmeyer let the interviewees' words stand for themselves in these edited transcripts. The result is a number of unique and broad-ranging conversations that have become all the more important since *The Answer is Still No* was released last spring. The Northern Gateway project received cabinet approval in June 2014, subject to the 209 conditions of the Joint Review Panel. Enbridge says it will start building the pipeline in 2016, and be moving oil by 2019. But legal challenges against the project are mounting.

So far, 19 lawsuits have been filed against Northern Gateway by environmental groups, labour unions, and First Nations communities emboldened by the recent Supreme Court of Canada decision to grant Aboriginal title to the Tsilhqot'in First Nation. Public support is growing for an NDP private member's bill that would ban oil tankers on B.C.'s north coast. And other major pipeline projects for moving Alberta bitumen west, east, and south have been met with protest, civil disobedience and lawsuits. Resistance to these projects continues even as oil prices plunge, while industry and federal government officials continue to promote the Northern Gateway and other contested projects as essential to Canada's energy future.

The Answer Is Still No provides an informed, historical and on-the-ground view of the movement resisting Enbridge's Northern Gateway pipeline. Importantly, the book also supplies something that is much needed in Canadian debates about energy: optimism. It shows us that First Nations communities united with a broad range of NGOs and local governments can successfully confront what sometimes appears to be an unbreachable government-corporate consensus on the extractivist agenda. 



Ode to the playful mother

Reviewed by Chandra Siddan

There can be no doubt that Xavier Dolan's appearance on the horizon of Canadian cinema (or the international film world, for that matter) is an unprecedented affair. When his debut film, *I Killed My Mother*, screened at Cannes in 2009 the writer-director-actor was only 19. He received a standing ovation that lasted eight minutes. To watch his first film is to understand why.

It was revolutionary not only for being a personal film by a teenager about his mother, but also in that it enacts a palpable shift in the power balance between the adult and the child in popular consciousness. Since that early Cannes breakthrough, Dolan has made four other films: *Heartbeats* (2010), *Lawrence Anyways* (2012), *Tom at the Farm* (2013), and *Mommy* (2014). Each is an accomplishment in terms of presenting a confident, sophisticated and authentic take on diversity, sexuality, disability, love, play and work.

Dolan's world, which has been described as post-gay, is full of ambition. To quote the lead character of *Lawrence Anyways*, "Listen, I'm looking for a person who...without being a pariah, will question not only the rights and values of the marginalized, but also those of the people who claim to be 'normal.'" One could say that matches Dolan's own demand for the depolarization of queer and straight, play and work, marginal and normal. Being queer is no longer the issue. It is, rather, that things have moved forward to this urgent question: if queer is normal, and it is, how does it affect the overall economy of human relations?

You may well ask! But first to the plot of Dolan's *Mommy*, which again presents the single mother and only son duo, Diane (Anne Dorval) and Steve (Antoine-Olivier Pilon), upping the stakes from *I Killed My Mother*, in a violent and powerful Oedipal relationship. The story is launched with Steve's expulsion from school for acting out against another child. The mother brings him home and almost immediately, though unrelatedly, loses her job. Torn between managing her son's volatile temperament, which ranges from life-threatening tantrums to bouts of passionate affection, and looking for work, Diane turns to neighbour Kyla for help.

Kyla, who has developed a stuttering problem while grieving her dead son, resulting in her losing her teaching job, takes on Steve's homeschooling. The two mothers—both rejected from their workplace—and their delinquent son bounce along in a fragile bubble of happiness until Diane faces a lawsuit from the parents of Kevin, Steve's damaged schoolmate. Troubles multiply.

In *Mommy*, Dolan has moved away from the autobiographical focus of his first film. Then we saw a teenager struggling against the pressures of his mother's bourgeois suburban conformity. Here we are forced into an interstitial social space ("white trash") where a precariously employed, impoverished widow struggles to keep her family afloat. Both worlds feature lenient mothers, teachers who quit



or get fired from their jobs, and absconding or dead fathers. Institutional figures abound to pick up the slack but they are not inspiring. Work is forced upon children from above, to prepare them for fast-approaching wage slavery, and they turn mutinous. It is not just fathers (in their institutional or biological sense) who have failed here but the very value they are meant to stand for: the virtue of work.

A powerful artistic device that Dolan uses to effect in *Mommy* is the square frame. Just when we have stopped noticing the 1:1 square frame, Steve, in an ebullient moment, long-boarding in the street and holding up honking traffic, reaches out from within to open the frame into panoramic view. It is an exciting cinematic moment that shows which camp Dolan supports in the standoff between problematic children and punitive adults. See, Steve is not only a child but also a mentally challenged child, adding disability to the powerless minority status of the child as a political/personal entity. His non-conforming difference and provocative playfulness opens the square frame of work, the key certainty of everyday human relations. His expansive slowness sabotages the speed of the blinkered world of employment.

What Dolan gives us is a dream of amnesty not only from "father knows best" parenthood but the imperative of work itself. His ideal parent is female, dressed to kill and playful. She is not the depressive sacrificial wage slave, guilt-tripping her son into "taking responsibility," but the playful mother who joyously leaps into his games and dances with him. H el ene Rimbaud in *I Killed My Mother* is playful not only with her son but in her own life, and opens spaces for his creativity to blossom in such a way that play and work overlap.

In *Mommy*, the father is dead. But the mother has stepped albeit reluctantly into the departed father's shoes, holding the torch for depressive, forbidding adulthood, goading the child into work, dreaming of his eventual growth into responsibility, success and marriage. The son's persistent refusal to grow up is framed not as failure but as a political act, and there you have Dolan's post-gay politics.

Chandra Siddan is a Toronto-based writer and filmmaker. *Mommy* had a theatrical release in May 2014 and will be out on DVD this spring.

Is renewable energy too green for its own good?

By James Donald

The concern about climate change began in the late 1980s, which is also when the UN Intergovernmental Panel on Climate Change (IPCC) was set up. Over the past decade the issue has become increasingly divisive, with the result that little constructive discussion has been possible. Both those who strongly support action to address climate change, and those who oppose it, have become entrenched in their views. This is apparent on the matter of renewable power.

In Canada we rely on a readily available supply of electricity at an affordable cost in order to maintain our high standard of living. For most of us there would seem to be no reason why anyone should object to renewable energy as the means to generate our electricity provided it meets those basic criteria. After all, technologies such as wind and solar power existed before concerns about climate change arose.

Unfortunately, the more renewable energy is positioned as a key part of the answer to addressing our climate challenge, the more it has become drawn into that polarized debate. Scepticism about the capacity of renewables to meet our energy needs persists, despite the technical issues being much the same as those that exist with fossil fuel-based power. The attitude is fed by perceptions, until now quite useful, of wind, solar, biomass and other renewable energies as being green, light, organic.

If grappling with rising greenhouse gas emissions will require a rapid shift from fossil fuels to renewables (and most experts agree it will), perhaps it's time to think of the transition not as a *greening* of the grid but as the large-scale, job-intensive industrial makeover it will be.

Propping up old technology

The scientific community reached a consensus that the world is getting warmer some years ago and the sense of urgency around the need to act only grows stronger. The recently published fifth assessment report of



Photo: Dirk Ingo Franke

the IPCC concludes that the warming of the planet is clearly evident and unprecedented in the recent history of the Earth. The wording of the most-quoted phrase in the report, “severe, widespread, and irreversible impacts,” could not be stronger.

Like when previous IPCC reports have been issued, the new assessment forces politicians and policy-makers to state their positions on the issue. They make commitments, set targets, and sometimes even pass legislation that is either aimed at reducing greenhouse gas (GHG) emissions or expanding renewable energy. But as time passes, the news media inevitably moves on to other things, politicians fail to follow through on their promises. Most, if not all, of the targets for expanding renewable energy are either missed or revised.

Some countries have made more of a shift toward renewable energy than others. For instance, Denmark and Spain generated 33% and 20% of their electricity from wind power respectively in 2013. In the same year, the level of overall renewable generation

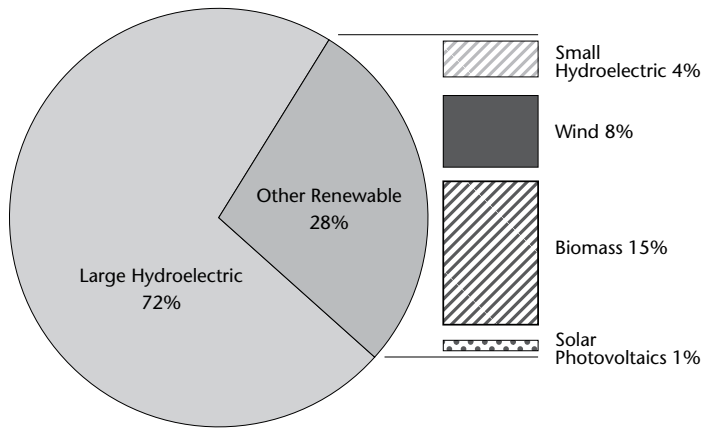
was around 25% in Germany, 12% in the U.K. and just under 13% in the United States.

In Canada the proportion of electricity from wind power generated in 2013 was low, at around 3%, but when generation from hydro is added, the total share of electricity from renewable energy was over 60%. These are some of the highest national levels of renewable energy in the world. (See Figure 1 for a breakdown of renewable energy output in Canada.)

Globally, on the other hand, the amount of energy derived from renewable sources sits around 10%. All the concern about climate change has not resulted in a significant shift away from fossil fuels. It seems very unlikely that this latest IPCC warning will have its desired effect of changing this reality.

At the IPCC report launch, UN Secretary-General Ban Ki-moon felt the need to include a specific message to investors: “Please reduce your investments in the coal and fossil fuel-based economy and [move] to renewable energy.” He cited the continuing rise in global production and consumption of

Figure 1: Canada's total renewable energy capacity by resource type (2013)



SOURCE: Canadian Industrial Energy End-Use Data Analysis Centre (CIEEDAC) database

coal, most of it to produce electricity. Between 2007 and 2012, annual coal production rose from 6.56 billion to 7.89 billion tonnes while consumption went up from 6.52 billion to 7.67 billion tonnes.

A large proportion of investment in fossil fuels comes from the same governments who say they want to expand renewable energy. A recent report from the Overseas Development Institute (ODI), a leading independent U.K. think-tank on international development and humanitarian issues, states that G20 governments are spending approximately \$88 billion a year subsidising exploration for new oil, gas and coal reserves. This includes direct government spending as well as other subsidies such as tax benefits. The report highlights that the top 20 private oil and gas companies globally invested just \$37 billion in exploration in 2013, less than half the sum of the annual subsidy. This underlines how fossil fuel exploration activities are highly dependent on public finance.

Research has shown that subsidising renewables offers considerably more economic benefit than subsidising fossil fuels. The ODI found that each dollar of public money spent on renewables in the U.S. attracts \$2.5 in private investment, whereas each government dollar spent on fossil fuels only draws \$1.3 of investment from private sources. This makes common sense given the relative maturity of the two industries. The potential for expansion and wider economic benefit is much greater for the renewables industry.

So why do we and our governments talk about wanting to expand renewable energy, create green jobs, and tackle climate change but at the same time put the bulk of energy investment into fossil fuels? What's stopping us from diverting public money away from fossil fuels and into renewable energy when it would both reduce GHG emissions and produce greater economic benefits for the taxpayer?

Technical misconceptions

There are two sets of issues. The first includes the common criticisms that renewable energy is too expensive, it can

only supply electricity intermittently, and it causes stability problems for the electricity network. Let's call these the technical issues. The second set relates to climate change, and the concepts of *green technology* and the *green economy*. These issues are subtle and underlie the technical issues; we'll call them the conceptual issues. Let's deal with the two sets (technical and conceptual) in that order.

Electricity is generated and transported in huge quantities and mainly consumed in very small quantities. The infrastructure required to generate and transport electricity in the quantities required is expansive. This is the case for all the main generation technologies—hydro, solar, wind, coal, gas and nuclear—and runs to many, many billions of dollars in construction costs. With the possible exception of nuclear power (due to the timeframe required to manage nuclear waste and the lack of an acceptable method of disposal) none of these technologies is inherently more expensive than the others.

Differences in cost between generation technologies are based on the same factors that generally determine the cost of any kind of technology: scale and maturity of the industry, and government support. At the moment the scale and maturity of the fossil fuel industry remains well beyond that of renewables. But the latter are catching up, and given the same level of support there is no reason to believe they could not provide affordable power. In addition, renewable technologies have the inherent advantage of not requiring a supply of fuel to operate. So they have no fuel costs and no exposure to the risks of fuel price volatility.

In reality, renewable energy is highly industrial. Solar cells and wind turbines are designed by skilled engineers, and manufactured in huge specialized facilities.

The term *intermittent* has been very damaging to public confidence in renewable energy. It is also incorrect. Strictly speaking, all electricity generation is intermittent—it is either on or off. And nothing (not even nuclear) runs all the time. Running an efficient power station means ensuring equipment is well maintained, which requires systems to be regularly taken off-line, serviced, repaired, and parts replaced. Things also break down. To deal with these issues electricity systems need to have responsive spare generating capacity to avoid a shortfall. Renewable energy is no less reliable than fossil fuels, but technologies such as wind and solar power are more variable in terms of how much electricity can be produced at any one time.

The variable nature of wind and solar power presents two issues. First, neither can be relied upon to meet a shortfall in power, as output cannot be increased if the strength of the sun or the wind is insufficient. In the industry, increasing generation is called "ramping up." Only certain technologies can ramp up quickly. Gas-fired generation is often used to deal with shortfalls, but hydropower is the technology most able to ramp up quickly. This makes Canada particularly well placed to accommodate variable power generation, especially in the big hydro-using provinces of B.C., Manitoba, Newfoundland and Labrador, and Quebec.

Second, frequent changes in generation output cause problems for the stability of the electricity network. Electricity systems have to be designed to deal with a

level of energy variability and can be adapted to accommodate more than currently allowed for. You just need to direct network investment toward the necessary adaptations. BC Hydro forecasts in its service plan that it will spend nearly \$3.5 billion on the network and \$1.8 billion on generation (not including the cost of building the Site C dam) over the next three years. Significant investment is going into maintaining the current systems that could be redirected toward adapting the network to accommodate more renewable energy.

Producing reliable and affordable electricity is an expensive feat of engineering, whatever kind of technology is used. But by directing investment at adapting the electricity system, and achieving the right mix of generation technologies, these technical issues can be efficiently managed, and variable renewable energy such as wind and solar power can very reliably produce the bulk of power needed.

Mental block on renewables

So, if the technical issues are not so different for renewable energy than for fossil fuels, and could be managed by redirecting existing investment, why is it not happening? This is where we come up against the real barriers to renewable rollout: the conceptual issues.

As mentioned above, renewable energy is increasingly presented as the answer to climate change as concerns over GHG emissions grow. The desire to do this is understandable, since climate change seems to be the trump card in the debate between fossil fuels and renewables. Renewable energy is also one of the clearest examples of a *green* technology—the type of technology a *green economy* could be built on.

“Green” generally means non-polluting, but the concept has more connotations than that. Green technology is seen as *clean* and *light* in contrast to more traditional industries (e.g., the factory, the shipyard, the automotive plant), which are described as *dirty* and *heavy*. To put it another way, to be *green* is to be *non-industrial*.

Let’s take as an example the common terms for wind power. Wind turbines are frequently referred to as *windmills* and wind power stations as *wind farms*.



In July 2012, Vestas workers in Colorado celebrated building their 1,000th wind tower. (Photo: Vestas)

Both terms suggest something low-tech and natural, something green and not industrial. While this kind of language is intended to highlight the benefits of renewable energy, it is both incorrect—wind turbines do not mill anything—and unhelpful in the context of the polarized debate on climate change. Instead of creating an image of a robust industry that can reliably supply power and create employment, these terms feed scepticism as to the capability of the technology, undermining confidence in the industry’s investment potential.


In reality, renewable energy is highly industrial. Solar cells and wind turbines are designed by skilled engineers, and manufactured in huge specialized facilities. The components are transported on barges, ships and only the biggest trucks, all of which requires great logistical skill. Safely transporting the blades of the largest wind turbines must often be done at night since some roads need to be closed to allow huge low-loader trucks to manoeuvre. Building a renewable energy power station, like any large infrastructure project, requires construction crews to build access roads, pour foundations, lay cables and erect structures.

Renewable energy is still a relatively

new industry but one with huge potential to become a major global player, employing large numbers of long-term skilled workers. It should be seen as the new *heavy* industry—an industry that will provide the infrastructure we need in the future and bring greater economic benefits than investing in fossil fuels.

In summary, the commonly raised technical issues do exist for renewables but are not substantially different from those associated with other forms of electricity generation. They can be managed, in other words. Public investment is required to do this, and current public expenditure on energy will need to be redirected away from fossil fuels and the existing grid network.

But more importantly, for renewable energy to become our main source of electricity, we need to have confidence in its capability, and to recognize the real potential it offers as a major new industry, both now and far into the future.

James Donald is an expert in renewable energy project development with 10 years experience. He led the development of several major renewable projects in the U.K. and now lives in B.C. 

Hold on to the will to read

By Ed Finn

Polls of reading habits in both Canada and the United States typically find that one in three people no longer reads even a single book a year. That's a concern, but the good news is that two-thirds of adults are still reading books—and at an impressive average rate of one a month. So there's no danger of books becoming obsolete any time soon.

Still, the decline in newspaper and magazine reading is precipitous. Canada's pre-eminent journal on the left for much of the 20th century, *Canadian Forum*, was one of the first victims, forced to close down in the late 1990s. Other progressive mags, such as *This Magazine*, *Canadian Dimension*, *Our Times*, and *Briarpatch*, are still hanging on, thanks to dedicated staff and contributors, but the struggle to maintain readers and revenue is arduous.

Newspaper subscription rates in Canada are in a relatively slow decline. There are readers out there, but as print ad revenues fall, media companies are erecting paywalls and shedding jobs to maintain profits. Circulation figures from the United States tell a slightly different story. Like in Canada, ad revenues drop year after year, but so do subscription rates. Over a recent 15-year period, U.S. subscriptions to daily newspapers fell by 30%. Staffs are being cut, investigative reporting stifled, foreign bureaus closed.

Concurrent with this decline in print readership, however, has been an upsurge in Internet publications and social media. Newspapers and magazines continue to refine their online presence to attract online subscribers (and thus advertising). Although an increasing amount of content beyond specialty or extended coverage is provided for a fee, a good portion is unavoidably free. According to the Newspaper Association of America, the digital delivery of newspaper media hit another peak of 166 million unique visitors in October 2014, a 17% increase from the year before.

The fundamental issue I want to address here, however, is not whether it's a good thing for people to get their information (and entertainment) in print or electronically, but whether the migration to the web is conducive to a decline in reading.

In some ways, people are reading a lot more as the Facebook and Twitter posts scroll down their monitor or tablet screens, and some of it is well written, informative and mentally stimulating. But a lot of web content is hastily and badly written, or consists of gossip, weather forecasts, sports scores, stock reports, and other such trivia. This is not the kind of reading that engages the mind, the spirit, or the imagination. In some cases it might be turning people off reading altogether.

Alarming, losing the will to read tends to erode the ability to read. The U.S. Department of Education, which keeps track of the average American's reading proficiency, reported a significant drop since the start of the 21st century. Author

Caleb Crain described the phenomena in a 2007 essay for *The New Yorker*, quoting government stats that showed the steepest declines have been in "reading for literary experience," the kind that involves "exploring themes, events, characters, settings, and the language of literary works."

Crain interviewed sociologists, who warned that reading will become once again the province of a special "reading class," who do it as "an increasingly arcane hobby." Everyone else will watch television. If this is the case, it "would change the texture of society," Crain wrote. "A reader learns about the world and imagines it differently from the way a viewer does; according to some experimental psychologists, a reader and a viewer even think differently."

Maryanne Wolf of Tufts University, whose book *Proust and the Squid: The Story of Science and the Reading Brain* is discussed in the essay, responded to Crain in *The New Yorker* with these remarks:

As it develops expertise, the circuitry for reading in the brain becomes both "smaller" in its streamlined regions, and also "larger"—that is, more widely activated—in those regions engaged in sophisticated thinking, like inference, critical analysis, and insight. This type of activation is the basis for "deep reading" and the highest forms of thought in a society, from novel thinking to the deliberation of virtue. My primary concern for the future of reading is that these critical areas will be short-circuited in the next generation of readers, whose formative years may be immersed too early in digitally driven media. The addictive immediacy and the overwhelming volume of information available in the "Googled world" of novice readers invite neither time for concentrated analysis and inference nor the motivation for them to think beyond all the information given. Despite its extraordinary contributions, the digital world may be the greatest threat yet to the endangered reading brain as it has developed over the past five thousand years.

To the extent that a disinclination to read can impair the intellect, it cannot help but limit a person's ability to think (and act) creatively, to undertake projects that call for planning or designing original approaches. The pool of "deep thinkers" may be drained among the young. If there was ever a time in the recent history of humankind that called for deep and innovative thinking, it is surely today, on the edge of ecological catastrophe.

Author Ursula Le Guin, who has also pondered the decline of reading, points out the main difference between reading and viewing in this excerpt from her 2008 essay in *Harper's Magazine*:

Once you've pressed the on button, the TV goes on, and

on, and on, and all you have to do is sit and stare. But reading is active, an act of attention, of absorbed alertness... A book won't move your eyes for you the way images on a screen do. It won't move your mind unless you give it your mind, or your heart unless you put your heart in it. It won't do the work for you. To read a story well is to follow it, to act it, to feel it, to become it—everything short of writing it, in fact. Reading is not "interactive" with a set of rules or options, as games are; reading is actual collaboration with the writer's mind. No wonder not everybody is up to it.

Keeping the mind active and involved through reading—inquiring, speculating, analyzing, inferring, projecting—may also protect you from Alzheimer's, Parkinson's, and other forms of dementia.

In the mid-1980s, Dr. David Snowden, then at the University of Minnesota, became fascinated by the

teaching nuns in the School Sisters of Notre Dame, who live much longer-than-average lives, many remaining active and alert into their 90s, and quite a few living over a century. Snowden visited and interviewed the nuns, and received permission to dissect the brains of a few who passed away. He found they were remarkably free from the degenerative diseases of senility.

One of Snowden's key findings, described in his 2001 book, *Aging with Grace: What the Nun Study Teaches Us About Leading Longer, Healthier, and More Meaningful Lives*, was that attaining high linguistic ability in early childhood seems to protect against Alzheimer's. The nuns had all been taught to read—and to love reading—at an early age.

Dr. Susan Kemper, a psycholinguist associate of Snowden's with specialized

knowledge about the impact of aging on language skills, measures a person's *idea density*, which is the ability to comprehend, interpret and process written language. The cognitive abilities of the nuns scored at a very high level.

In *Aging Gracefully*, Snowden and Kemper are asked by one parent, "What does this mean for our children?" Kemper's answer is direct: "Read to them,

it's that simple. It is the most important thing a parent can do with their children."

Why? Because *idea density* depends on two important learned skills: vocabulary and reading comprehension. "And


the best way to increase vocabulary and reading comprehension is by starting early in life, by reading to your children."

I was fortunate that my mother read to me from my infancy and taught me to read on my own before I reached my fifth birthday. The love of reading was probably the greatest gift she ever gave me, and one that my wife and I have passed on to our children in turn.

No doubt many parents, even in the digital age, continue to inculcate this reading habit in their sons and daughters. But is it a declining practice? Do most children today learn to develop this vital skill? Do they continue to use it, to improve and build on it? Or do they get drawn away from the intellectually rewarding but challenging world of books, to the more visually and verbally attractive worlds of the television, cellphone, tablet, and other high-tech gadgetry?

Do such youngsters suffer an impairment of their reading skills, with all that entails for their future careers and lifestyle, and even their health?

These are questions to be grappled with as we move deeper into the digital revolution. The fate of reading material, and of reading itself, may have much greater significance for our society, perhaps even our planet, than we imagine.

Ed Finn is Editor Emeritus of the CCPA Monitor. 

Attaining high linguistic ability in early childhood seems to protect against Alzheimer's. Asked what is the most important thing a parent can do with their children, a psycholinguist's answer is simple and direct: read to them.

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WHERE / We will call you!

WHAT / Executive Director Bruce Campbell hosts a discussion with senior CCPA economists David Macdonald and Armine Yalnizyan followed by questions from town hall participants

The Canadian Centre for Policy Alternatives will host its second Telephone Town Hall on March 4 between 7:15 and 8:15 p.m. Eastern (Ontario-Quebec) time. Last year's event was a huge success, with over 4,000 participants. We look forward to welcoming even more of you to the discussion this time.

All you have to do is answer the phone when we call you on March 4 shortly after 7:00 p.m. Eastern (Ontario-Quebec) time, so please remember to adjust that according to your time zone. In the coming weeks we will provide more information about how you can join us. We look forward to spending some time with you on March 4!

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